

Decision No. 24137.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Stockton Electric Railroad Com-  
pany, a corporation, for an order  
permitting it to cease the opera-  
tion of its Bus Line in the City of  
Stockton, County of San Joaquin,  
State of California.

**ORIGINAL**

Application No. 17573.

Levinsky & Jones, Attorneys,  
by Gilbert L. Jones, for Applicant.

Leroy S. Johnson, City Attorney, for  
the City of Stockton.

STEVENOT, COMMISSIONER:

O P I N I O N

This is an application of Stockton Electric Railroad Company requesting authority to discontinue operation of a bus line in the City of Stockton, San Joaquin County. A public hearing was conducted on August 28th. The City of Stockton protested the granting of the application and at the hearing it was stipulated that the city and applicant should be given fifteen days' time in which to work out a solution and notify the Commission. Apparently no such agreement has been arrived at and the matter is now ready for decision.

The bus line which applicant desires to discontinue was installed as a result of a certificate granted by the

Commission in its Decision No. 21599, in Application No. 15958. Applicant requested, at that time, authority to operate the line for an experimental period of one year and in granting the application the Commission did so with the understanding that at the expiration of one year applicant could, if it desired to discontinue service, apply to the Commission for authority so to do. Operation of the bus line commenced on January 25, 1930.

The line was proposed primarily to provide transportation for employees of several industries in the southwestern part of the city, among them being the National Paper Products Company. It operates from a terminal at Weber Avenue and Hunter Street along Hunter and Washington Streets and for short distances on other streets in the paper mill district. The route crosses practically all of the street car lines of applicant and transfer privileges are given to any part of the city. One bus is used in the service, providing a twenty minute headway from 6:15 A.M. to 7:45 P.M., with no service on Sundays.

At the date of the hearing the line had been in operation for a year and a half and has at no time paid the out-of-pocket expense of operation. From Exhibit No. 2 it appears that during the eighteen months of operation, to July 1, 1931, the line produced a total revenue of approximately \$3,205. and that the out-of-pocket operating expenses for the same period were approximately \$5,472., giving an actual loss of \$2,267. When allowance for depreciation and taxes is made, the operating loss for the eighteen month period amounts to \$5,320. The exhibit indicates that the total revenue from the line is slightly less than the wages of the operators. A supplemental exhibit shows that while there has been some fluctuation in the monthly revenue due to the season of the year, there is no appreciable building

up of business on this line. In fact, the revenues show a slight falling off, as is shown by the fact that the revenue for the five months from February 1st to June 30th in 1931 is about 5.7 per cent less than the revenue for the corresponding months in 1930.

It was pointed out by the attorney for the City that the revenues shown by applicant included only the actual collections on the line and that no credit was given for transferred passengers from other lines of applicant handled on this bus. Applicant was requested to file a supplemental statement showing the amount of this transfer business for a representative month and from this statement it appears that there is an actual excess of transfers received over those issued on this bus line and that if the bus line revenues were so credited they would probably be increased some \$12. or \$15. per month. This amount is too small, however, to materially affect the financial results of operation.

Applicant has also filed Exhibit No. 1, showing the operating revenues, expenses and taxes of the entire operations of the Company covering the period from 1920 to June 30, 1931. During all of these years the revenue from operations has been sufficient to pay operating expenses, depreciation and taxes, leaving an amount available for a return of about 3 per cent per annum on the value of the property. In the present instance, it appears

that this bus service was inaugurated as an experiment and at the request of the city, which was at the time considering an application of another operator to provide a similar service. It is my opinion that the financial results of operating this line for the past year and a half indicate there is not sufficient patronage to warrant further continuation of this experiment and I recommend that the application be granted. The following suggested form of order so provides.

O R D E R

Stockton Electric Railroad Company, a corporation, having made application for authority to discontinue that certain bus line in the City of Stockton for which certificate was granted by this Commission in its Decision No. 21599, dated September 25th, 1929, in Application No. 15958, public hearing having been held and it appearing that the application should be granted, therefore,

IT IS HEREBY ORDERED that Stockton Electric Railroad Company be authorized to discontinue operation of said bus line upon ten (10) days' notice to the Commission and to the public by posting notice in all cars and busses operated by applicant, and

IT IS HEREBY FURTHER ORDERED that the Certificate of Public Convenience and Necessity authorized by said Decision No. 21599 be and the same is hereby revoked and annulled, coincident with the abandonment of service on the said bus line.

IT IS HEREBY FURTHER ORDERED that applicant shall file supplements to its tariffs and time schedules, cancelling said tariffs and time schedules.

The effective date of this order shall be twenty (20)

days from date hereof.

Dated at San Francisco, California, this 10th day of  
October, 1931.

Leon White

M. J. Carr

M. B. Harris

Fred G. Stewart  
Commissioners.