

DECISION NO. ✓

ORIGINAL

Decision No. 2907

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the letter of the application of the OCEAN SHORE RAILROAD COMPANY for permission to discontinue the operation of two passenger trains.

APPLICATION NO. 1928

I. N. Randall for Applicant.
F. H. Olschewski for Protestants.

GORDON, Commissioner.

O P I N I O N

This is an application of the Ocean Shore Railroad Company for permission to discontinue the operation of two passenger trains, which have heretofore been operated on the following schedule:

TRAIN NO.	TRAIN NO.
4	5
Leave 7.00 a.m. Arleta	4.40 p.m. Arrive.
Arrive 8.40 a.m. San Francisco	3.00 p.m. Leave.

It is alleged that the continued operation of these trains throughout the winter season would result in a considerable loss to the applicant and that such loss cannot be sustained in view of the applicant's present financial condition. It is further alleged that the schedule of trains proposed to be operated during the winter months provides ample service for the patrons of the applicant during the winter season, such proposed schedule being substantially as follows:

	Train 2.	Train 4.	Train 1.	Train 3.
Leave		2.00 p.m. Tunitas	11.05 a.m.	Arrive
Leave	5.55 a.m.	Arleta		7.10 p.m. Arrive
Arrive	7.55 a.m.	4.15 p.m. San Francisco	9.00 a.m.	5.30 p.m. Leave

A public hearing was held at San Francisco on November 4, 1915, and the matter is now ready for decision.

The applicant introduced in evidence statements showing the revenue derived from its trains Nos. 4 and 5 for the period of each year comprised in the months of November, December, January, February and March, these statements containing the following data.

	YEAR 1913-14		YEAR 1914-15	
	Train 4	Train 5.	Train 4.	Train 5.
Total Passengers carried	4007	2657	4146	5019
Daily Average	50.9	25.5	30.9	27.6
Total Earnings	\$1494.49	\$1155.00	\$1560.92	\$1334.83
Daily Average	\$11.50	\$11.08	\$11.65	\$12.25

The applicant also introduced figures showing the operating cost of each trains 4 and 5 which indicate that the cost per trip of train 4 is \$10.54 and of train 5, \$9.85. These figures do not include any allowance for upkeep of track and roadbed, maintenance of equipment, station and office expense, overhead expense, taxes, interest or depreciation. The applicant further placed in evidence a statement showing its financial condition and which indicates for the eight months period ending August 31, 1915, a net corporate loss amounting to \$68,258.60. It is evident that the operation of the Ocean Shore Railroad is attended with a continued financial loss and such loss has thus far been met by assessments which have been levied on the stockholders, the fifth assessment having been called and ^{being} now in process of collection.

The protestants introduced testimony as to the inconvenience that would result to them if the withdrawal of the train due to arrive at San Francisco at 8.40 a.m. were to be permitted and stated that the service offered by the train due to arrive at San Francisco at 7.35 a.m. would work an undue hardship in that the hour of leaving Arleta (5.55 a.m.) and the intervening stations was unreasonable. Various suggestions were made by interested protestants as to methods by which

the continuance of train No. 4 could be accomplished, among them the possibility of the purchasing of a gasoline motor car. The present financial condition of the applicant is not such that the purchase of additional equipment could be contemplated at this time. Considerable comment was made as to the administrative expense of the applicant and with especial reference to the compensation paid to the operating and executive officials of the company. A careful analysis of the items charged to "Administrative Expense" does not indicate that such charges are excessive, in fact they are less than are being charged to such account by other lines whose operation is similar and comparable to that of the applicant, and it is not found that the statement of the protestants that excessive amounts are being paid to officials is justified by the facts as reflected by sworn statements filed with this Commission.

This application presents two features, one the desire of a carrier to reduce its train service during a period when the travel does not justify the cost of operation, the other the desire of the commuters to enjoy the train service which the applicant seeks to withdraw. The application is evidently made with a view of endeavoring to eliminate some of the continued losses with which the Ocean Shore Railroad Company has had to contend and is in line with a sincere endeavor to conserve the property by eliminating any unnecessary expense or unproductive service. I am of the opinion that the residents who are patrons of the applicant's trains which are sought to be withdrawn would prefer that the trains be eliminated at this time, rather than face an entire suspension of all service on the line of this railroad.

After careful consideration of all the facts presented in connection with this application, I am of the opinion that it would be unreasonnable to require the operation of trains Nos. 4 and 5 during the coming winter season.

I recommend that the application be granted and submit the following form of order.

O R D E R

Ocean Shore Railroad Company having made application to this Commission to discontinue the operation of two passenger trains, one arriving at San Francisco at 8.40 a.m. daily, one departing from San Francisco at 5.00 p.m. daily; a public hearing having been held and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED, that the application be and the same is hereby granted.

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 18th day of November, 1915.

Max Wheeler

Sam Gordon

Edwin C. Edgerton

Frank R. Wiley

Commissioners.