

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application
of White Bus Line, a corporation
and Valley Stage Line, a copart-
nership, for authority to increase
Passenger Fares between Los Angeles
and Fullerton, Anaheim, Orange and
Santa Ana.

Applications 2879 - 2880.

Herbert W. Kidd, for White Bus Line,
L. A. Lewis, for Valley Stage Line,
A. B. Watson, for Crown Stage Company.

LOVELAND, Commissioner:

O P I N I O N

These are applications on the part of the White Bus Line, a corporation, and the Valley Stage Line, a copartnership, hereinafter referred to as the White Line and the Valley Line, engaged in the transportation of passengers by auto busses between Los Angeles and Santa Ana, in connection with the Crown Stage Line, which handles the joint traffic between Anaheim and Santa Ana, for authority to increase certain passenger fares.

The present and proposed fares are set forth below:

Between	One way fares	Round Trip	10 Ride
Los Angeles	:	:	Commutation
And	Pres.: Proposed:	Pres.: Prop.:	Pres.: Proposed
Fullerton	: .70 :	: 1.00: 1.15:	X4.50: 4.75
Anaheim	: .75 :	: 1.00: 1.25:	X4.50: 5.00
Orange	: .75 : .80	: 1.00: 1.40:	:
Santa Ana	: .75 : .80	: 1.00: 1.40:	:

X - White Bus Line only.

A public hearing was held at Los Angeles May 25, 1917, and, by stipulation of all parties, the proceedings were consolidated and

will, therefore, be covered by one decision and order, as the issues are identical.

A. L. Benedict, Secretary and Manager of the White Line, and S. P. Ogden, one of the partners of the Valley Line, gave testimony in support of the applications. No one appeared in opposition, although notification of the hearing was given by newspaper publication and by posting of notices in the automobiles of applicants.

The White Line commenced operations December 1, 1916, taking over the business formerly conducted by the P. E. Stage Line and continued to apply the rates of its predecessor, which rates are now alleged to be less than reasonable, and do not produce sufficient revenue to meet operating expenses.

According to the testimony, the property of the White Line includes seven White auto trucks and four Buick automobiles. These machines were purchased under the usual chattel mortgage lease contract, with interest at 8% and there is still due on them the sum of \$13,000.00. The actual cash investment in the corporation as of May 1st, 1917 was \$10100.00.

A financial statement was submitted, showing the operating costs and income for the months of December, 1916 and April, 1917. From the statement it is noted that while the general overhead expenses have remained fairly constant, the car operating expenses have materially increased. Bond and license costs were \$167.10 in December and \$401.60 in April, payroll of car operators was \$952.15 in December and \$1232.85 in April, tires and car repairs cost \$714.63 in December and \$2468.92 in April. The total car expenses, including payroll of drivers, was \$3410.81 in December against \$4438.75 in April, or an increase of \$1027.94, while the revenue increased from \$5682.69 to \$6334.24, or only \$651.55.

The records do not furnish any segregation of the earnings as between stations, but the net returns for the five months' period

of the existence of this company has been very unsatisfactory, resulting in a loss of \$3581.10. Deficit in December was \$426.36, in February \$1411.09, March \$1217.67 and April \$636.29, while January, 1917, produced an operating profit of \$110.31.

The Valley Line operates five automobiles, has a capital investment of approximately \$10,000 and debts of \$6500. The partnership included three members until about May 15th, when one of the firm retired and his license to operate automobiles for hire was revoked. No comprehensive accounts of revenues and expenditures were kept by the firm, but the testimony of a witness was to the effect that the present activities barely meet the operating expenses and that there is an actual monthly loss, after charging off the depreciation.

The operating difficulties of the two applicants do not vary materially. The automobiles when working to full efficiency cover from 6000 to 6600 miles per car per month and the small machines are practically worthless for the service after having been used two years. A machine costing \$1750. will sell at the end of the two year period at from \$375. to \$500. The Board of Directors of the White Line, by resolution, established a depreciation rate of 15 per cent per annum against the large high class busses, but since the cars are sold with a guarantee of only 100,000 miles, it was the opinion of one witness that the depreciation would not be sufficient to cover these particular machines and that it should be at least 2 per cent per month.

Certain expenses, over which applicants have no control, such as taxes, labor, material, fuel and oils, have rapidly advanced within the last few months, the price of tires alone increasing over 50 per cent within five months, while the taxes of the different political sub-divisions through which applicants operate have also been added to.

Out of the fares collected by applicant to the points

beyond Anaheim it pays the Crown Stage Line 25 cents for each single fare and 30 cents for each round trip, but this division of the through fares will not be changed by reason of the proposed increases.

Taking into consideration the increases in operating expenses and the possibility that these increases will continue for some time, also the fact that sufficient revenue has not been received in the past to cover the actual costs of operation, including depreciation, I am of the opinion that the schedule of fares which applicants desire to have established, and which are lower than those in effect via the steam and electric roads between the same points, are not excessive or unreasonable, and in all probability will not be more than sufficient to pay operating expenses and depreciation. I therefore recommend that the applications be granted and submit herewith the following form of order:

ORDER

The White Bus Line and the Valley Stage Line having applied to the Railroad Commission for an order authorizing the publication of the following fares:

Between	:	:	:	10 Ride
Los Angeles:	One Way Fares:	Round Trip:	Commutation	
And	:	:	:	
Fullerton	:	1.15	:	4.75
Anaheim	:	1.25	:	5.00
Orange	:.80	1.40	:	
Santa Ana	:.80	1.40	:	

And a public hearing having been duly held and the Commission being fully apprised in the premises finds as a fact that the fares herein-

above set forth are just and reasonable, and

IT IS HEREBY ORDERED that the White Bus Line and the Valley Stage Line be authorized to file with this Commission within twenty (20) days from the date of this order the fares herein set forth.

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 7th day of June 1917.

Wm. J. Shelton
H. H. Boardman
W. J. Gordon
Edwin C. Egan

Commissioners.