

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

LOUISE S. FULLER, )  
vs. )  
UNION TRACTION COMPANY.)

CASE No. 1296.

Mrs. Louise S. Fuller, in propria persona,  
S. Waldo Coleman, for Union Traction Company.

LOVELL AND, COMMISSIONER:

OPINION

Complainant, an individual residing in the vicinity of Marine View Avenue, situated between Santa Cruz and Capitola, on behalf of herself and other residents of the community, prays for the establishment of a five cent fare between Marine View Avenue and Santa Cruz, also for a thirty minute service between these points, and for the erection of a shelter at Marine View Avenue.

The answer to the complaint denies that fare of five cents is reasonable for transportation between the points in question. As to the shelter at Marine View Avenue, it denies the necessity therefor, but expresses a willingness, as a matter of accomodation, to furnish lumber for the building and to paint same, provided the people of the district will attend to its construction.

Similar denial is made with respect to half-hourly service; defendant, however, announcing a willingness to extend the present service by causing its Santa Cruz-Seabright Avenue car to make two trips on Sunday mornings beyond Seabright Avenue, the terminus, to Marine View Avenue, which, it is stated, will substantially reduce

the lay-over time in Santa Cruz of those desiring to attend church in the morning. At the hearing complainant withdrew that portion of complaint referring to half-hourly service and the erection of shed at Marine View Avenue. This opinion and order, therefore, will deal only with the question of passenger fare between the points mentioned.

The fare complained of became effective August 17, 1918. Prior to that date the tariff of defendant provided fare of five cents within the Santa Cruz limits, which were defined as the city limits on the west and Twin Lakes Station on the east; also a five cent fare between Capitola and Twin Lakes. Passengers traveling between Capitola and points within the Santa Cruz city limits were charged combination of these fares, or ten cents, except where books were purchased containing fifteen tickets for \$1.00.

Application was made by defendant to increase its fares and, effective August 17, 1918, in compliance with order of the Commission in Application No. 3805, Decision No. 5660 of August 10, 1918, defendant issued its new passenger tariff providing for one-way fare of six cents within the Santa Cruz city limits and to and including Twin Lakes; also a fare of six cents between Twin Lakes and Capitola and intermediate points. In lieu of the former book of fifteen tickets for \$1.00 there was placed on sale for transportation between Santa Cruz and Capitola and intermediate points, such as Marine View Avenue, a book of ten tickets for \$1.00, which tickets were transferable and, therefore, available to any person holding same.

Defendant contends that on account of its ~~poor~~ financial condition the present single fare of twelve cents between Santa Cruz and Marine View Avenue should not be reduced.

In Application No. 3805, supra, it was shown that defendant has outstanding against its property first mortgage five per cent bonds amounting to \$631,000.00, on which no interest has been paid since August 1, 1915, the Balance Sheet of December 31, 1917 showing an item of \$76,245.86, representing unpaid interest, and other accounts payable to the amount of \$12,859.27. It was also there shown that after deducting from its earnings operating expenses and certain fixed charges, a recurring annual net loss resulted, the deficit for the last twelve months' period stated, viz., the calendar year 1917, being \$18,422.73. These figures were supplemented at the hearing by exhibits filed on behalf of defendant showing a deficit of \$24,611.36 for the year 1918 and \$6888.47 for the months of January and February, 1919. Subsequently, the Commission instructed its Auditing Department to prepare figures showing the effect of operation for the months of March and April, 1919, from which it is ascertained that after making all deductions defendant encountered a deficit of \$5659.45 for the month of March and for April a net loss of \$5484.23.

While it is true the early months of the year represent the period when the tide of travel is at ebb and with the approach of the summer season a more favorable showing may be expected, at the same time it is fair to assume, judging by the record for preceding years, that the operations for the entire twelve months of 1919 will result in a considerable loss.

It was the contention of complainants and supporting witnesses that the increase in fare to and from the Marine View Avenue district by virtue of authority granted in Application No. 3805, supra, has had the effect of diminishing street car travel between that territory and Santa Cruz and that if the fare limit point were extended from Twin Lakes to at least Schwan Station located between Twin Lakes and Marine View Avenue, much benefit would accrue

to the transportation company in the shape of augmented revenue.

As nothing more than the opinion of complainant's witnesses was offered in substantiation of this assertion, it was stipulated at the suggestion of the Commissioner that defendant make a check of travel to ascertain if the increase in fare, effective August 17, 1918 had made any material difference in the number of passengers traveling between these points. Defendant has furnished the information requested, which has been analyzed by the Commission and the conclusion reached that it fails to show any noticeable diminution in patronage as result of the advanced fare authorized in the aforementioned application.

Approaching this question from the viewpoint of reasonableness per se of the existing fare adjustment, it will be enlightening to contrast the service performed in connection with the fare complained of with that rendered at other sections of defendant's line under substantially similar transportation conditions.

The major portion of this company's revenue is obtained from travel during the summer months, the remaining portion of the year being <sup>very</sup> quiet. It is well known that Santa Cruz is essentially a residential city, and the busy period is the tourist or summer season, when the beach attractions are open. Such being the case, the Casino may be considered the important terminal of the line, and taking distances from the Casino to the different termini in Santa Cruz, where a six cent fare prevails, and comparing same with the journey to Twin Lakes, the fare-breaking point on the east, it will be seen that the latter enjoys approximately the same length of haul as other places situated in the six cent zone, which is evidenced by the following:

Casino to Twin Lakes	3.51 miles
Casino to Lavoage Park	3.29 "
Casino to Ocean Cliffs	3.62 "

If the fare limit point on the Capitola line were extended to Schwan the length of haul from the Casino terminal would be increased to 4.03 miles and to Marine View Avenue 4.12 miles, which would have the effect of creating a discrimination as between localities, in violation of the Public Utilities Act of the State of California.

There was no evidence offered to show that traffic to and from Twin Lakes and Marine View Avenue sections lends itself to more favorable transportation conditions than does that at Santa Cruz proper. In view of the insufficiency of the evidence in this respect, coupled with the ~~un~~financial status of defendant, as set forth in the foregoing, it is my conclusion and I hereby find as a fact that complainant has failed to show the existing fare between Santa Cruz and Marine View Avenue to be unreasonable and that the complaint should be dismissed.

The following form of order is submitted:

#### O R D E R

Complaint and answer having been filed in the above entitled proceeding, a public hearing having been held, the Commission being fully apprised in the premises, and basing its order on the findings of fact which appear in the foregoing opinion,

IT IS HEREBY ORDERED that the complaint be and the same is 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 3<sup>d</sup> day of June, 1919.

Elwin O. Edgerton  
H. D. Dowland

H. T. Brundage  
Irving Martin  
Commissioners.