

Decision No. 20203

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
A. B. SCUTT and O. C. DWY for an )  
order authorizing the abandonment )  
of service heretofore authorized )  
in App. No. 8829, Decision No. )  
12015 dated May 3, 1923. )

**ORIGINAL**

APPLICATION NO. 14945

A. B. Scutt, for Applicants.

Geo. W. Reid, for Anaheim Chamber  
of Commerce and E. D. Riley,  
Interested Parties..

BY THE COMMISSION:

O P I N I O N

A. B. Scutt and O. C. Dwy, copartners, operating a stage line for passengers and baggage between Anaheim and points outside of the city, have made application to the Railroad Commission for authority to abandon their operations. The service now being performed by applicants is conducted under the fictitious name of Anaheim Transit Company and was originally granted by certificate under Decision 9198 to Harry D. Riley, and subsequently transferred by him to the copartnership under authority of Decision No. 12015. The principal points outside of the city of Anaheim served by applicants have been the plants of the Anaheim Beef Company, Anaheim Co-operative Orange Association, and the Anaheim Sugar plant.

A public hearing herein was conducted by Examiner Williams at Anaheim.

Applicants herein purchased the certificate and operating right from Riley in 1923, for the consideration of \$4,000 for the equipment and nothing for the certificate. During the period of operation, applicants met their payments at the rate of \$75.00 a month to Riley for the equipment, for about three years, but subsequently to that time, the income from the operation was not sufficient to discharge the debt. In a communication addressed to the Railroad Commission and filed with the Exhibits, Mr. Riley states that he has adjusted the account with the applicants herein and has taken back the equipment. In the same communication, Riley states that he is thoroughly satisfied with the arrangements and has no claim upon the operation. Applicants now owe no debts except \$53.00 garage bill which they are able to pay.

It appears from the testimony of applicants Scutt and Dwy that for the past three years the operation has shown a gradual decline to the point where the losses have become greater than they are able to sustain. Mr. Scutt testified that the loss in 1927 was approximately \$700 not including depreciation; that for the seven months of 1928, the operation shows a net loss of \$357.00. During that period, the revenue received was \$1,076.35, and the operating expense \$1,433.35. This loss did not include any depreciation account. Mr. Scutt testified that the allowance to him and others for drivers' salaries was mostly a bookkeeping account, as the money which is represented by the entries in his favor was largely expended in maintaining the service. In addition to these losses, Mr. Dwy testified that three years ago it became unnecessary to operate more than one vehicle, and he ceased driving and went to the city of Inglewood

where he is now conducting a service under the authority of this Commission, between El Segundo, Inglewood and Los Angeles. About the same time, Mr. Dwy testified, he contributed an 18-passenger vehicle, value about \$1400, to the partnership (the other equipment having been returned to the vendor Riley), and that this vehicle had been used constantly in the service ever since without any compensation to him; that in addition to this, he furnished batteries and tires for this vehicle amounting to approximately \$200 additional, and that these contributions were not represented in the accounts and were additional losses not only of himself personally but of the operation.

Applicants have maintained twenty-three round-trip schedules daily (a round-trip meaning five and one-half miles), and have not missed any schedule. The purchase of cars by employees of the industries served and, particularly, the shutting down of the sugar plant so reduced the passenger traffic that losses began to accrue.

Mr. C. W. Gould, Superintendent of the Holly Sugar Co., one of the industries served, testified that he had always patronized the line, because he felt it deserved patronage, but that he was convinced there was not enough traffic available to sustain it. He testified there was regret at this from himself and others, because the service had been good, but, as he expressed it, "the people simply won't ride."

Mr. Reid stated that the Chamber of Commerce was familiar with the operation and was satisfied that the applicants could not put the operation on a profitable basis, and had no objection to its abandonment. No one appeared to protest the abandonment.

It further appears from the testimony produced that this operation has not shown a profit since late in 1925, and that the

applicants herein ever since have adequately met their duty under their schedules in spite of a constantly decreasing patronage and large accruing losses. In spite of these losses, applicants continued to give the service, hoping there would be a revival of traffic, but the record discloses no reason for believing that the service can be maintained with anything like profit, in view of the reduced industrial activities and the use of the private automobile.

We find, therefore, as a fact that public necessity and convenience no longer require the continuance of the service authorized by Decisions Nos. 9198 and 9580, and that the applicants should receive authority to abandon the same. An order accordingly will be entered.

O R D E R

A. B. Scutt and O. C. Dwy, copartners, operating under the name of Anaheim Transit Company, having made application to discontinue the service between Anaheim and industrial plants, authorized by Decision No. 9189 on Application No. 6592 and Decision No. 9580 on Application No. 7196, a public hearing having been held and the matter having been duly submitted and now being ready for decision,

IT IS HEREBY ORDERED that A. B. Scutt and O. C. Dwy, operating under the fictitious name of Anaheim Transit Company, be and they are hereby authorized to discontinue operation of

said automobile service for the transportation of passengers between Anaheim and certain points, as authorized by Decisions Nos. 9198 and 9580 and also by Decision 12015, and

IT IS HEREBY FURTHER ORDERED that the certificate of public convenience and necessity heretofore granted for this service to E. D. Riley, predecessor in interest of these applicants, be and the same hereby is revoked and annulled; and

IT IS FURTHER ORDERED that said A. B. Scutt and O. C. Dwy, copartners, shall immediately file supplements to tariffs and time schedules on file in their names with the Railroad Commission, said supplements to withdraw and cancel said tariffs and time schedules.

Dated at San Francisco, California, this 6<sup>th</sup> day of September, 1928.

Leon Whitell

Albany  
Ernest Scott

A. J. C. C.  
Commissioners.