

ORIGINAL

Decision No. 42752

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
NORMAN H. ROBOETHAM, dba Twin Cities)	
Transit for change of route in East)	Application No. 30770
Marysville.)	

In the Matter of the Application of)	
NORMAN H. ROBOETHAM, dba Twin Cities)	
Transit for an Order of the Commis-)	Application No. 30771
sion authorizing an increase in the)	
passenger fares.)	

Appearances

Norman H. Robotham, in propria persona.
F. E. Locke, Mrs. R. I. Nicholson,
Mrs. Richard Martin, Mrs. R. Dirkes,
Jerry Wheeler, Don Myer, John Palmer,
and Fiam M. Booth, Jr., for various
interested parties.

O P I N I O N

Applicant conducts a passenger stage business in Marysville and Yuba City and between these cities. By Application No. 30770 he seeks authority to change a portion of his East Marysville route. By Application No. 30771 authority is sought to establish increased fares.

These matters were heard on a common record before Examiner Lake at Marysville on January 5, 1950. They will be disposed of by one decision.

The change in applicant's East Marysville route herein sought involves two city blocks on the outbound service and one city block on the inbound service.¹

According to the record the proposed change is in response to public demand and because of poor road conditions along one of the streets over which present operations are conducted. The coach miles involved and the service rendered would be the same as via the present route.

It appears that the change of route proposal contemplates only a minor rearrangement; that it would serve the public to better advantage without causing undue hardship to anyone; and that it would permit applicant to conduct operations over better roads.

Applicant's fares were last adjusted in February 1948 at which time the adult fare was increased from 5 cents per ride to 8 cents or 2 tokens for 15 cents. The school children's fare of 20 rides for 75 cents was not disturbed. It has been in effect without change since 1944.

Applicant seeks authority to increase the adult fare to 10 cents per ride on weekdays and 15 cents per ride on Sundays. Authority is also sought to increase the school children's fare to 5 cents per ride. The latter fare is proposed to be restricted to students under 18 years of age going to or from school on school days between the hours of 7:30 a.m. and 9:30 a.m. and between 2:30 p.m.² and 4:30 p.m., and to be subject to verification by the school.

¹ Outbound applicant proposes to operate from Swezy and 14th Streets to Sampson Street over Swezy and 16th Streets in lieu of 14th Street and on inbound service he proposes to operate from Sampson to Swezy Streets over 15th Street instead of over Sampson and 14th Streets.

² Originally applicant sought to abandon Sunday operations and to cancel the reduced fares for school children. At the hearing, however, the application was amended to reflect the basis now sought.

In support of the sought increases, applicant contends that operations have been conducted at a continuous loss since 1947. According to an exhibit introduced in evidence, losses were \$2,171, \$3,688 and \$13,309 in 1947, 1948 and 1949, respectively.³

The losses were attributed primarily to a substantial decline in the volume of traffic. This was said to be occasioned to a large extent by a decrease in the population of the Marysville-Yuba City area. It was alleged that Sunday business had declined to such a point that the revenues resulting therefrom did not meet out-of-pocket costs. It was contended that the increase in revenues from the 15-cent Sunday fare herein sought would not be sufficient to place operations on a profitable basis; however, because of the need of such service applicant would be willing to assume some of the losses rather than discontinue Sunday operations. Every possible economy was said to have been effected to curtail expenses. It was asserted that without the relief here sought applicant cannot continue to maintain service.

A transportation engineer of the Commission's staff submitted and explained an exhibit which consisted in general of studies of traffic trends for both weekday and Sunday service, estimates of passengers and passenger revenues and operating expenses, depreciation and rate base statements, and forecasts of the estimated results of operations for a 12-month period ending January 31, 1951. This witness estimated that the existing fares, based on present conditions and anticipated expenses, would result in a loss for the period slightly in excess of \$5,700. The estimated operating

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The loss for 1949 appears to be somewhat overstated in that expenses were not developed on an accrual basis but included all bills paid or outstanding during this period, many of which were said to have been incurred in prior years.

ratio would be 130.7 per cent. Operating results under the proposed fares as calculated from the above-referred to exhibit are as follows:

Operating Revenues	
Adults	\$20,700
School Children	1,125
Other Revenue	400
	<u>\$22,225</u> (1)
Operating Expenses	\$24,301
Net Operating Income	\$ <u>(2,076)</u>
Operating Ratio	109.3%
Rate Base	\$ 5,720

() - indicates loss

(1) Includes no provision for a proposed age restriction on the school children's fare but does include \$600 estimated revenue from the five-cent higher fare proposed for Sunday service.

Several residents and representatives of various schools protested the granting of the fare increase application in so far as it pertains to an age restriction sought to be placed on the use of school children's fares. They contended that many children attending high school were 18 years of age and that they should enjoy the same privileges as other students who are younger. The granting of the applications was supported by the Marysville District Chamber of Commerce and several public witnesses.

The record is clear that applicant's revenues from the present fares are not sufficient. Applicant did not submit forecasts of future revenues or expenses; however, it is clear from the evidence submitted by the Commission witness that the proposed fares will not return the costs of conducting the operation. The age restriction proposed by applicant in connection with students' fares has not been shown to be necessary in view

4 Applicant sought to restrict the age limit to 18 years of age because, he stated, many children of 18 years did not attend school and that they might abuse the school children's privilege.

of the restriction that such fares will be valid only upon presentation of credentials indicating the rider is a student.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact that the proposed change of route and the sought fare increases, excepting the age restriction on the student fares, have been justified. To this extent the applications, as amended, will be granted. The record indicates that many passengers were unaware of the exact amount of applicant's fares and that as a result fares other than those applicable appear to have been collected. In order to remedy this condition, applicant will be required to post in his buses, for a period of not less than sixty (60) days, notice of all effective fares. At the hearing applicant sought authority to establish the proposed adjustments on less than statutory notice. Because of the urgent need of additional revenue, he will be authorized to do so.

O R D E R

Application having been made in the above-entitled proceedings and based upon evidence received and conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Norman H. Robotham be and he is hereby authorized to discontinue operations over 14th Street between Swezy and Sampson Streets and over Sampson Street between 14th and 16th Streets in East Marysville and concurrently therewith establish and maintain operations over the following route:

From the intersection of Swezy and 14th Streets along Swezy Street, 16th Street, Sampson Street, 17th Street, Covillaud Street, 15th Street and Swezy Street, to point of beginning.

IT IS HEREBY FURTHER ORDERED that Norman H. Robotham be and he is hereby authorized to increase his adult fares to 10 cents per ride on weekdays and 15 cents per ride on Sundays and to increase his school children's fare to 5 cents per ride, applicable to students going to or from school on school days between the hours of 7:30 a.m. and 9:30 a.m. and between 2:30 p.m. and 4:30 p.m., and subject to verification of their school affiliation; and that the changes in fares herein authorized may be made on not less than five (5) days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that applicant be and he is hereby directed to post and maintain in his vehicles, for a period of not less than sixty (60) days, a notice of all effective fares.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 30771 be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to establish the increased fares shall expire ninety (90) days after the effective date of this order.

This order shall become effective twenty (20) days after the date hereof.

Dated at Los Angeles, California, this 1st day of February, 1950.

R. J. Indrman
James D. Brewer
W. A. Powell
Harold A. Kelt
Mrs. L. L. Lott
Commissioners