

Decision No. 32526

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of H. G. REYNOLDS to increase fares)
between Lancaster, California and)
Mira Loma Flight Academy (formerly)
Polaris Flight Academy) Los Angeles)
County, California, and return.)

ORIGINAL

Application No. 26334

McIntyre Faries, Attorney for applicant.

BY THE COMMISSION:

O P I N I O N

By Decision No. 36394, applicant was authorized to acquire the passenger stage operative right created by Decision No. 34662 and to render service as a "passenger stage corporation" for the transportation of passengers, baggage, and express, on passenger carrying vehicles, between Lancaster and the Polaris Flight Academy, provided that no shipment of express weighing in excess of 100 pounds be transported.

Applicant now seeks authority to increase the fare from Lancaster to Mira Loma Flight Academy (formerly Polaris Flight Academy) from 5 cents to 12 cents per one-way ride.

A public hearing was held in this matter at Lancaster on November 2, 1944, before Commissioner Craemer and Examiner Chiesa and it is now ready for decision.

This service is rendered principally for the accommodation of civilians employed at the academy located six miles due west of the town of Lancaster. From October, 1941, to June, 1944, the service was subsidized by the Polaris Flight Academy, a corporation, which, during said period, operated a basic flight training school. Said

corporation was dissolved and Mira Loma Flight Academy, a California corporation, has, since June, 1944, been operating a training school for primary flight instruction under contract with the United States Army Air Corps. The training program under the present agreement will expire in June, 1945. The program prior to June of this year called for the training of a greater number of cadets and the employment of a large number of civilians. At present there is only one day shift whereas three shifts per day were previously necessary. Enrollment at the academy now is between 400 and 500 cadets, all resident students and there are approximately 334 civilian employees who reside in Lancaster or vicinity. Less than a third of the employees use applicant's transportation facilities.

For the year ending December 31, 1943, gross operating revenue was \$5,982.70 and operating expenses \$11,979.15, resulting in a loss of \$5,996.45. For the first six months of 1944 the revenue and expenses were \$3,175.55 and \$5,664.05, respectively, and the loss was \$2,488.50. As previously indicated, these losses were absorbed by the Polaris Flight Academy.

Since June of 1944, when Mira Loma Flight Academy commenced business, the bus operation has not been subsidized. Due to the curtailed training program, operating revenues have dropped sharply; therefore, applicant must either seek an increased fare or continue to suffer losses. The testimony shows that no increase in the number of passengers can be expected. Applicant also requests that, if his

1 Monthly income, January to October, 1944:

January	\$534.50	June	\$393.15
February	553.55	July	144.05
March	619.65	August	151.65
April	564.35	September	116.90
May	510.35	October	137.50

Compared with an income of \$550.10 for the period of July through October, 1944, expenses were \$1,038.56 or a loss of \$488.46. During this period monthly average revenue and expense were \$137.52 and \$259.64, respectively.

application for an increase is denied, he be permitted to discontinue the service. As there are no other public transportation facilities, an abandonment at this time does not appear to be in the public interest. A discontinuance of this service would result in a marked increase in the use of private automobiles with attendant need for tires and gasoline.

Applicant estimates revenue and expense for the period of November, 1944, through June, 1945, will be \$1,100.24 and \$2,103.50, respectively, resulting in a loss of \$1,003.26. A 12-cent fare would increase income for this period to \$2,640.58.

The evidence shows that the present schedules are operated five times daily, at 7:00, 7:30, and 8:00 A.M. and at 4:10 and 5:10 P.M. for a total of 60 miles. Applicant and one other witness, resident manager of the academy, testified that approximately 100 fares per day are collected and that a fare increase to 12 cents per ride (two cents per mile) will assure the continuation of the service.

The granting of this application was not opposed.

The record is clear that the only practicable means of increasing operating income in this case is to increase the fare; that abandonment of the service would cause many employees considerable inconvenience and would result in a substantial increase in the use of private automobiles.

As to the proposed seven-cent increase, the Commission realizes that the present fare is below that usually charged for this type of service and that it was established at five cents at a time and under conditions considerably more favorable to applicant. A fare of 12 cents, which is on the basis of two cents per mile, appears to be just and equitable under the circumstances here.

Upon consideration of all the facts and circumstances of record, we are of the opinion and find that the proposed increase is

just and reasonable and that applicant should be authorized to establish the proposed fare upon ten (10) days' notice to the Commission and to the public. Therefore, the application will be granted.

O R D E R

A public hearing having been held in the above entitled proceeding, evidence having been received and the matter submitted for decision,

IT IS ORDERED that E. G. Reynolds 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 fare 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 date hereof.

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

Dated at San Francisco, California, this 5th day of December, 1944.

Richard K. Lusk
Justice F. Coe
Francis R. Havens
Thomas W. Brown
Frank H. Russell
Commissioners