

Decision No. 22470

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SANTA FE TRANSPORTATION COMPANY,
a California corporation, for a
certificate of public convenience
and necessity to operate a passen-
ger stage service, as a common
carrier of passengers and baggage,
between Los Angeles and San Bernardino,
via Pasadena and U. S. Highway No. 66.

) ORIGINAL

) Application
No. 22470

ROBERT BRENNAN and WILLIAM F. BROOKS, for Applicant.

H. C. LUCAS, for Pacific Greyhound Lines,
Protestant.

E. L. E. BISSINGER, for Pacific Electric Railway
Company and Motor Transit Company,
Interested Parties.

BY THE COMMISSION:

O P I N I O N

The Santa Fe Transportation Company, a California corporation, seeks authority to conduct a passenger stage service between Los Angeles and San Bernardino via U. S. Highway No. 66 and Arrow Highway, subject to the restrictions that no passengers or baggage shall be transported locally in an area bounded by Hollywood, San Fernando, San Bernardino, Riverside, Santa Ana, Newport Beach and Long Beach, nor between any of said points. Said service for which authority is sought is the right to transport passengers and baggage from points within said territory to points outside thereof and from points outside thereof to points within said territory.

Santa Fe Transportation Company, hereinafter sometimes referred to as applicant, is a subsidiary of and wholly owned by the Atchison, Topeka & Santa Fe Railway Company.

Public hearings were held in Los Angeles on April 11th and May 16th, 1939, before Examiner Cameron. Evidence both oral and documentary was adduced at said hearings, the matter submitted and the same is

now ready for decision.

A review of conditions leading up to the granting of applicant's present operative rights is set out by the Commission in its Decision No. 30790, 41 C.R.C. 239.

There were introduced in evidence twenty-four resolutions passed by the governing boards of Chambers of Commerce and City Councils of the various cities between Los Angeles and San Bernardino. The record shows in practically all instances that the resolutions were passed at the request of applicant. The manner of securing said resolutions was substantially as follows: a representative of applicant or of the Atchison, Topeka & Santa Fe Railway Company appeared before the governing board and discussed the nature of the application giving an explanation of the manner in which the service might be of benefit to the community. No notices were published calling the public's attention to the fact that the governing board or council was to consider such a resolution, nor in any instance was there a representative of any other transportation company serving the affected territory present at the time any of the resolutions were adopted.

The resolutions are in a printed or mimeographed form and consist of two pages. Statements contained therein are to the effect that the Santa Fe Transportation Company is a subsidiary of the Atchison, Topeka & Santa Fe Railway Company; that applicant is seeking to serve the territory with a superior coordinated transportation system and additional transportation service. Reference is then made to the fact that applicant has been performing service in this territory for many years. It then proceeds as follows:

"Now, Therefore, Be It Resolved that the above mentioned application has the wholehearted endorsement and approval of the members of the _____ of _____, California, because of the fact that the proposed additional transportation

facilities above mentioned constitute a public convenience and necessity and will be of great benefit to our community.

"Wherefore, _____, _____ of said _____, California, is hereby authorized to present a certified copy of this Resolution and to appear and testify in support thereof at hearings to be held by the Railroad Commission of the State of California on said application."

Space is then provided for the proper officials' signature, together with a certification of said board or body adopting said resolution. The name of the board or governing body of the organization adopting the resolution was written in the blank spaces above denoted, together with the name of the city or town.

The resolution adopted by the Board of Supervisors of San Bernardino¹ was identified by witness John Anderson, Jr., who is a member of said Board and who was present at the time the resolution was passed. He testified in effect that Mr. Murray of the Santa Fe Railway Company appeared before the Board and presented arguments in favor of the resolution. No other carrier was represented. No study was made by the adopting body as to the amount of service now available or of the proposed service. The reason advanced by the witness as to why the Board of Supervisors of San Bernardino County adopted the resolution was, chiefly, because of the coordinated rail and bus service. The witness was unable to state exactly what this meant except that it applied to interchangeability of tickets between the applicant and the Santa Fe Railway Company.

Mr. Earl B. Reeves was called as a witness for applicant and testified that he was a member of the Board of Directors of the Fontana Chamber of Commerce. He stated that Mr. Murray of the Santa Fe Railway Company appeared before a meeting of fifteen of the

1 Exhibit No. 1.

directors and presented arguments in favor of adopting a resolution.² He testified that there was considerable discussion regarding the adoption of the resolution, and that no other carrier was invited to or attended the meeting. He stated that the expression "coordinated service" meant a service between bus and the rail by interchangeability of tickets; that he did not ride the buses very often, in fact, that the last trip he had taken on a bus was about two years prior to the date of the hearing.

To the same effect was the testimony of E. R. Elackenstaff, Mayor of the City of La Verne, in reference to the resolution adopted by the City Council of the City of La Verne.³

Albert H. Miller testified to the same effect in relation to a resolution of the Council of the City of Azusa.⁴

The other resolutions introduced in evidence were in form similar to the exhibits above referred to,⁵ and it was stipulated that the procedure of securing these resolutions was substantially the same.

2 Exhibit No. 2

3 Exhibit No. 3

4 Exhibit No. 4

- 5 Exhibit No. 5, Resolution of City Council of Glendora.
Exhibit No. 6, Resolution of Chamber of Commerce & Civic Association of Pasadena.
Exhibit No. 7, Resolution of City Council of Claremont.
Exhibit No. 8, Resolution of Arcadia Chamber of Commerce.
Exhibit No. 9, Resolution of Chamber of Commerce of Monrovia.
Exhibit No. 10, Resolution of City Council of Monrovia.
Exhibit No. 11, Resolution of Chamber of Commerce of Glendora.
Exhibit No. 12, Resolution of San Dimas Chamber of Commerce.
Exhibit No. 13, Resolution of Junior Chamber of Commerce of San Dimas.
Exhibit No. 14, Resolution of Azusa Chamber of Commerce
Exhibit No. 15, Resolution of Chamber of Commerce of La Verne.
Exhibit No. 16, Resolution of Chamber of Commerce of Pomona.
Exhibit No. 17, Resolution of Pomona Jr. Chamber of Commerce.
Exhibit No. 18, Resolution of City Council of Pomona.
Exhibit No. 19, Resolution of Board of Directors of the Chamber of Commerce of Upland.
Exhibit No. 20, Resolution of City Council of Upland.

Lloyd S. Neal, Assistant Passenger Traffic Manager of applicant, testified that in his opinion the present rail and bus transcontinental service would remain the same, and that an additional transcontinental bus schedule would be established; that it was not definitely decided as yet, nor had applicant definitely determined to divert one of the present schedules to the proposed service and add a schedule in place of the one diverted. That the proposed service would in no way coordinate with the streamline train service. That applicant now operates three bus schedules interstate eastbound to Kansas City and Chicago, and three schedules westbound from these points, terminating at Los Angeles. That the time of departure from Los Angeles of the proposed service through Riverside would probably be at the same time as interstate schedule 100 now leaving Los Angeles. However, this was not definite. The testimony of Mr. Neal as to the interchangeability of tickets between bus and rail and the added safety factor in loading and unloading passengers at the Santa Fe rail stations was, in effect, that the public would be greatly benefited. However, the new service contemplates picking up and discharging passengers at commission agencies as well as rail stations en route.

There is no showing by applicant that the proposed service will produce revenue to justify its rendition; in fact, Mr. Neal stated that no survey had been made by applicant to decide this point, and that it would be impossible to determine or estimate the revenues that would be derived from the proposed service. Mr. Neal was informed of the demand for the proposed service by the railroad traffic men and the information boards. The record

5 Cont'd

Exhibit No. 21, Resolution of City Council of Rialto.

Exhibit No. 22, Resolution of Chamber of Commerce of Ontario.

Exhibit No. 23, Resolution of Chamber of Commerce of Claremont.

Exhibit No. 24, Resolution of Cucamonga Service Club.

shows that applicant's agency at Highland Park was discontinued when the present service was inaugurated. Mr. Neal testified that there was now a demand to reopen this agency, and that he was informed by the local rail agencies in San Dimas, La Verne and Upland that there was a demand for the proposed service. The added benefit as a result of better rest room facilities in the rail stations, Mr. Neal thought would be an inducement to the public to patronize the proposed service. The record discloses that buses would stop at commission agencies for the pick-up and discharge of passengers, the same as at rail stations and that the rest room facilities in the commission agencies generally were very poor. Also that the rest room facilities in the rail stations in the small towns were not the best. The extent of the benefits, if any, accruing to the passengers cannot be determined because the proportion of passengers that might be picked up and discharged at commission agencies was not shown.

Mr. Neal was further of the opinion that the new service would be a benefit to the public traveling north and south of Los Angeles; also that said proposed service would be a feeder service to the main north and south schedules of applicant out of Los Angeles. There was no evidence to show what could be expected in this regard as far as the number of passengers were concerned. The officials of applicant, in discussing the proposed service, were of the opinion that this service would be a paying proposition as a feeder service to applicant's entire system, even though it might not itself be operated at a profit. The evidence does not show in what way the feeder service would be profitable to applicant as such, as said proposed service, even though coordinated by interchangeability of tickets, differs in no way from any other regular bus service.

An analysis of the ticket sales of the Pacific Greyhound Lines in this area at points where agencies are maintained shows that in May, 1938, said Company received a revenue of \$255.63 from the sale of tickets for transportation from points within to points outside of said territory. This revenue was derived by the Pacific Greyhound Lines from the operation of four bus schedules. Mr. Finkbohner, Superintendent of Transportation for Pacific Greyhound Lines, testifying on behalf of protestant, Pacific Greyhound Lines, stated that in his opinion May was a representative month, and the revenue from the sale of tickets from points outside to points within said area would be approximately the same; that the total revenue therefore received by said Pacific Greyhound Lines would be approximately \$500.00 during said month from the operation of eight schedules. There is no evidence in the record that applicant could divert much of this business from the Pacific Greyhound Lines or develop any profitable business with only two schedules.

A survey of applicant's intrastate passenger traffic shows that during the months of August to December, 1938, and February, 1939, 43 persons purchased tickets for transportation from said area to points outside said area. This is approximately 1/24th of a passenger per bus. These figures were taken from the records of applicant on its southern route which serves a more populous area than is contemplated by the proposed service.

The record also shows that the proposed service is to be a part of the interstate service, that the intrastate passengers and interstate passengers could be handled on the same buses under the new plan. Mr. Neal stated in this particular, however, that even though the Interstate Commerce Commission might not permit applicant to establish an additional interstate service, it was the intention of applicant to maintain the proposed service intrastate if the Railroad Commission would permit the same.

Witness Neal stated that Pacific Electric Railway Company, which maintains a service in approximately the same territory between Los Angeles and Riverside as the proposed service, had no arrangement for the interchangeability of tickets with any other carrier, that the Pacific Electric Railway Company's fares were from 25% to 35% higher than applicant's proposed fares, and, Pacific Electric Railway Company's service was therefore unsatisfactory and inadequate. The record does not disclose that the Pacific Electric Railway Company's service was unsatisfactory in any other respect.

The total population of the cities along the route of the proposed service, including that of Highland Park, is approximately 154,681.⁷ The Pacific Greyhound Lines, as shown by the record, serves this same area. Along this route there are a few communities which have a total population of approximately 23,146, which the Pacific Greyhound Lines does not serve as directly as would applicant's proposed service. However, the Motor Transit Company and the Pacific Electric Railway Company furnish regular service in this area.

Mr. Neal further testified in effect that the proposed service would relieve highway congestion by inducing people to use applicant's proposed service instead of driving their own cars. This, according to Mr. Neal, would naturally result because of applicant's low bus fare.

Although certain benefits might accrue to the public from the proposed service, there is nothing in the record to show that the public is not now adequately served. It is apparent, therefore that public convenience and necessity do not require the inauguration

7 Exhibit No. 28.

of said service, and the Commission finds as a fact that public convenience and necessity do not require a passenger stage service as requested by said applicant, Santa Fe Transportation Company.

O R D E R

Public hearing having been held in the above entitled matter, evidence having been received and the Commission now being fully advised,

IT IS HEREBY ORDERED that the application of the Santa Fe Transportation Company be and it is hereby denied.

Dated at *San Francisco*, California, this 30th day of *January*,
1940.

Ray L. Cline
James D. White
W. H. ...
W. B. ...
Justin F. Craven
COMMISSIONERS