

Decision No. 55663

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE ATCHISON, TOPEKA AND SANTA FE)
RAILWAY COMPANY, a corporation, for)
authority to reduce its passenger)
train service between Los Angeles,)
San Diego and certain intermediate)
points by discontinuing Trains)
No. 2/71 and No. 2/72.)

Application No. 38982
Amended

Robert W. Walker, Frederick G. Pfommer, Henry M. Moffat and Lee Nielson for applicant. Roger Arnebergh, T. M. Chubb and J. D. Sanders for the City of Los Angeles; W. G. O'Barr for Los Angeles Chamber of Commerce; L. E. Osborne for California Manufacturers Association, interested parties. Frederick B. Holoboff for the City of San Diego; Jean L. Vincenz for the County of Los Angeles; Dale Austin for the City of Oceanside; William T. Ellis for Brotherhood of Locomotive Firemen and Enginemen; George W. Ballard for Brotherhood of Railroad Trainmen; Leonard M. Wickliffe for Order of Railway Conductors and Brakemen; G. R. Mitchell for Brotherhood of Locomotive Engineers, protestants. James K. Gibson and Howard F. Christenson for the Public Utilities staff.

O P I N I O N

Applicant herein seeks authority to reduce its passenger train service between Los Angeles and San Diego by discontinuing one trip in each direction on weekdays and one trip in the north-bound direction on Sundays and holidays, and to make minor time adjustments on some remaining schedules.

Public hearings were held in Los Angeles and San Diego before Commissioner C. Lyn Fox and Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matters were submitted for decision.

The present schedules and the schedules proposed to be made effective are as follows:

| <u>Southbound</u> | | | | <u>Northbound</u> | | | |
|-------------------|-----------------|------------------|-----------------|-------------------|-----------------|------------------|-----------------|
| <u>Present</u> | | <u>Proposed</u> | | <u>Present</u> | | <u>Proposed</u> | |
| <u>Train No.</u> | <u>Lv. L.A.</u> | <u>Train No.</u> | <u>Lv. L.A.</u> | <u>Train No.</u> | <u>Lv. S.D.</u> | <u>Train No.</u> | <u>Lv. S.D.</u> |
| 70 | 7:45 A. | 70 | 7:45 A.: | 71 | 6:30 A. | 71 | 7:00 A.# |
| 72 | 10:00 | 72 | 10:30 : | 2/71 | 9:00 | 73 | 10:00 |
| 2/72 | 2:00 P. | 74 | 2:00 P.: | 73 | 11:15 | 75 | 1:00 P |
| 74 | 5:30 | 76 | 5:45 : | 75 | 4:45 P. | 77 | 3:30 |
| 76 | 8:30 | 2/76 | 8:00 * : | 77 | 9:00 | 79 | 6:00 |
| 78 | 12:45 A. | 78 | 11:45 : | 79 | 11:45 | 2/79 | 8:00 * |

Daily except Sundays and Holidays

* Sundays and Holidays only

It is evident from the above schedules that applicant proposes to discontinue, except on Sundays and holidays, the southbound train which is now scheduled at 8:30 P.M., and the last northbound train which now leaves at 11:45 P.M. On Sundays and holidays applicant will continue to operate six trains southbound. Northbound, however, there would be five trips per day, on weekdays between 7:00 A.M. and 6:00 P.M., and on Sundays and holidays between 10:00 A.M. and 8:00 P.M.

A Commission staff engineer submitted a report showing the average number of weekday and Sunday passengers in October and November 1956, and in June 1957 (Exhibit No. 29, Tables 1, 2 and 3). Said report shows a remarkable consistency in the number of passengers carried on each train and also in the percentages of the total passengers carried.

Table No. 3 for the month of June 1957 is typical and follows:

SANTA FE RAILWAY CO.
LOS ANGELES - SAN DIEGO
SERVICE AND PASSENGERS

June 1957

| : Train No. | : Time Terminal | : Average Weekday Passengers | : Percent of Total | : Average Sunday Passengers | : Percent of Total |
|-------------|-----------------|------------------------------|--------------------|-----------------------------|--------------------|
|-------------|-----------------|------------------------------|--------------------|-----------------------------|--------------------|

SOUTHBOUND

| | | | | | |
|-------|----------|------|-------|------|-------|
| 70 | 7:45 A. | 181 | 17.7 | 188 | 14.1 |
| 72 | 10:00 | 222 | 21.9 | 259 | 19.4 |
| 2/72 | 2:00 P. | 196 | 19.4 | 234 | 17.5 |
| 74 | 5:30 | 236 | 23.2 | 250 | 18.7 |
| 76 | 8:30 | 132 | 13.0 | 270 | 20.2 |
| 78 | 12:45 A. | 49 | 4.8 | 136 | 10.1 |
| TOTAL | | 1016 | 100.0 | 1337 | 100.0 |

NORTHBOUND

| | | | | | |
|-------|---------|-----|-------|------|-------|
| 71 | 6:30 A. | 117 | 12.8 | 51 | 4.6 |
| 2/71 | 9:00 | 169 | 18.6 | 119 | 10.7 |
| 73 | 11:15 | 223 | 24.5 | 218 | 19.6 |
| 75 | 4:45 P. | 342 | 37.6 | 524 | 47.0 |
| 77 | 9:00 | 49 | 5.4 | 171 | 15.2 |
| 79 | 11:45 | 10 | 1.1 | 31 | 2.9 |
| TOTAL | | 910 | 100.0 | 1114 | 100.0 |

The table shows that the southbound train proposed to be discontinued, No. 76 leaving at 8:30 P.M., carries approximately 13 percent of total weekday passengers, and that the northbound train, No. 79 leaving at 11:45 P.M., also proposed to be discontinued, carries approximately 1.1 percent of the total weekday passengers.

The record shows that beginning in March of 1938 applicant inaugurated a streamlined train service between Los Angeles and San Diego by establishing two daily round trips with new light-weight equipped trains known as "The San Diegans." Two other

conventional heavyweight air-conditioned trains made two additional round trips daily, making a total of four trains daily in each direction. - On June 8, 1941, two additional streamlined trains, also designated "San Diegans", were added to the service. In May of 1952 applicant placed in daily operation between said cities, two rail diesel cars providing two additional daily round trips. Late in January 1956 the latter diesel units were removed from service and were supplanted by conventional diesel-powered lightweight streamlined trains such as are now in operation. Since April of 1956 and since discontinuing two of its heavyweight trains applicant has operated its present schedule of six round-trips per day.

With the establishment of the rail diesel cars in 1952 applicant also inaugurated an advertising and promotional campaign to promote its Los Angeles-San Diego service in an effort to increase patronage and revenues. Applicant contends that its attempts to improve the train service and promote more business, as set forth hereinabove, have failed to attract additional passenger traffic, but, on the other hand, applicant has sustained increased losses although the service rendered was first-class and fares were attractive and competitive with other means of public transportation.

The following shows annual number of passengers transported by applicant between Los Angeles and San Diego for the years 1947 to 1956:

| | | | |
|------|-----------|------|-------------|
| 1947 | 1,026,389 | 1952 | 1,260,109 * |
| 1948 | 906,345 | 1953 | 947,527 |
| 1949 | 817,333 | 1954 | 921,671 |
| 1950 | 802,228 | 1955 | 935,079 |
| 1951 | 986,860 | 1956 | 824,407 |

* Pacific Greyhound Lines and Continental Bus strike from early March until late May 1952.

Applicant presented financial data showing operating revenues and out-of-pocket operating expenses applicable to its passenger train service between Los Angeles and San Diego for the years 1952 to 1956 as follows:^{1/}

| <u>Item</u> | <u>1952</u> | <u>1953</u> | <u>1954</u> | <u>1955</u> | <u>1956</u> |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | \$3,146,587 | \$2,329,577 | \$2,117,035 | \$2,099,001 | \$2,039,457 |
| Total Operating Expenses | 2,535,476 | 2,389,633 | 2,239,654 | 2,177,793 | 2,264,096 |
| Pay Roll Taxes | 82,404 | 74,796 | 72,789 | 72,303 | 83,091 |
| Equipment Rental | <u>589</u> | <u>813</u> | <u>591</u> | <u>1,815</u> | <u>1,116</u> |
| Total Operating Expenses, Taxes and Rents | <u>\$2,618,469</u> | <u>\$2,465,242</u> | <u>\$2,313,034</u> | <u>\$2,251,911</u> | <u>\$2,348,303</u> |
| Net Revenue (Out-of-Pocket) | \$ 528,118 | (D)135,665 | (D)195,999 | (D)152,910 | (D)308,846 |

(D) Indicates deficit

Comparable results, under present and proposed schedules, based on the latest six-month period available at the time of hearing, to wit: June, August, October, December 1956, and February, April 1957, also expanded to a full year, and adjusted to reflect level of revenues as of May 20, 1957, and costs as of May 1, 1957, are as follows (Exhibits Nos. 20 and 21):

^{1/} Based on six-month period of February, April, June, August, October and December of each of said years and expanded to a full year (Exhibit No. 18).

| <u>Item</u> | <u>Present Schedules</u> | <u>Proposed Schedules</u> |
|-----------------------------------|--------------------------|---------------------------|
| Revenues | \$2,229,910 | \$2,229,910* |
| Total Operating Expenses | 2,342,998 | 2,120,482 |
| Pay Roll Taxes | 86,691 | 78,467 |
| Equipment Rental | 1,033 | -- |
| Transportation of Mail on Highway | -- | 32,222** |
| Net Revenue, out-of pocket basis | (D) 200,812 | (D) 1,251 |

(D) Indicates deficit

* Applicant estimates no loss of passenger revenue.

** Added costs of transporting San Diego to Los Angeles mail by truck.

It appears that by the proposed revision of schedules, applicant will reduce its out-of-pocket operating losses in the amount of \$199,561.

Applicant contends that the indicated savings could be made without material inconvenience to the riding public. Applicant's witness testified that in his opinion very little, if any, of the business accruing from the operation of Train No. 76, leaving Los Angeles at 8:30 p.m., would be lost as many of the passengers riding said train are either daily commuters or persons making a one day round-trip who could conveniently take the 5:45 p.m. or 11:45 p.m. trains. He also stated that, in addition to the two latter trains, convenient and frequent bus and airline schedules are available between said departures.

The evidence shows that it is not convenient or desirable to advance the departure time of the 11:45 p.m. southbound train

due to important train connections for state and out-of-state passengers and mail and particularly because of local area mail contract commitments. The 5:45 p.m. southbound schedule could not be materially changed without considerable loss of patronage as this train returns workers, shoppers and daily visitors at a most desirable and convenient time. In addition to applicant's train service between Los Angeles and San Diego there are two large bus companies operating a total of approximately 55 round-trips per 24-hour day (on a half hour or shorter headway) and three major airlines operating approximately 22 round-trip flights between approximately 6 a.m. and midnight.

The parties opposed to this application contend, principally, that the area served has made such spectacular strides industrially and population-wise that what is needed is more and better train service and, if possible, at lower fares; that highways are now congested and therefore more train travel is indicated; that the discontinuance of the present evening train would make the service unattractive and would result in further loss of patronage; and that southbound state and out-of-state passengers would be left without convenient train connections after 5:45 p.m.

On the other hand, the evidence shows that since 1938 applicant has endeavored to improve its train service and business between Los Angeles and San Diego by adding schedules, replacing old equipment with lightweight trains and diesels, offering competitive fares, and by advertising its service. It is further apparent that although there have been phenomenal gains in population

throughout the territory being served, the number of passengers carried annually has in no sense kept pace, and in 1956 actually decreased. There is uncontested testimony that the principal cause of shrinking passenger train revenue is increased travel by private automobile, buses and airplanes.

The Commission having considered the evidence of record is of the opinion and finds that applicant's request has been justified and that public convenience and necessity no longer requires that the present number of round trips operated between Los Angeles and San Diego be maintained. Applicant will be authorized to establish a revised passenger train schedule as hereinafter set forth.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found facts as hereinabove set forth,

IT IS ORDERED:

(1) That The Atchison, Topeka and Santa Fe Railway Company, a corporation, be, and it hereby is, authorized to revise its passenger train schedules between Los Angeles and San Diego substantially in the manner as set forth in its application as amended.

(2) That on or before sixty days after the effective date of this order and on not less than five days' notice to the Commission and to the public, applicant shall amend its timetables in accordance with the authority herein granted.

(3) That for a period of at least ten days prior to the change in schedules as herein authorized, applicant shall post at all of its passenger stations and ticket offices, between Los Angeles and San Diego, and in all of its trains operated between the said cities, a clearly visible notice of said change of passenger train schedules.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,
this 8th day of October, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners