

ORIGINAL

Decision No. 45824

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GUY H. BENTON, doing business under)
the name of ARTESIA-BELLFLOWER-NORWALK) Application No. 32068
BUS LINE, for authority to increase)
rates.)

Appearances

Guy H. Benton, in propria persona.
John W. Chapman, for Holbrook Transportation Company,
interested party.
Earl Showers, for Artesia Chamber of Commerce,
interested party.
William E. Haynie, for Hawaiian Gardens Business
Association and Artesia Chamber of Commerce,
interested parties.
Maude Gray and Winton Burne, for Norwalk Chamber of
Commerce, interested party.
Glenn Newton, for Engineering Division, Transportation
Department, Public Utilities Commission,
interested party.

O P I N I O N

Applicant is an individual engaged in the business of transporting persons, as a common carrier by motorbus, within and between the communities of Artesia, Bellflower, Hawaiian Gardens and Norwalk. By his application in this proceeding he seeks authority to establish increased fares and revised fare zones on less than statutory notice.

Public hearing of the matter was held before Examiner Abernathy in Norwalk on April 23, 1951. Evidence was submitted by applicant and by his operating manager, by representatives of the communities of Artesia and Hawaiian Gardens, and by a transportation engineer of the Commission's staff.

Applicant's present fares are based upon seven fare zones. Adult fares range from 5 cents to 20 cents per one-way ride, depending

upon the zone or zones involved. Certain lower fares are provided for those buying round-trip tickets. Also, lower fares are provided for children.¹

Applicant's proposal herein involves a general realignment of his fare structure. Various zones would be consolidated to reduce the total number to four. Adult intrazone fares would be increased to 10 cents and interzone fares would become 15 cents between contiguous zones and 20 cents across an intervening zone. Present round-trip fares would be eliminated. A fare of 10 cents would be established for children to apply per one-way ride between any two points on applicant's routes, except that a round-trip fare of 15 cents is proposed for children going to and from elementary schools. In some instances fare reductions would result and in certain other instances no changes would be made. The general effect of the proposal, however, would be the establishment of a higher level of fares.

According to the testimony of applicant, the revenues from the services herein involved have declined, and the applicable expenses have increased, to the point that losses are resulting. Operating results for 1950 were reported as follows:

Total revenues	\$ 8,356
Total expenses	<u>10,234</u>
Net operating loss	\$ 1,878

During 1949 and 1950, the testimony shows, the bus line was operated by a Mr. George Seidel under a purchase contract with applicant.

While the line was being so operated, proper standards of service were not maintained and traffic declined. Early in 1951 applicant reacquired the line and undertook to restore the service. Applicant's operating manager testified that the trend of traffic is now upwards.

¹ Applicant's present fares and fare zones are published in his Local Passenger Tariff No. 2, Cal.P.U.C. No. 2 (Series of George R. Seidel).

How long, or to what extent the traffic would continue to increase, he couldn't say, but he expressed the opinion that most recent operating figures indicate a leveling off of the trend. Neither applicant nor his operating manager had made a determination of the operating results since the reacquisition of the line. Both asserted, nonetheless, that the fares which are herein sought are essential if the service is to be maintained.

The Commission engineer submitted and explained an exhibit setting forth estimates of operating results that applicant would attain under present and proposed fares for the year ending with April 30, 1952. The data in the exhibit, he said, had been developed on the basis of applicant's current operating experience. In some respects, however, applicant's records were inadequate for the purpose of his study; in those instances he had used data reflecting experience of similar bus operators whose records he had analyzed. The following figures are taken from the engineer's exhibit:

Estimated Operating Results for Year Ending April 30, 1952

	<u>Under Present Fares</u>	<u>Under Proposed Fares</u>
<u>Operating Revenues</u>		
Passenger	\$ 9,630	\$11,860
Other	<u>250</u>	<u>250</u>
Total Revenues	\$ 9,880	\$12,110
Less: Operating Expenses	<u>13,330</u>	<u>13,400</u>
Net Operating Loss	\$ 3,450	\$ 1,290
Rate Base	\$ 2,220	\$ 2,220
Operating Ratio	134.9%	110.7%
Rate of Return	None	None

Representatives of the communities of Artesia and Hawaiian Gardens participated in the cross examination of the witnesses and in

the development of the record otherwise. In general they did not oppose fare increases necessary to the maintenance of applicant's service; however, they expressed the view that various service improvements should be made and indicated that fare increases should be conditioned upon the making of such improvements. The representative of the Artesia Chamber of Commerce urged that no increases be allowed for a period of 6 months, so that the revenue needs of applicant under its present scale of operations can be more accurately determined.

The evidence is convincing that applicant's revenues from its present fares fall substantially short of returning the cost of the service involved. Even with the increased fares which applicant seeks to establish, it is questionable that sufficient additional revenues will be realized to provide a reasonable margin for profit. On the basis of the engineer's figures it would appear that at the higher fares applicant's operations will continue unprofitable. Whether the actual results to be attained will be as estimated or whether they will be somewhat more favorable will depend largely upon the extent that the indicated upward trend in traffic is continued. In any event it appears that the sought fares will not result in excessive revenues.

The form of the proposed fare adjustments and the proposed zones appear reasonable except in two respects: First, applicant proposes to increase his tariff fare of 5 cents to 15 cents per adult one-way ride between the area in Norwalk north of Alondra Boulevard and the area in Artesia from Alondra Boulevard to Artesia Boulevard. The amount of increase which is sought is inconsistent with and exceeds other fare increases proposed for similar distances. In order

to avoid results which appear unreasonable, an increased fare of 10 cents will be authorized for the transportation in question. In the second respect, applicant is proposing to assess a 10-cent fare for transportation between Hawaiian Gardens area and Artesia at 183d Street and Pioneer Boulevard. His proposed zone descriptions, however, indicate a higher basis of fares for transportation to and from intermediate points. The fare zone which will be authorized will extend from Hawaiian Gardens to 183d Street, so that there may be no tariff ambiguity or possible violation of Section 24(a) of the Public Utilities Act prohibiting a greater charge for a shorter distance than for a longer distance over the same route.

Although the testimony and statements of the representatives of Artesia and Hawaiian Gardens indicate a possible need for further adjustments and improvements in applicant's service in order that it may more adequately conform to the transportation requirements of those communities, the extent that the suggested adjustments would be reasonable is not determinable from the record. Applicant will be expected to explore the matters further with representatives of the communities involved and to make such revisions in his service as are reasonable and consistent with the traffic in question.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that the increased fares and revised fare zones hereinafter authorized are justified. In view of applicant's evident need for additional revenues, establishment of the increased fares and revised fare zones on less than statutory notice also appears justified.

O R D E R

Public hearing having been held in the above-entitled proceeding, full consideration of the matters and things involved having been had, and the Commission being fully advised,

IT IS HEREBY ORDERED that Guy H. Benton, doing business under the name of Artesia-Bellflower-Norwalk Bus Line, be and he is hereby authorized to establish on not less than five (5) days' notice to the Commission and to the public, the local fares which are set forth and the fare zones which are described in Appendix "A" attached hereto, said fares and fare zones to be established in lieu of the one-way and round-trip fares and the fare zones now in effect, and as set forth in Guy H. Benton's Local Passenger Tariff No. 2, Cal.P.U.C. No. 2 (Series of George R. Seidel dba Artesia-Bellflower-Norwalk Bus Line).

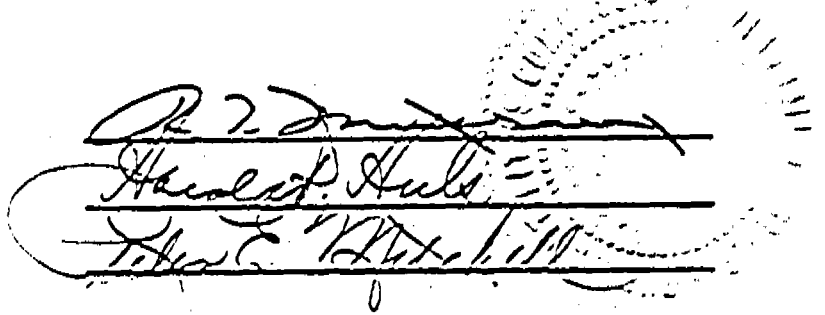
IT IS HEREBY FURTHER ORDERED that the notice to the public, which is specified in the preceding ordering paragraph, shall be posted in applicant's buses, shall describe how the fare changes and the zone changes will affect the service to the public, and shall include a map of the area involved, clearly showing where the fare changes will apply.

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

IT IS HEREBY FURTHER ORDERED that in all other respects the above-entitled application be and it is hereby denied.

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

Dated at San Francisco, California, this 12th day of June, 1951.



Commissioners

APPENDIX "A" TO DECISION NO. 45824

IN APPLICATION NO. 32068

AUTHORIZED FARES AND FARE ZONES

Fares

A. Adult Cash Fares in Cents per One-Way Ride

AND Any Point in	Between Any Point in			
	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Zone 1	10			
Zone 2	15	10		
Zone 3	15 ^(a)	15	10	
Zone 4	20	20	15 ^(b)	10

(a) Applicable from or to points in Zone 3 which are not included in Zone 1.

(b) Applicable from or to points in Zone 3 which are not included in Zone 4.

B. Children's Fares

1. Applicable for the transportation of children other than those going to or returning from elementary schools:

Between any two points on carrier's routes,
per one-way ride 10 cents cash (See Note)

Note: Children's fares subject to this note apply for the transportation of children under 12 years of age when accompanied by an adult passenger, except that children under 5 years of age, when accompanied by an adult passenger and when not occupying a seat to the exclusion of other passengers, will be carried free.

2. Applicable for the transportation of children going to or returning from elementary schools:

Between any two points on carrier's routes:

Per one-way ride 10 cents cash
Per round trip (Applicable
when round-trip tickets
purchased) 15 cents cash

3. Except as hereinabove provided, adult fares apply for the transportation of children.

APPENDIX "A" TO DECISION NO. 45824 (Continued)

Fare Zones

- Zone 1. Includes all portions of carrier's routes east of the San Gabriel River and north of Artesia Boulevard.
- Zone 2. Includes all portions of carrier's routes west of the San Gabriel River.
- Zone 3. Includes all portions of carrier's routes east of the San Gabriel River, south of and along Alondra Boulevard, and north of Lincoln Avenue.
- Zone 4. Includes all portions of carrier's routes south of 183d Street, Artesia.

(End of Appendix)

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