

Decision No. 23733.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of
BAY CITIES TRANSIT COMPANY, a cor-
poration, to increase its fares be-
tween various points in Los Angeles
County, California.

Application No. 21120.

Hector P. Baida, for Applicant.

S. M. Lanham, for Board of Public Utilities
and Transportation of the City of Los
Angeles, interested party.

T. D. Plumer, for the City of Santa Monica
and Santa Monica Municipal Bus Lines,
interested parties.

Chester Howell, for the Westwood Business
Association, interested party.

Charles D. Hayes, for the West Los Angeles
Chamber of Commerce, interested party.

Leo J. Muchenberger, for the Santa Monica-
Ocean Park Chamber of Commerce, interested
party.

R. C. Waltz, City Attorney, for the City of
Beverly Hills, interested party.

BY THE COMMISSION:

O P I N I O N

In the above entitled application, Bay Cities Transit Company seeks authority to revise its fare structure by eliminating therefrom tokens and tickets which now sell for less than five cents and thereby making five cents the minimum base fare on the system.

A public hearing was conducted on this proceeding by Examiner Hunter at Los Angeles on April 23rd, at which time

the matter was taken under submission, and it is now ready for decision.

Applicant operates a local transportation system in the western portion of the City of Los Angeles, including the Westwood, Sawtelle and Venice sections, as well as in the City of Santa Monica. This service is provided through the operation of busses. One of the main routes of applicant's operation is along Pico Boulevard between a connection with the Los Angeles Railway at Rimpau Street, on the one hand, and the West Coast beaches on the other hand. This route is operated more or less in competition with a line of the municipal system of the City of Santa Monica. It appears that the competition between applicant and the City of Santa Monica induced applicant to reduce its base five-cent cash fare by offering single zone transportation at a lesser rate under two plans - namely, twenty-five tickets for One Dollar and six tokens for twenty-five cents. This reduced fare was put into effect on October 26th, 1933, and has been continued to the present time. The City of Santa Monica met this competition by adopting this same reduced fare structure. Applicant now desires to discontinue the sale of these particular tickets and tokens and re-establish a minimum base cash fare of five cents. It does propose, however, to continue the sale of twenty-five tickets for Two Dollars, which are good for two-zone rides or the equivalent of a cash fare of ten cents.

Exhibit "A," attached to the application, shows that for the months of January and February, 1937, applicant's revenues failed to meet its operating expense by \$2,347.89. The record shows that the operating expenses for 1937 will be

increased in excess of \$1800 per month over 1936, as a result of increased costs for labor, fuel, taxes, insurance and other charges. It is estimated that, if this application is granted and the company establishes the base five-cent fare, its revenues will be increased sufficiently to nearly offset the increased operating charges.

The granting of this application will affect only the one-zone rider on applicant's line, except that, under the proposed plan, the reduced two-zone tickets will be sold only in lots of twenty-five for Two Dollars, whereas at present this transportation can be purchased at the same rate on a basis of an investment of One Dollar, namely, twenty-five single zone tickets for One Dollar.

The Commissioner of Finance of the City of Santa Monica, under whose supervision the municipal transportation of Santa Monica is operated, testified that the city had given consideration to this application and had decided that, if applicant increased its fares as proposed herein, the city simultaneously will adopt the same fare structure on its local system. This conclusion was based largely upon the fact that the city's study had indicated that it could not successfully operate its local transportation system on a base fare of less than five cents.

No opposition developed to the granting of the application and a review of the record leads to the conclusion that it should be granted. The following Order will so provide.

ORDER

Public hearings having been held and the Commission being fully advised;

IT IS HEREBY ORDERED that applicant is hereby authorized to revise its local passenger tariff C.R.C. No. 7, by

eliminating and cancelling therefrom that portion of Section 14 providing for a twenty-five (25) ride ticket selling for one Dollar (\$1.00) and eliminating Section 15 entirely, subject, however, to the following conditions:

- (1) All outstanding tickets or tokens in the hands of the public, on the date the new fare structure becomes effective, thereafter shall be honored for transportation or redeemed in cash on the same basis as they were purchased.
- (2) Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this Order, on not less than ten (10) days' notice to the Commission and the public, a tariff or tariffs constructed in accordance with the requirements of this Commission's General Orders and containing passenger rates identical with those now in effect, except for the elimination of the ticket and token fares authorized to be discontinued by this Order.

For all other purposes, the effective date of this Order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 3rd day of May, 1937.

Leon S. White
Donald R. DeWitt
Ray L. Rice
Commissioners.