

ORIGINAL

Decision No. 20880

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
SANTA BARBARA AND SUBURBAN RAILWAY	)	
COMPANY for an order authorizing it to	)	Application No. 15209
discontinue street railway service on	)	
its street railway system in the City of	)	
Santa Barbara, California.	)	
-----	)	

Roy V. Reppy, E. F. Woodward, Griffith & Thornbaugh, by E. F. Woodward and W. C. Griffith, for Applicant.

T. R. Finley, Mayor; S. J. Bingham, City Attorney; and Francis Price, for City of Santa Barbara, Protestant.

W. Lindley Abbott, for State Street Property Owners Association, Protestant.

Henry P. Goodwin, for General Hotel Company, Protestant.

Paul E. Stewart, for School Board of the City of Santa Barbara, Protestant.

BY THE COMMISSION:

O P I N I O N

Santa Barbara and Suburban Railway Company, a corporation, has petitioned the Railroad Commission for an order authorizing the discontinuance of service on its street car system in the City of Santa Barbara, State of California.

Public hearings on this application were conducted by Examiner Handford at Santa Barbara, the matter was duly submitted and is now ready for decision.

Applicants transportation system in Santa Barbara consists of two street car lines, one reaching the Oak Park District and the other reaching the Mission and Riveria Districts, and one motor bus line operating between the cemeteries to the south and the westerly portion of the city. The street car lines and the motor bus lines cross each other at the intersection of State and Anapamu Streets.

Applicant alleges that for many years sufficient revenue has not been available to meet its operating expenses, taxes, fixed charges or to produce any return on the investment. The following tabulation shows the operating results for the years 1923 to 1927 inclusive:

	1923	1924	1925	1926	1927
Operating Revenue,	\$144,815.25	\$137,053.72	\$123,531.81	\$124,691.16	\$124,658.76
Operating Expenses	96,890.58	102,591.89	102,989.27	119,580.03	123,949.32
Taxes,	10,485.92	10,769.64	9,242.86	8,169.75	8,332.23
Operating Income,	37,438.75	23,692.19	11,299.68	(3,058.62)	(7,622.79)
Non-operating Income,	(108.44)	(118.11)	(105.81)	(112.31)	(105.03)
Gross Income,	37,330.31	23,574.08	11,193.87	(3,170.93)	(7,727.82)
Depreciation,	11,912.55	12,008.74	12,224.36	12,433.01	12,560.34
Balance,	25,417.76	11,565.34	(1,030.49)	(15,603.94)	(20,288.16)
Interest on funded debt	19,038.74	22,410.31	22,310.00	22,310.00	22,310.00
BALANCE	\$6,379.02	(\$10,844.97)	(\$23,340.49)	(\$37,913.94)	(\$42,598.16)

( ) indicates deficit.

The operating results for the first nine months of 1927 and the first nine months of 1928 are shown as follows:

	9 months to Sept. 30 1927	9 months to Sept. 30 1928
Operating Revenue,	\$93,472.74	\$100,206.77
Operating Expenses,	91,905.60	89,567.22
Taxes,	8,154.71	6,238.03
Operating Income,	(4,587.84)	4,401.52
Depreciation,	9,420.26	9,420.26
Balance,	(14,008.10)	(5,018.74)
Interest on funded debt,	16,732.52	16,732.52
Balance,	<u>(\$30,740.62)</u>	<u>(\$21,751.26)</u>

On January 16, 1928, applicant made effective its Local Passenger Tariff No. N.C.-6 (C.R.C. No. 10), said tariff containing the increased rates authorized by this Commission in Decision No. 19203 on Application No. 13964, decided January 3, 1928. (C.R.C. 31,11). Notwithstanding the authorized increase in rates, sufficient revenue was not available to meet operating expenses including depreciation and taxes, and it appears that no rate structure would produce adequate revenue to accomplish such result.

The traffic on the lines of the applicant has been gradually decreasing as shown by the following table:

	1923	1924	1925	1926	1927	9 Mos. to Sept. 30, 1928
Cash,	733,052	678,109	645,908	620,388	592,080	1,053,115
Ticket,	1,644,952	1,582,993	1,391,017	1,374,347	1,356,319	84,989
Total,	<u>2,378,004</u>	<u>2,261,092</u>	<u>2,036,925</u>	<u>1,994,735</u>	<u>1,948,399</u>	<u>1,138,104</u>
Transfer,	169,272	176,261	168,265	178,205	186,618	194,485
Total,	<u>2,547,276</u>	<u>2,437,353</u>	<u>2,205,190</u>	<u>2,172,940</u>	<u>2,135,017</u>	<u>1,332,589</u>

It was suggested by protestants at the hearing that the busses only be withdrawn from service and that the street cars continue, but it appears from the testimony that not only would the bus revenue be lost but also a considerable amount would be lost to the rail lines.

No evidence was presented by protestants at the hearings but the representative of the City of Santa Barbara requested in the event the application should be granted that the effective date of the authority should be one year from the date of the order, thus that opportunity might be afforded protestants to develop methods whereby the service could be continued. We are of the opinion that the granting of such request would place a further undue burden on the applicant, the record herein establishing the fact that Santa Barbara does not furnish sufficient patronage to the applicant's system to warrant its continued maintenance and operation as a common carrier or to meet necessary operating expenses, taxes, depreciation, interest on funded debt, or any return on the amount invested in physical property.

#### O R D E R

Santa Barbara and Suburban Railway Company, a corporation, having made application for authority to discontinue street railway service in the City of Santa Barbara, public hearings having been held, the matter having been duly submitted and the Commission being now fully advised,

IT IS HEREBY ORDERED that Santa Barbara and Suburban Railway Company, a corporation, be and the same hereby is granted permission and authority to discontinue its operations as a common carrier in the City of Santa Barbara, County of Santa Barbara, State of California, and to cancel in conformity with the rules of this Commission all rate tariffs and time

schedules, the authority hereby granted being subject to the following conditions:

1. Applicant shall post notices advising the public of the discontinuance of service in all its street cars and motor busses operated on its system for at least thirty (30) days prior to the discontinuance of its common carrier service and continue posting of such notices until the day of discontinuance.
2. Applicant shall publish notice of discontinuance of service in a newspaper of general circulation in the City of Santa Barbara, said notice to be published at least thirty (30) days prior to the date of discontinuance and to be continuous for a period of at least seven (7) days.
3. Applicant shall advise the Railroad Commission, in writing, as to date of the discontinuance of service as herein authorized and shall file proof of publication and posting of notice of discontinuance of service as hereinabove directed.

For all other purposes the effective date of this order is hereby fixed as twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 18<sup>th</sup>  
day of March, 1929.

Thomas S. Lott  
W. C. Lanning  
Edmund S. ...  
Leon ...  
W. J. ...  
Commissioners.