

Decision No. 2367

DECISION NO. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

SAN MATEO COUNTY DEVELOPMENT ASSOCIATION,

Complainant,

vs.

Case No. 574

SOUTHERN PACIFIC COMPANY, a corporation,

Defendant.

CITY OF PALO ALTO, a municipal corporation, and PALO ALTO CHAMBER OF COMMERCE,

Complainants,

vs.

Case No. 595

SOUTHERN PACIFIC COMPANY, a corporation,

Defendant.

Seth Mann, for San Mateo County Development Association.

C. W. Durbrow, for Southern Pacific Company.

H. E. Malcolm and S. W. Charles, for City of Palo Alto and Town of Mayfield.

S. W. Charles, for Chamber of Commerce of Palo Alto.

EDGERTON, Commissioner:

O P I N I O N

These cases were heard at the same time and by stipulation all of the evidence relevant in one case was made applicable to the other and they may therefore be consolidated and decided at one time.

In its complaint the San Mateo County Development Association attacks as excessive, unreasonable and discriminatory all the one-way, round trip and commutation rates of the defendant, Southern Pacific Company, applying between points in San Mateo County and all points on the lines of the defendant between San Francisco and Santa Clara County points.

The complaint of the Palo Alto Chamber of Commerce attacked as excessive, unreasonable and discriminatory single fares, round trip fares and commutation rates between the City of Palo Alto and the City of San Francisco, between the City of Palo Alto and the City of San Jose, and also from Palo Alto to points and stations between San Jose and San Francisco.

Broadly speaking, therefore, we have before us in these proceedings all of the one-way, round trip and commutation rates between all points San Francisco and south thereof to and including San Jose.

So far as the complaint of the San Mateo County Development Association is concerned it may be said that the principal attack is against the so-called interstation rates, i. e., one-way, round trip and commutation rates between the various points in San Mateo County, and not directed against the rates from San Francisco to San Mateo County points except in isolated cases where an alignment is deemed necessary.

The complaint, however, of the City of Palo Alto specifically attacks the rates from San Francisco to Palo Alto. Practically the same issues were before this Commission in Cases Nos. 264, 266 and 270, but before the cases came to trial a compromise was agreed upon and certain substantial reductions were made in rates which, at the time, apparently satisfied these complaints.

marked Exhibits A and B.

Attached are statements of the rates published by the Southern Pacific Company as a result of the compromise agreement reached after the filing of complaints in Cases Nos. 264, 266 and 270 as compared with the rates in effect prior to that time and which shows the reductions granted at that time by the defendant in these proceedings.

I will consider this case, the exhibits presented and the testimony given in the order same were introduced at the hearing.

Witness for complainant, San Mateo County Development Association, testified and presented an exhibit in substantiation of his testimony to the effect that since the effective date of the compromise rates above referred to the population of San Mateo County had increased from approximately 28,000 in 1912 to 35,000 in 1914, an increase of approximately 25 per cent. This increase in population, the witness testified, was attributable to the reduction in commutation rates and as this reduction in commutation rates was applicable only from San Francisco it necessarily follows that these rates induced people working in San Francisco to establish residences along the Peninsula.

The witness further testified (page 20 of Transcript) that people had frequently stated that the reason they did not move down the Peninsula was because of the lower transportation rates across the Bay to Alameda County points and their desire not to tie their families up in the various towns in San Mateo County where they could not get to San Francisco. This statement is hardly tenable when we consider that the complainant, San Mateo County Development Association, does not attack the rates from San Francisco except indirectly, and I refer to pages 38 and 39 of Transcript, particularly page 39, wherein it is stated "We are all still fairly well satisfied with the commutation rates down the Peninsula (meaning from San Francisco) although

there are some we want to change slightly, but it is the straight rates and the commutation rates between stations that we are primarily and principally bringing before the Commission in this case, and those matters were not covered or agreed to in the stipulation, nor were they covered or affected by this decision".

I do not see how any reduction in interstation fares would in any way induce more travel to and from San Francisco.

Notwithstanding the fact that complainant only incidentally attacked the rates from San Francisco, a number of exhibits were introduced and much testimony given to prove that such rates are, as a matter of fact, discriminatory when compared with certain rates between San Francisco and Alameda and Contra Costa Counties points.

Much stress was laid on the rates from San Francisco ~~and Alameda~~ via Oakland to Newark and Niles and the non-baggage rates between San Francisco and points on the Port Costa line as far east as Rodeo. The testimony of the defendant in connection with the rates to Newark and Niles was that the lower rate to these points was based on three cents per mile beyond Fruitvale or Alameda added to fare of 15 cents of the suburban system between San Francisco and these points. Similar conditions as exist between San Francisco, Alameda and Fruitvale do not exist for a similar distance down the Peninsula line but the rates on the Peninsula line are based on three cents per mile from San Francisco for the entire distance. Where one of the factors of a combination making up a through rate is lower than the normal basis the through rate thus obtained is not a fair measure of comparison for making rates into other territories where the same conditions which brought about the establishment of the low factor in the combination rate do not exist.

The non-baggage rates from San Francisco to points east on the Port Costa line as far as Rodeo were established on authority of this Commission following an application of the defendant, Southern Pacific Company, to raise the passenger fares to those points.

The fares as far as Rodeo were originally reduced to a lower basis than three cents per mile by the Southern Pacific Company to meet the short line competition of The Atchison, Topeka & Santa Fe Railway at a time when there was no statutory provision or constitutional inhibition against collecting rates higher than a full combination of locals. The Constitution was subsequently amended and provided that carriers could not exceed the combination of locals, hence, should the Southern Pacific Company still desire to meet the short line competition of the Santa Fe under its then existing form of ticket, it would be compelled to reduce its rates to all points beyond Rodeo as far south as El Paso, east as far as Ogden, and north as far as Portland approximately 15 cents. The Southern Pacific Company took the position that rather than reduce all of the rates between San Francisco and points beyond Rodeo 15 cents, affecting a large amount of travel, it would rather forego participation in the comparatively small amount of business to and from the points where these competitive rates were in effect.

It was at the Commission's suggestion that, because of the superior train service of the Southern Pacific Company serving this territory, that rather than increase the rates to Richmond, San Pablo, Pinole, Rodeo and other points, another form of transportation be sold, and, consequently, the non-baggage checking rates were established on the same basis as the rates put in to meet the short line competition of the Santa Fe. Under these circumstances it would be manifestly unfair, at this time, to compare these rates with the rates of the defendant applying between San Francisco and points on the Peninsula.

The complainant contended with considerable earnestness that the same basis of rates should apply between interstation points as applied between San Francisco and these same points.

The rates between San Francisco and points beyond Fruitvale and Alameda towards Newark and Niles, as before stated, have been based on a combination of locals over Alameda and Fruitvale. The complainant contends that rates for similar distances between San Francisco and points on the Peninsula should be put in effect, but we do not find that it asks for the same basis of rates between interstation points on the Peninsula line. For example,--the rate from San Francisco to Mt. Eden is 50 cents based, as we have previously pointed out, on a combination over Fruitvale or Alameda. The complainant asks for a similar rate of 50 cents to Belmont, approximately the same distance on the Peninsula line. At the same time the complainant proposes a rate from South San Francisco to Mayfield of 70 cents for approximately the same distance as from San Francisco to Belmont which rate, it contends, should not exceed 50 cents. Likewise, rate between San Francisco and Mulford on the Alameda County side of the bay, for a distance of 15.5 miles, is 30 cents, which rate, the complainant contends, should apply ^{San Francisco} to Easton on the Peninsula line, a distance of 15.1 miles, the present charge being 50 cents and at the same time is apparently satisfied to accept and suggests a rate of 50 cents between Burlingame and Mayfield for approximately the same distance as between San Francisco and Mulford or San Francisco and Easton.

The one-way fares to Niles and Newark having been constructed on a combination of locals, one factor of which was depressed below a normal basis of the rates, and the non-baggage rates as far east as Rodeo on the Port Costa line having originally been published to meet the short line competition of the

Santa Fe, the rates from San Francisco down the Peninsula should not be adjudged unreasonable because they are on a higher basis, and, inasmuch as the complainant in its suggested scheme of one-way fares between interstation points does not apparently expect the same basis of rates as apply from San Francisco, the question of one-way fares to and from San Francisco may be dropped from consideration as far as any comparative basis is concerned.

While it is claimed that the one-way rates from San Francisco to Peninsula points are discriminatory compared with the non-baggage rates on the Port Costa line and the rates to Niles and Newark no showing was made that the interstation rates which apply on the Niles, Newark or Port Costa lines are on any lower basis than the rates between interstation points on the Peninsula; in fact, the one-way rates on all of these lines for interstation movements are on exactly the same basis, namely, three cents per mile, as the following table will show:

COAST DIVISION

Miles	Between	And	One Way	Rate Per Mile
19.2	San Bruno	Palo Alto	.60	3
16.8	Palo Alto	San Jose	.50	3
9.9	San Mateo	Atherton	.30	3
29.	San Mateo	San Jose	.90	3
8.2	Palo Alto	Belmont	.25	3
35.9	San Bruno	San Jose	1.10	3

NEWARK LINE

12.	Fruitvale	Mt. Eden	.35	3
13.3	Fitchburg	Alvarado	.40	3
11.9	Elmhurst	Alvarado	.35	3
17.2	Elmhurst	Newark	.55	3
9.	Mt. Eden	Newark	.30	3
6.8	Mt. Eden	Arden	.20	3

NILES LINE

6.4	Hayward	Decoto	.20	3
9.1	Hayward	Niles	.30	3
7.6	Harder	Niles	.25	3
20.1	Decoto	San Jose	.65	3
17.4	Niles	San Jose	.55	3

PORT COSTA LINE

Miles	Between	And	One Way	Rate Per Mile
4.8	Corbin	Richmond	.15	3
8	Richmond	Pinole	.25	3
12.4	San Pablo	Crockett	.40	3
8.1	Pinole	Port Costa	.25	3
16.1	Richmond	Port Costa	.50	3
16.1	W. Berkeley	Rodeo	.50	3

According to pleadings of complainants the principal attack is against the interstation rates, and so far as the one-way rates are concerned between interstation points it is plain that no discrimination exists. And, again, I refer to exhibit No. 4, section 3, of the complainant, wherein a proposed schedule of one-way fares such as would be satisfactory to complainants is set forth. The proposed changes apply only from San Francisco and Bay Shore and on this point I refer to testimony of witness for complainants, page 65 of Transcript, commencing on line 11:

"A. Now it happens that the proposed fares, the black figures are the same in every instance as they are to-day, except where the red figures are shown. In columns 1 and 2, that is, as from San Francisco to Palo Alto. In other words the red figures shown in this column are the present fares and the black figures are the proposed fares.

"Q. And you don't propose any changes except where the red figures appear?

"A. That is exactly right.

"Q. The red figures however represent the present fares?

"A. So the adjustment as I said, would require very few changes if we got those rates. And the same thing would exist to San Jose that there would not be but several changes the other side of that, say 5 or 6".

I think this very properly disposes of any controversy concerning the one-way interstation fares.

In passing, it might be well to say, that the Commission cannot consider the non-baggage rates to Port Costa which were forced by the short line competition of the Santa Fe, or the

fares to Newark and Hiles based on low suburban fares to Fruitvale and Alameda as forming any basis of comparison properly applicable in this case. And, likewise, we may as well set at rest any contention that the main line rates for steam service are in any way comparable to rates of the electric suburban system. As to the reasonableness per se of these rates I will discuss this feature further on in this opinion.

Before leaving this subject it might be well to discuss further the contention of complainant that it is entitled to the same basis of rates between interstation points on the Peninsula as apply between San Francisco and points on the Peninsula.

Counsel for complainant frequently referred to the decision of the Commission in the trans-bay ferry case in which it was held that suburban traffic was essentially wholesale and that the suburban business should be considered a by-product. I see no reason for changing the views expressed by the Commission in that decision with reference to suburban traffic being essentially wholesale, but because we are to treat the traffic between San Francisco and points on the Peninsula as wholesale traffic it does not necessarily follow that the business from San Mateo to Redwood City or from South San Francisco to Burlingame which might be carried on same trains is likewise suburban and wholesale traffic. If that were so, then every passenger on the train riding on a one-way ticket would be discriminated against in favor of the man riding on a round trip ticket, and, likewise, the man riding on a round trip ticket would be discriminated against in favor of the man riding on a commutation ticket. Again, it will be noted that in our decision in the trans-bay ferry case we were dealing with the segregation of property used jointly by the main line passengers and the suburban passengers and also the value of the ferry steamers and the

cost of operation and the proper amount of the investment and operating expenses to be charged to the various classes of service.

It was the apportionment of values of property used jointly in the two services that we were dealing with in that passage of our opinion in the trans-bay case so frequently referred to by counsel for complainant, and, while we adhere to the principles there laid down that suburban traffic is essentially wholesale, that seems to be as far as our statement is applicable in these proceedings, for the reason that we are not here attempting to apportion the value of the property of the Southern Pacific Company between San Francisco and San Jose as between freight, main line and suburban traffic.

We will now consider the interstation commutation rates. As I have before stated, because there is a large volume of commutation traffic from San Francisco to Peninsula points which may be properly considered as wholesale traffic, it does not follow that the comparatively small amount of commutation traffic between interstation points should likewise be considered wholesale traffic and entitled to the same rates.

The defendant voluntarily maintains a system of interstation commutation rates on the Alameda side of the Bay on a lower basis than the interstation rates on the Peninsula without any apparent justification therefor. It is not contended that the density of traffic is not greater on the Peninsula than on the Alameda side of the Bay beyond Fruitvale and the only explanation of the defendant was that if the rates were lower on the Alameda side of the Bay than on the Peninsula side they were too low and should be increased. Such explanations are worthless as evidence and are usually made by defendant carriers when discrimination is alleged and no competent reasons can be shown as justifying a lower basis of rates in one section than in another.

The mere statement by a railroad official that this or that rate is too low and should be raised cannot, without a more substantial showing, overcome a charge that persons paying higher rates for substantially the same service are subjected to discrimination.

Certain comparisons were introduced by complainant showing that the interstation commutation rates between Alameda County points are on a lower basis than for similar distances between interstation points on the Peninsula line. In this exhibit certain comparisons are made between Oakland and points on the Newark line as well as between many interstation points. This exhibit is misleading and confusing, to say the least. In a few instances the exhibit shows that the commutation rates on the Alameda side of the bay between interstation points beyond Fruitvale are higher than between interstation points on the Peninsula line for approximately the same distances. This exhibit cannot be accepted as having any weight except that we consider the entire tariff, and tariffs will show that an exhibit could be prepared in which all of the interstation commutation rates on the Peninsula line are actually lower than between interstation points on the Newark line. The apparent inconsistencies can be explained very readily.

It has been the general practice of the defendant to make individual commutation rates from San Francisco to points on the Peninsula on the basis of one half cent per mile and interstation commutation rates on the Peninsula on the basis of one cent per mile. Take, for example, the commutation rate from San Francisco to Palo Alto of \$9.05 which is based on one half cent per mile; the commutation rate between South San Francisco and Palo Alto if based on one cent per mile the normal interstation basis would be \$12.50. The operation of the long and short haul clause of the Constitution does not permit the carrier to charge

more for a long than for a short haul, the latter being contained within the former; consequently, the commutation rate from South San Francisco is held down to \$9.05 or the San Francisco rate. This condition would obtain until the distance grew so short that it would be cheaper to figure the interstation commutation rates at one cent per mile than use the San Francisco commutation rate at one half cent per mile.

The same condition obtains in the making of commutation rates from Oakland to points on the Newark line; for instance, the commutation rate from Oakland to Russell is \$4.00 and is based on one half cent per mile. The distance from Fitchburg to Russell is 8.1 miles, and on the normal interstation basis of one cent per mile for individual monthly commutation tickets the rate would be \$4.85. Here, as in the case of the rate from South San Francisco to Palo Alto, the operation of the long and short haul clause of the Constitution compels the carrier to observe the Oakland rate as maxima. This same condition is reflected all through the complainant's exhibit bearing on commutation rates which are alleged to be unjustly discriminatory in favor of Alameda County interstation points.

We could, with equal propriety, prepare an exhibit that would show all interstation commutation rates on the Peninsula to be lower than commutation rates on the Alameda side of the bay, for equal distances, and this will continue as long as the interstation commutation rate basis remains at one cent per mile and the San Francisco to Peninsula commutation rates ^{are} based on one half cent per mile with the present constitutional limitations.

The City of Oakland with a population of over 200,000 people may properly have commutation rates between that city and points on the Newark line on the same basis as the rates from San Francisco to points on the Peninsula line. In other words, from a large city to the outlying districts commutation rates

are justified by the wholesale character of the traffic, and I see no reason for differentiating in this respect between the cities of Oakland and San Francisco.

By adopting certain selected comparisons in making up the exhibit to show that the Peninsula interstation commutation rates are discriminatory, the complainant has, on the face of things, made out a case of discrimination against the Peninsula towns, but a careful analysis of the tariff, as before stated, indicates that in many cases the Peninsula stations have lower interstation commutation rates than do the towns located along the Newark line, practically all of which may be attributed to a lower basis from the large cities and the operation of the long and short haul clause of the Constitution.

The only way this situation can be cleared up will be to place all of the individual monthly commutation rates on the same basis. Of course, the complainants would not be willing to have the rates from San Francisco raised to the basis of one cent per mile, and the only thing the Commission could do would be to reduce the interstation commutation rates to one half cent per mile. There is absolutely no evidence before us, nor from our investigations are we justified in concluding that the interstation commutation rates should be reduced to one half cent per mile, with the finding that such a rate is a reasonable rate per se.

The only comparisons complainant in this case is justified in using are the interstation commutation rates between points located outside of the suburban zone in Alameda County where the long and short haul provision of the Constitution does not act as a barrier to compel the defendant to charge no more than the commutation rates from Oakland. Aside from such rates the complainant does not show that the Alameda side of the bay receives any lower interstation commutation rates than the Penin-

sula and the exhibit is decidedly misleading; for instance, the complainant asks the same rate between Easton and Belmont, a distance of 6.8 miles, as applies between Malford and Mt. Eden a distance of 6.1 miles, and likewise, the same rate between Easton and San Carlos, a distance of 8.1 miles, as applies between Malford and Arffis a distance of 7.5 miles. When rates are based on a given rate per mile the comparisons, to be worth anything, should be for the identical distances, and when the rates are figured out one cent per mile based on the actual distances it will be apparent that no discrimination exists.

From an examination of the records of the defendant we do not find a single commutation ticket having been sold between places that may be properly regarded as interstation points, during the months of June and November, 1914, on the Alameda side of the bay at a rate any lower than the interstation commutation basis on the Peninsula side but on the contrary, in most cases, at higher rates.

While the complainant only indirectly attacked the commutation rates from San Francisco, considerable evidence was introduced to show that the individual monthly commutation rates from San Francisco and Oakland to points in Alameda County east of Fruitvale were, as a matter of fact, discriminatory as against the rates from San Francisco to points on the Peninsula. The defendant, for example, has voluntarily established an individual monthly commutation rate of \$8.50 between Newark and San Francisco, approximately the same distance as San Francisco to Palo Alto, and from San Francisco to Niles likewise about the same distance. The distance San Francisco to Niles is approximately 9/10 of a mile shorter than from San Francisco to Palo

Alto and ~~xx~~ the distance on which the commutation rates were originally constructed to Newark was $7/10$ of a mile less than from San Francisco to Palo Alto ^{hence} it is apparent that the basis for constructing commutation rates to Palo Alto and points on the Peninsula line is not the same as used to construct commutation rates on the Newark and Miles line. The difference, however, is not great considering the rate per mile per passenger, the commutation rates to Newark being based on approximately .00.473 cents while the commutation rates from San Francisco to Peninsula points are based on .00.5 cents per mile.

The questions to be decided after a consideration of these various conflicting bases of rates are, whether or not they are unduly discriminatory or excessive and unreasonable.

We have made exhaustive tabulations of all tickets sold, passengers carried and revenue derived from the various classes of traffic on the Peninsula between each two points San Francisco to San Jose inclusive. It will serve no good purpose to set out this mass of detail in this opinion and I will, therefore, confine myself to final results with such details as will illustrate and justify my conclusions.

Following is the total of our tabulations and covers all passenger traffic between each two points on the Peninsula San Francisco to San Jose inclusive:

	Total Tickets	Total Revenue	Total No. Passngs.	Per- cent- age	Average Rate per Passngr.	Total Miles	Average Rate per Mile
One-way	45,739	\$28,192.95	45,739	.14	61.6	962,436.0	2.93
Round trip	24,151	31,768.30	48,302	.15	65.8	1,342,436.0	2.37
Commutation	5,473	31,170.55	225,850	.71	13.8	4,260,446.6	0.74
Total	75,363	\$91,131.80	319,891	1.00	28.5	6,565,308.6	1.388
Less Refunds		1,373.02	12,231			336,528.6	
		\$89,758.78	307,660		29.2	6,228,780.0	1.441

It will be seen that the results of our tabulations indicate that 71% of all the travel on the Peninsula line is on commutation rates at an average rate of .00.74 cents per mile and that the average rate per passenger mile for all passengers carried is .01.441 cents.

It will likewise be apparent that the percentage of travel on single and round trip tickets is comparatively insignificant, and I am forced to the conclusion that the defendant has sustained its contentions that the great proportion of the travel is on commutation rates of various kinds.

The annexed tabulation, ^{marked Exhibit C, pages 1, 2, 3 & 4,} showing a detail of all passenger traffic from San Francisco, San Mateo and Palo Alto to a few important points, illustrates a condition which the voluminous tabulations we have compiled demonstrates obtains on all the traffic on the Peninsula and is typical of the entire situation.

While complainants have strenuously urged that the one-way fares down the Peninsula should be reduced to remove discrimination in favor of points on the Niles, Newark and Port Costa lines they are silent concerning the obvious advantages enjoyed by the Peninsula people concerning the ten-ride bearer ticket and other forms of reduced rate tickets not enjoyed by the people served by the Niles, Newark and Port Costa lines.

It ill becomes the people of a community to complain because another locality happens to have a lower one-way fare which is lower because of some abnormal conditions when they themselves have many different forms of transportation on a much lower basis than is accorded the other community. To illustrate this, Niles has a one-way fare of 75¢ from San Francisco, or .02.66 cents per mile; Palo Alto pays 3¢ per mile for a one-way fare but has a ten-ride bearer ticket based on 1-3/4 cents per mile and many other forms of round trip tickets not enjoyed by the people of Niles. The advantage, if any, lies

with the people of the Peninsula. I would not be understood as holding that some lower rates and different forms of transportation are not justified on the Peninsula because of the greater density of population and travel, but in deciding cases of this kind we must consider the entire situation and not confine our inquiry to fragmentary parts of the whole.

I believe the question of discrimination has been sufficiently discussed and we may proceed to a consideration of the charge of unreasonableness.

As counsel for complainant has well stated, it is practically impossible for complaining parties to prove that a rate is unreasonable on any other than the comparative basis because all details of the cost of operation, earnings from a particular class of traffic and kindred items are in the hands of the defendant carrier and inaccessible to complainants. Therefore in many cases, where necessary, the Commission calls for the data to determine the question for itself.

As indicated in the table heretofore set out, the average revenue per passenger mile for all of the passengers carried between San Francisco and San Jose and intermediate points was .01-441 cents per mile for the month of October. For the fiscal year ending June 30, 1913, the average receipts per passenger mile of the Southern Pacific Company for intrastate traffic were .02-133, and for the fiscal year ending June 30, 1914, the earnings per passenger mile were .02-111 cents, slightly less than during the fiscal year of 1913. From this it will be seen that all of the passenger traffic handled by the Southern Pacific Company on the line between San Francisco and San Jose via the Peninsula route was handled at approximately 30% less than the average of all of the traffic handled by the system.

It may well be argued that because of the density of travel on the Peninsula line that the complainants are entitled

to a rate considerably lower than the average rate for all the passenger traffic handled by the defendant. Conceding this to be so, the question now to be determined is whether a system of rates whereby the complaining cities between San Francisco and San Jose pay on an average 30% less than an average rate paid all over the state are still burdened with rates which are in and of themselves excessive. Obviously this cannot be determined on any other basis than a full consideration of the operating conditions, the earnings of the trains in service between San Francisco and San Jose, the average number of cars carried in a train and the average number of passengers on a car.

For the fiscal year ending June 30, 1913, on intrastate passenger traffic in California, the average passenger train revenue per mile was \$1.55, and in 1914 \$1.47. Without going into tiresome detail, the result of our tabulations show that during the month of June, 1914, the average earnings of the trains in service between San Francisco and San Jose were \$1.48 per train mile, and in November \$1.59 per train mile.

It will thus be seen that the train mile earnings of those trains engaged in so-called suburban service between San Francisco and San Jose were approximately the same as the averages for all of the passenger trains in the State of California, but it must be noted at this point that the average earnings per passenger train mile for the entire system in California are based on an average of five passenger cars per train. Most of the heavy commutation trains in the Peninsula service carry from six to eight cars, and while the earnings are about the same on the Peninsula service as the general average for the entire system it requires more cars per train to adequately handle the traffic. In other words, while the earnings on the Peninsula service per train mile may be approximately the same as the average of all passenger trains operated by the defendant, the consist of the trains are not the same, the Peninsula trains being

much above the average in number of cars carried. Likewise, during the fiscal year ending June 30, 1913, and June 30, 1914, an average of only seventeen passengers per car mile were carried and the average number of passengers per train mile was only sixty, considering all of the passenger traffic of the defendant in California, while in the Peninsula service the average number of passengers per train mile was 109.

Summarizing the above, then, we find that the Peninsula trains earn per train mile approximately the same as the general average of all trains in the state, but in the Peninsula service a greater number of cars are required than the general average, and, likewise, a greater number of passengers are carried per train mile, and as we have previously pointed out, at rates approximately 30% less than the average of all of the passenger traffic in California.

When rates are attacked as excessive and unreasonable it must be primarily on the theory that the particular rates in question produce revenue greater than is justified, thereby casting upon the patrons of the railroad paying such rates an undue burden.

We have made a most exhaustive investigation into all of the claims of the complainants in these cases and fail to find wherein they have substantiated the allegations of their complaints that the passenger rates on the Peninsula line are excessive and unreasonable. The only commutation rate that appears to be out of line is the individual monthly commutation rate between San Francisco and Palo Alto of \$9.05, a distance of 30.1 miles, based on one half cent per mile, as compared with the commutation rate San Francisco to Niles of \$8.50, a distance of 29.2 miles, based on .00.485 cents per mile, or between San Francisco and Newark of \$8.50 based on the original mileage of 29.9 miles or .00.473 cents per mile. If, therefore, we found any discrimi-

nation to exist and the same basis of commutation rates now in effect to Newark to be reasonable between San Francisco and Palo Alto we would bring about a reduction of less than 2 cents per day to the commuter between San Francisco and Palo Alto.

In the months of June and November, 1914, six commutation tickets were sold between Newark and San Francisco, while during the month of October between San Francisco and Palo Alto 254 monthly individual commutation tickets were sold, 185 of which were sold at a rate of \$8.15, being a form of ticket which excludes Sunday travel and which is not accorded the people of Newark.

For the purpose of eliminating a discrimination of less than 2 cents per day given to perhaps three people a month between Newark and San Francisco, I am unwilling to condemn the whole basis of rates on the Peninsula affecting several thousand commuters, particularly when the people of the Peninsula already enjoy many forms of reduced rate transportation not similarly accorded people of Alameda County.

Viewing the complaints from every angle, I am of the opinion they should be dismissed and so recommend.

I submit the following order:

O R D E R

The San Mateo County Development Association, the City of Palo Alto and the Palo Alto Chamber of Commerce having filed with this Commission a complaint attacking certain one-way, round trip and commutation rates of the Southern Pacific Company between San Francisco and San Jose and intermediate points, and a regular hearing having been had and the Commission being fully apprised in the premises and basing its order on the findings set out in the opinion which precedes this order,

IT IS HEREBY ORDERED, that the complaints of the San Mateo County Development Association, the City of Palo Alto and the Palo Alto Chamber of Commerce be and the same are hereby dismissed.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 10th day of May, 1915.

Max Thelen
W. H. Cleveland
W. G. Gordon
Edwin O. Edgerton

Commissioners.

THIRTY-RIDE FAMILY COMMUTATION FARES

Between

So. San Francisco

And

Santa Clara

Old
21.00

New
19.95

San Jose

23.00

21.10

Between

San Bruno

And

Santa Clara

20.00

19.95

San Jose

22.00

21.10

INDIVIDUAL MONTHLY COMMUTATION FARES

INCLUDING SUNDAY.

Between

So. San Francisco

San Bruno

And

Redwood

800

760

Menlo Park

900

865

Palo Alto

950

905

Mayfield

1000

955

Mountain View

1100

1085

Santa Clara

1400

1330

San Jose

1500

1410

Between

Burlingame

And

Mountain View

1100

1085

Santa Clara

1400

1330

San Jose

1435

1410

COMMUTATION FARES

Between San Francisco And	1		2		3		4			5		6		7		8	9	
	One Way		Daily		Sunday		Saturday to Mon-			Ten Ride		Thirty Ride		Individual		Daily Exopt.	Daily, Includ-	
	Old	New	Old	New	Old	New	Old	Old	New	Old	New	Old	New	Old	New	New	New	
So. San Fran.	30	30	40	40		35	50				190	165	600	420	450	See		
San Bruno	35	35	50	50		40	50				220	195	700	495	500	Column	330	
Hillbrae	45	45		60		50	65	75			275	240	900	615	550	for	410	
Burlingame	50	50		70	75	55	90	100			330	285	1000	735	575	new	490	
San Mateo	55	55		75	75	65	100	100			360	315	1100	805	600	Rates	440	
Redwood	80	80		105	100	90	125	125			510	445	1600	1145	800		485	
Monlo Park	90	90		120	125	100	150	125			580	505	1800	1300	900		685	
Palo Alto	95	95		130	125	105	150	125	*125		605	525	1900	1355	950		760	
Mayfield	95	95		140	125	105	160	135	*135		640	555	1900	1430	1000		815	
Mountain View	110	110		160	150	125	175	165			725	630	2200	1625	1100		860	
Santa Clara	125	125		200	175	140	200				890	775	2500	1925	1400		975	
San Jose	125	125		200	175	140	200				940	820	2500	2110	1600		1085	
																		1195
																		1270
																		1330
																		1410

x Between San Francisco and points shown.
 † From San Francisco to points shown.
 * To San Francisco from points shown.

STATEMENT OF TICKETS SOLD FROM SAN FRANCISCO TO SOUTH SAN FRANCISCO, BURLINGAME, SAN MATEO, REDWOOD, PALO ALTO AND SAN JOSE

DURING MONTH OF OCTOBER, 1914.

-000-

Miles	From San Francisco To	ONE WAY TICKETS							SUNDAY ROUND TRIP					SATURDAY TO MONDAY ROUND TRIP					From San Francisco To	THEATRICAL ROUND TRIP				
		Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue			Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.
9.3	So. San Francisco	526	.30	\$ 157.80	4,891.6	.30	3.2	526	71	.35	\$ 24.85	1,320.6	.175	1.9	142	1	.40	.40	16.6	.20	2.1	2	Total No. Tickets.....	5
16.3	Burlingame	660	.50	340.00	11,084.0	.50	3.1	660	172	.55	94.60	5,607.2	.275	1.7	344								Total Rate.....	2.00
17.9	San Mateo	795	.55	437.25	14,230.5	.55	3.1	795	152	.65	98.80	5,441.6	.325	1.8	304	3	.75	2.25	107.4	.375	2.1	6	Total Revenue.....	10.00
25.4	Redwood	945	.80	756.00	24,003.0	.80	3.2	945	276	.90	248.40	14,020.8	.45	1.8	552	1	1.05	1.05	50.8	.525	2.1	2	Total Miles.....	469
30.1	Palo Alto	1313	.95	1,247.35	39,521.3	.95	3.2	1313	363	1.05	381.15	21,852.6	.525	1.7	726								Aver. Rate per Pass.....	1.00
46.9	San Jose	4657	1.25	5,821.25	218,413.3	1.25	2.7	4657	884	1.40	1,237.60	82,919.2	.70	1.5	1768								Aver. Rate per Mile.....	2.1
	Total.....	6916		8,759.65	312,143.9	.98.2	2.8	6916	1918		2,085.40	131,162.0	.54.4	1.6	3836	5		3.70	176.8	.37	2.1	10	Total No. Passengers.....	10

Miles	From San Francisco To	DOUBLE ONE WAY (R.T.)							DAILY ROUND TRIP					TEN (10) RIDE BEARER										
		Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.		
9.3	So. San Francisco	5	1.00	5.00	163.0	.50	3.1	10	419	.70	293.30	7,783.4	.35	2.2	838	43	1.65	70.95	3,999.0	.165	1.8	430		
16.3	Burlingame								639	.75	479.25	20,831.4	.375	2.1	1278	77	2.65	219.45	12,651.0	.285	1.8	770		
17.9	San Mateo								1082	1.05	1136.10	38,735.6	.525	2.1	2164	55	3.15	173.25	9,846.0	.315	1.8	550		
25.4	Redwood	15	1.60	24.00	762.0	.80	3.2	30	1505	1.30	1956.50	90,601.0	.65	2.2	3010	65	4.45	289.25	16,510.0	.445	1.8	650		
30.1	Palo Alto	29	1.90	55.10	1,745.8	.95	3.2	58	2695	2.00	5390.00	252,791.0	1.00	2.1	5390	160	5.25	840.00	48,160.0	.525	1.7	1600		
46.9	San Jose	86	2.50	215.00	8,066.8	1.25	2.7	172							31	8.20	254.20	14,539.0	.82	1.8	310			
	Total.....	135		299.10	10,737.6	1.10.7	2.8	270	6340		9255.15	410,752.4	.72.9	2.2	12680	431		1,847.10	105,604.0	.42.9	1.75	4310		

Miles	From San Francisco To	THIRTY RIDE FAMILY							MONTHLY INDIVIDUAL EX. SUNDAY (54)					MONTHLY INDIVIDUAL DAILY (62)										
		Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Total Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.		
9.3	So. San Francisco	2	4.20	8.40	550.0	.14	1.5	60							97	3.00	291.00	55,930.2	.04.0	.52	6014			
16.3	Burlingame	12	7.35	88.20	5668.0	.24.5	1.5	360	150	4.40	660.00	132,030.0	.08.1	.49	8100	90	4.90	441.00	90,954.0	.07.9	.48	5580		
17.9	San Mateo	25	8.95	201.25	13425.0	.26.8	1.5	750	87	4.85	421.95	84,094.2	.09.0	.5	4698	43	5.35	230.05	47,721.4	.08.6	.48	2666		
25.4	Redwood	11	11.45	125.95	8382.0	.38.2	1.5	330	36	6.85	246.60	49,377.6	.12.6	.5	1944	23	7.60	174.80	36,220.4	.12.2	.48	1426		
30.1	Palo Alto	16	13.55	216.80	14448.0	.45.2	1.5	480	48	8.15	391.20	78,019.2	.15.1	.5	2592	21	9.05	190.05	39,190.2	.14.5	.48	1302		
46.9	San Jose	25	21.10	527.50	35175.0	.70.3	1.5	750	9	12.70	114.30	22,793.4	.23.5	.5	486	3	14.10	42.30	8,723.4	.22.7	.48	186		
	Total.....	91		1,168.10	77856.0	.42.8	1.5	2730	330		1,834.05	866,314.4	.10.3	.5	17820	277		1,369.30	278,739.6	.08	.49	17174		

43

STATEMENT OF TICKETS SOLD FROM SAN MATEO TO SAN FRANCISCO, SOUTH SAN FRANCISCO, BELMONT, REDWOOD, PALO ALTO AND SAN JOSE
DURING MONTH OF OCTOBER, 1914.

		ONE WAY TICKETS							SUNDAY ROUND TRIP						DOUBLE ONE WAY (R.T.)					
From	Total	Total	Total	Aver.	Aver.	Total	Total	Total	Total	Aver.	Aver.	Total	Total	Total	Total	Aver.	Aver.	Total		
Miles To	No. Tickets	Rate	Revenue	Rate	Rate	No. Pass.	No. Tickets	Rate	Revenue	Miles	Rate	Rate	No. Pass.	No. Tickets	Rate	Revenue	Miles	Rate	Rate	No. Pass.
17.9 San Francisco	727	.55	399.85	.55	3.1	727	136	.65	88.40	4,868.6	.32	1.8	272	1	1.10	1.10	35.8	.55	3.1	2
8.6 So. San Francisco	118	.25	29.50	.25	2.9	118								16	.50	8.00	275.2	.25	2.9	32
4 Belmont	426	.15	63.90	.15	3.8	426								34	.30	10.20	272.0	.15	3.8	68
7.5 Redwood	1506	.25	376.50	.25	3.3	1506								138	.50	69.00	2070.0	.25	3.3	276
12.2 Palo Alto	542	.40	216.80	.40	3.3	542	111	.50	55.50	2,708.4	.25	2.0	222	77	.80	61.60	1878.8	.40	3.3	154
29.0 San Jose	367	.90	330.30	.90	3.1	367	57	1.00	57.00	3,306.0	.50	1.7	114	40	1.80	72.00	2300.0	.90	3.1	80
Total	3686		1,416.85	.38.4	3.2	3686	304		200.90	10,883.2	.32.9	1.8	608	306		221.90	6831.8	.36.2	3.2	612

		THIRTY RIDE FAMILY						FIFTY - TWO RIDE STUDENTS						MONTHLY INDIVIDUAL DAILY						
From	Total	Total	Total	Aver.	Aver.	Total	Total	Total	Total	Aver.	Aver.	Total	Total	Total	Total	Aver.	Aver.	Total		
Miles To	No. Tickets	Rate	Revenue	Rate	Rate	No. Pass.	No. Tickets	Rate	Revenue	Miles	Rate	Rate	No. Pass.	No. Tickets	Rate	Revenue	Miles	Rate	Rate	No. Pass.
17.9 San Francisco	29	8.05	233.45	.26.8	1.5	870								93	5.35	497.55	103,211.4	.08.6	0.48	5766
8.6 So. San Francisco	7	5.00	35.00	.16.6	1.9	210								3	5.00	15.00	1,599.6	.08.1	0.93	166
4.0 Belmont							8		19.90	3,120.0	.04.8	0.64	416	19	4.45	84.55	8,835.0	.07.2	0.96	1178
7.5 Redwood	10	5.00	50.00	.16.6	2.2	300	6		21.90	3,806.4	.07.0	0.6	312	7	6.00	42.00	5,294.8	.09.7	0.79	434
12.2 Palo Alto							4		32.20	6,032.0	.15.4	0.53	208							
29.0 San Jose	1	18.00	18.00	.60	2.1	30														
Total	47		336.45	.23.9	1.64	1410	18		74.00	12,956.4	.07.9	0.67	936	122		639.10	118,940.8	.08.4	0.64	7564

From	Daily	Gen	Monthly
Miles To	Round Trip Tickets	Ride Bearer	Individual Ex. Sunday
17.9 San Francisco	Total No. Tickets: 735	91	210
	Rate: .75	3.15	4.85
	Total Revenue: 551.25	286.65	1,018.50
	Total Miles: 26,313	16,289	202,986
	Aver. Rate Per Pass.: .37.5	.31.5	.09
	Aver. Rate Per Mile: 2.1	1.8	1.5
	Total No. Passengers: 1470	910	11,340

44

STATEMENT OF TICKETS SOLD FROM PALO ALTO TO SAN FRANCISCO, BURLINGAME, SAN MATEO, REDWOOD, MOUNTAIN VIEW AND SAN JOSE.

DURING MONTH OF OCTOBER, 1914.

-000-

		ONE WAY TICKETS							SUNDAY ROUND TRIP						SATURDAY TO MONDAY ROUND TRIP							
Miles	From Palo Alto To	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.
30.1	San Francisco	1343	.95	1,275.85	40,424.3	.95	3.2	1343	276	1.05	289.60	16,616.2	.52,5	1.7	552	1028	1.25	1,285.00	61,885.6	.62,5	2.1	2056
13.8	Burlingame	86	.45	38.70	1,186.8	.45	3.2	86														
12.2	San Mateo	623	.40	249.20	7,600.6	.40	3.3	623														
4.7	Redwood	1148	.15	172.20	5,395.6	.15	3.2	1148														
6.0	Mountain View	323	.20	64.60	1,938.0	.20	3.3	323														
16.8	San Jose	952	.50	476.00	15,993.6	.50	3.0	952	351	.50	175.50	11,793.6	.25	1.5	702	397	.75	297.75	13,339.2	.37,5	2.2	704
	Total.....	4475		2,276.55	72,538.9	.50,9	3,1	4475	627		465.30	28,408.8	.37,1	1,6	1254	1425		1,582.75	75,224.8	.55,5	2,1	2850

		DOUBLE ONE WAY (R.A.)							THIRTY RIDE FAMILY						FIFTY-TWO RIDE STUDENTS							
Miles	From Palo Alto To	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.
30.1	San Francisco	8	1.90	15.20	481.6	.95	3.2	16	64	13.55	867.20	57,792	.45,2	1,5	1920							
13.8	Burlingame	23	.90	20.70	634.8	.45	3.2	46														
12.2	San Mateo	109	.80	87.20	2,659.6	.40	3.3	218	4	8.00	32.00	1,146.4	.26,6	2,2	120							
4.7	Redwood	331	.30	99.30	3,111.4	.15	3.2	662	11	3.00	33.00	1,551	.10	2,1	330	2		4.60	480.8	.04,7	0,99	104
6.0	Mountain View	74	.40	29.60	888.0	.20	3.3	148	2	4.00	8.00	360	.13,3	2,2	60							
16.8	San Jose	92	1.00	92.00	3,091.2	.50	3,0	184	9	10.00	90.00	4,536	.33,3	2,0	270	10		48.90	8736.0	.09,5	0,57	520
	Total.....	637		344.00	10,866.6	.27	3,2	1274	90		1,030.20	65,703	.38,2	1,6	2700	12		53.50	9224.8	.08,6	0,58	624

		MONTHLY INDIVIDUAL DAILY												
Miles	From Palo Alto To	Total No. Tickets	Rate	Total Revenue	Total Miles	Aver. Rate Per Pass.	Aver. Rate Per Mi.	Total No. Pass.	Miles	From Palo Alto To	Daily Round Trip	Theatrical Round Trip	Ten Ride Bearér	Monthly Individual Ex. Sunday
30.1	San Francisco	48	9.05	434.40	69,577.6	.14,5	0,48	2976			Total No. Tickets	558	230	137
13.8	Burlingame										Rate	1.30	1.00	8.15
12.2	San Mateo	5	6.00	30.00	3,782.0	.09,7	0,79	310			Total Revenue	725.40	230.00	1,116.55
4.7	Redwood	15	3.00	45.00	4,371.0	.04,6	1,02	930	30.1	San Francisco	Total Miles	33,591.6	13,846	222,679.8
6.0	Mountain View	3	3.55	10.65	1,116.0	.05,7	0,95	186			Aver. Rate Per Passenger	.65	.50	.15,5
16.8	San Jose	43	6.00	258.00	44,788.8	.09,7	0,58	2666			Aver. Rate Per Mile	2.2	1,7	0,5
	Total	114		778.05	143,635.4	.11	0,54	7068			Total No. Passengers	1116	460	7398

45

RECAPITULATION

Class of Tickets	Total No. Tickets	Total Revenue	Total No. Pass.	Average Rate Per Pass.	Total Miles	Average Rate Per Mile
SAN FRANCISCO						
One Way	8916	\$ 8,759.65	8,916	.98.2		
Round Trip	8403	11,653.35	16,806	.69.3	312,143.9	2.8
Commutation	1129	6,218.55	42,034	.14.8	553,297.8	2.1
Total.....	10,448	\$ 26,631.55	67,756	.39.3	828,514.0	0.75
Refunds.....		\$ 333.26	2,349		1,693,955.7	1.57
		\$ 26,298.29	65,407	.40.2	49,662.0	
					1,644,293.7	1.6
SAN MATEO						
One Way	3686	\$ 1,416.65	3,686	.38.4		
Round Trip	1345	974.05	2,690	.36.2	44,282.5	3.2
Commutation	488	2,354.70	22,160	.10.6	44,028.0	2.2
Total.....	5519	\$ 4,745.60	28,536	.16.6	371,673.2	0.63
Refunds.....		\$ 102.30	839		459,983.7	1.03
		\$ 4,643.30	27,697	.16.8	13,792.0	
					446,191.7	1.04
PALO ALTO						
One Way	4475	\$ 2,276.55	4,475	.50.9		
Round Trip	3477	3,347.45	6,954	.48.1	72,538.9	3.1
Commutation	714	4,873.55	21,400	.22.8	161,937.8	2.1
Total.....	8666	\$ 10,497.55	32,829	.32	452,109.1	1.1
Refunds.....		\$ 158.34	1,049		686,585.8	1.53
		\$ 10,339.21	31,780	.32.5	25,808.0	
					660,777.8	1.56
TOTALS						
One Way	17077	\$ 12,453.05	17,077	.72.9		
Round Trip	13225	15,974.65	26,450	.60.4	428,965.3	2.9 +
Commutation	2331	13,446.80	85,594	.15.7	759,263.6	2.1
Grand Total.....	32633	\$ 41,874.70	129,121	.32.4	1,652,296.3	0.81
Refunds.....		\$ 593.90	4,237		2,840,525.2	3.47 +
		\$ 41,280.80	124,884	.33	89,262.0	
					2,751,263.2	1.5 +