

ORIGINAL

Decision No. 36240

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
W. H. Pimental, d/b/a/ North Sacra-) Application No. 25241
mento Stage Line, for authorization)
to increase certain fares.¹)

BY THE COMMISSION:

Appearances

Harry A. Encell, for applicant, and for Gibson Lines as their interests may appear,
Captain T. H. Wirack and Lester F. Blair, for United States Army Air Corps.

O P I N I O N

This application will be denied. It seeks substantial increases which have not been justified.²

The stage line was recently purchased for \$71,500.³
There is no evidence of any additional capital expenditure. For the first seven months of 1942 the net earnings are said to have amounted to \$14,935.56.

It is contended that certain expenses have been exceptionally low; that traffic has been abnormally heavy; and that the fares in issue are much lower than other fares maintained by applicant and by another carrier. These contentions will be dealt with seriatim.

1

Pursuant to the authority granted by Decision No. 35778 of September 15, 1942, in Application No. 25202, A. J. (Bert) Chapin acquired North Sacramento Stage Line from W. H. Pimental. Chapin has taken the place of Pimental as the applicant herein.

2

It is proposed to increase from 10 to 15 cents the one-way fare between U. S. Army Air Depot (McClellan Field) and North Sacramento, and from 5 to 10 cents the one-way fare between the air depot and Rio Linda & Arcade, Del Paso Heights, Taylor & Grand, Del Paso & Arcade, Bon Ali, and Hagginwood.

3

In Decision No. 35778 supra, it was pointed out that the aggregate depreciated value of the tangible properties was reported at \$50,693.77.

With respect to the first, it is sufficient to point out that little tangible evidence providing that expenses were abnormally low was adduced.

Respecting the second, it is shown that as a result of war conditions, traffic between the points involved is unusually heavy. Undoubtedly it will decrease after the cessation of the war. The extent of this decrease and the time it will take place are, however, problematical. It is not contended that the revenues presently obtained are inadequate. The contention is that they are insufficient under normal conditions. In so far as this contention is concerned, the application is premature.

Finally, the fact that the fares involved are lower than other fares maintained by applicant as well as lower than fares maintained by another carrier operating in this same general territory is insufficient to justify the increases sought when an operation is as profitable as this one and no offsetting reductions are proposed.

O R D E R

Public hearing having been had in the above entitled proceeding before Examiner Mulgrew and the Commission having carefully considered the evidence of record,

IT IS HEREBY ORDERED that the above entitled application be and it is hereby denied.

Dated at San Francisco, California, this ^{16th} 16 day of March, 1943.

~~CERTIFIED AS A TRUE COPY~~

~~Secretary, Railroad Commission
of the State of California~~

Francis R. Stover
Justice J. Quilley
Richard Kachre
Francis B. ...