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Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of LOREN W. SMITH, doing business)	
as CITRUS BELT LINES, for an Order)	Application No. 24378
granting permission to establish)	
rates, rules and regulations.)	

APPEARANCES

ORIGINAL

Loren W. Smith, en propria persona
Edward B. Kennedy, for Pomona Chamber of
Commerce, interested party.
Jay Dewey Harnish, for Ontario Chamber
of Commerce, interested party.

BY THE COMMISSION:

O P I N I O N

By this application Loren W. Smith, an individual doing business as Citrus Belt Lines, a passenger stage corporation, seeks authority under Section 63 of the Public Utilities Act to establish increased passenger fares. The application was submitted at a public hearing held before Examiner Bryant at Ontario on October 7, 1941.

Applicant testified that he commenced operations between Ontario and Upland on February 5, 1939, and between other points involved in the application on September 16, 1940. He declared that the Ontario-Upland service is barely meeting expenses at the present time, and that the revenue from the Pomona-Chino-Ontario division is falling approximately \$300. per month short of the actual cost of

Loren W. Smith was authorized by Decision No. 31664 of January 16, 1939, in Application No. 22179, to transport passengers between Upland and Ontario; and by Decision No. 33402 of August 13, 1940, in Application No. 23526, to transport passengers between Pomona, Ontario, Chino, Southern California State Prison at Chino, Cal- Aero School, Norco Lake, Norconian Hotel and Corona, and intermediate points, subject to certain conditions. The instant application does not involve fares from or to Norco Lake, Norconian Hotel or Corona.

operation. Exhibits attached to the application indicate that the cost of operating both divisions for the period from September 1, 1940 to May 30, 1941 was \$6,245.79, while the total revenue during the same period was only \$5,219.82. Smith stated that it had been possible to carry on the operations at present fares only by employing family help, paying drivers less than a reasonable wage, using a poor grade of fuel, and otherwise making every possible economy, and asserted that his losses would have been substantially greater if he had paid prevailing wages and used gasoline and other necessities of a quality ordinarily accepted as standard. He added that his expenses were increasing in any event, due to higher prices on fuel and lubricants, new federal taxes, and other advancing costs.

Smith explained that he had made persistent attempts to improve his financial condition by increasing the patronage of his lines, but without appreciable success. It appears that he distributed circulars among actual and potential passengers, adjusted time schedules in an effort to find those most satisfactory to the passengers, and made personal solicitation calls at institutions along his routes. He now anticipates, however, that developments along his lines will bring about an increase in the number of passengers carried in the future;² and hopes that the proposed higher fares, if accompanied by some increase in patronage, will enable him to place his operations upon a compensatory basis.

Applicant testified that he and his drivers had verbally acquainted many of the regular patrons with the proposal here considered; that to the best of his knowledge none of them objected to the proposed fare increases; and that some had suggested fares higher than those sought. He explained this rather unusual attitude of the

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Applicant serves the California State Prison near Chino. It appears that this prison was recently completed and that the number of inmates and employees at that point will increase substantially in the near future.

patrons by saying that they realized the operations had not been profitable and preferred increased fares to a curtailment or discontinuance of service. Applicant asked that he be permitted to establish the proposed fares upon less than statutory notice in order that he might receive the benefit of the anticipated increase in revenue at the earliest practicable date. He said that in his opinion, based upon familiarity with the territory served, ten days' notice to the traveling public would in this case be ample.

Representatives of the Ontario Chamber of Commerce and Pomona Chamber of Commerce, after reviewing the application at the time of the hearing, stated that they would offer no objection to the proposed increases. No one opposed the granting of this application.

The record is persuasive that applicant faces a need for greater revenue if he is to render a satisfactory transportation service in the future, and is convincing that an increase in the present fares is necessary. Apparently he has made a sincere although unsuccessful effort to secure additional income by improving the load factor of his vehicles, and now has no alternative to the establishment of higher fares. Whether or not the fares proposed would have the desired result is, of course, a question which may only be answered by trial, but in view of Smith's testimony concerning the attitude of his patrons his conclusion that such fares would better his net financial condition appears to be well founded. The question remains whether the particular fares proposed by applicant are justified.

Under applicant's proposal the one-way fare between Ontario and Upland would be increased from 6 cents to 8 cents, and a round-trip fare of 15 cents would be substituted for the present combination of 12 cents. Between Pomona and Southern California

State Prison the present fares of 17 cents one-way and 25 cents round-trip would be increased to 25 cents one-way and 45 cents round-trip. These fares serve to illustrate in a general way the percentage of increase in the one-way fares between all points involved in the application, and are representative of the present and proposed fares between points where round-trip fares would be maintained.

Between certain other points named in the tariff applicant's proposal contemplates the cancellation of round-trip fares, and in these cases a considerably greater percentage of increase would result in the charges for round-trip transportation. Smith explained that points between which round-trip fares were to be cancelled were those between which he had transported few, and in some cases no passengers. He said that these round-trip fares had been established originally in the hope that they would attract a sufficient number of patrons to make them profitable, and that since the traffic had failed to develop there was no longer any reasonable justification for retaining the reduced fares for round-trip tickets. He said that in his opinion, considering the light travel between such points, the proposed one-way fares were reasonable and entirely justified.

Upon consideration of all of the facts and circumstances of record we are of the opinion and find that the proposed increases are justified, and that applicant should be authorized to establish them upon ten days' notice to the Commission and to the public. The following order will so provide.

O R D E R

This application having been duly heard and submitted, full consideration of the matters and things involved having been had, and the Commission now being fully advised,

IT IS HEREBY ORDERED that Loren W. Smith, doing business as Citrus Belt Lines, be and he is hereby authorized to establish, on not less than ten (10) days' notice to the Commission and to the public, the passenger fares proposed in the above entitled application.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become null and void if not exercised within sixty (60) days from the date hereof.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 28th day of October, 1941.

[Signature]
Ray & Rice
Justus J. Coe
Francis S. Hawes
[Signature]
Commissioners.