

Decision No. 25262.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
LEWIS A. MONROE, Agent for MOTOR COACH
COMPANY, a corporation, for an order
granting permission to adjust passenger
fares between points on its main line,
Long Beach to Santa Monica.)

) Application No. 18232.

Mason & Windham, by Bruce Mason, for applicant.
A. L. Owens, Superintendent of Traffic, and
E. J. Esselman, Auditor, for applicant.
T. A. Gould, for Redondo Beach Chamber of
Commerce.
Charles A. Bland, for Board of Harbor Commission-
ers, Long Beach.
Ray O. Baldwin, for Long Beach Chamber of Commerce.
C. H. Moore, for Wilmington Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

This is an application filed June 23, 1932 by Lewis A. Monroe, Agent for the Motor Coach Company, a corporation operating under certificates of public convenience and necessity, for authority granting permission to adjust passenger fares between its main line stations on the route between Long Beach and Santa Monica as per a schedule set forth in Exhibit "A" attached to and made a part of the application. The proposed fares are based one way $2\frac{1}{2}$ cents per mile, round trip 90% of double the one-way fare, and 30-ride commutation books at 60% of the one-way fare. Certain changes in the fare limit points will also be made, placing the breaking zones two miles apart as nearly as possible.

A public hearing was held before Examiner Geary at Long Beach September 14, 1932, and the proceeding having been submitted is now ready for our opinion and order.

The route now traversed by the applicant, Motor Coach Company, is between Long Beach, San Pedro, Lomita, Redondo Beach, Manhattan Beach, Venice, Ocean Park, Santa Monica and intermediate points, a distance between terminals Long Beach-Santa Monica of 32.6 miles.

A number of exhibits attached to the application set forth the distances between stations, the present and proposed fares and the amount of additional revenue expected to be secured from the new adjustment. The anticipated increases will approximate \$250.00 per month, based on the volume of business moved during the months of March and April, 1932, but this amount may be somewhat further increased when spread over a period of twelve months. The profit and loss statement of January 1 to April 30, 1932, showed that the total revenue for this four months' period was \$14,649.15 and the total operating expenses \$20,269.28, or a net operating deficit of \$5,620.13; and after adding to this amount other miscellaneous deductions, including depreciation, there results a total deficit for the four months' period of 1932 of \$7,097.82. An employee from our Department of Finance and Accounts checked applicant's books and presented an exhibit (No.3) covering the six months January 1 to June 30, 1932, and for the same period of the previous year of 1931. This exhibit showed that the total operating revenue for the six months of 1931 was \$36,787.64 and for the same period of 1932 \$21,804.39, a decrease of \$14,983.25. During the same period the operating expenses for 1931 were \$46,986.35 and for 1932 \$32,361.29, a decrease in operating expenses

~~loss~~ of \$14,625.06. In other words, notwithstanding the fact that applicant materially reduced all operating expenses consistent with reasonable services, it nevertheless suffered a loss for the six months' period of 1932 of \$10,556.90 as compared with 1931 of \$10,198.71.

The net revenue (losses) for the first six months of 1932, by month, was as follows: January \$1,516.18, February \$1,920.26, March \$1,642.47, April \$1,908.91, May \$1,861.63, June \$1,607.45, total \$10,556.90.

The reduction in operating expenses was accomplished by materially reducing the number of bus trips. The total car mileage for the first six months of 1931 was 223,123 miles as compared with 167,759 miles in 1932, a decrease 1932 over 1931 of 60,364 miles. The balance sheet as of June 30, 1932, gives total assets, mostly plant and equipment, of \$125,962.74. The liabilities as of the same date revealed a deficit of \$118,411.68, accumulated since January 1, 1929.

This applicant also operates, over separate and distinct routes, cross-town bus lines almost entirely within the City of Long Beach, and maintains separate systems of accounts distinct from the so-called main line operations here under consideration. The figures presented by our Finance Department point out that the cross-town bus lines operated at a deficit of \$14,503.15 for the first six months of 1932 as compared with the main line deficit of \$10,556.90, or a total operating deficit for the combined services for the six months' period of \$25,060.05.

The Chambers of Commerce representing Santa Monica, Venice, Hermosa Beach, Torrance, Redondo Beach and San Pedro, while offering no testimony presented a joint letter protesting any increase in the main line fares until such time as applicant

readjusted its cross-town line fares and endeavored to reduce the losses connected with that service. These fares are not in issue, and the facts of record are very clear and positive that the revenues and expenses between the two operations of main line and cross-town are properly segregated.

The Lang Transportation Company owns all but five shares of the common stock of the Motor Coach Company, and advances the necessary funds to continue the operations of the Coach Company. This owning company operates coaches within the City of Long Beach under franchises from the City, and is not under the jurisdiction of this Commission, although to a limited extent it competes with the Coach Company.

Apparently the distress of this applicant is due to the present depression and the intensive use of privately owned and operated automobiles. As illustrative of the automobile competition reference is made to the fact that out of 450 persons now employed at the Ford plant, an average of only 10 use the coaches and of these 10 most of them will return to their homes in private cars at the end of the day's work.

In an effort to overcome this situation the thirty-ride commutation fare between Long Beach and Ford will be reduced from \$3.00 to \$1.80, or from 10 cents to 6 cents per ride; like changes will be made in other commutation points. The object of this adjustment is to make uniform all fares on the main line route, remove discriminations now existing between certain fare-breaking points and secure some additional net revenue. The changes will create both increases and reductions. We cannot upon this record adjust applicant's cross-town fares, but if after the proposed main-line fares become effective they are found to be discriminatory or otherwise unlawful, further action will be taken.

We conclude and find, in view of the circumstances of record, that the present fares of applicant are unjust, unreasonable and discriminatory, and that the fares set forth in Exhibit "A" attached to and made a part of the application have been justified.

O R D E R

This application having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing this order on the findings of fact and the conclusions contained in the preceding opinion,

IT IS HEREBY ORDERED that the Motor Coach Company be and it is hereby authorized to establish within twenty (20) days from the date hereof the passenger fares applying between the points as set forth in Exhibit "A" attached to and made a part of the application.

Dated at San Francisco, California, this 17th day of October, 1932.

CC Deaver
Leon A. ...
W. A. ...
W. B. ...
Fred G. ...
Commissioners.