

**ORIGINAL**Decision No. 67488

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE ATCHISON, TOPEKA )  
 AND SANTA FE RAILWAY COMPANY to )  
 increase multiple ride coach fares )  
 between Los Angeles and Fullerton, )  
 Anaheim and Santa Ana. )

Application No. 45766  
 (Filed September 13, 1963)

Frederick G. Pfrommer and Leland E. Butler, for applicant.

Robert M. Himrod, for Commuter Group, and Bruce Sumner, for Citizens Committee for Better Transportation; Horace N. Anderson; John W. Anderson; Janina Brukiewicz; James L. Bush; Kenneth Carhill; Janice E. Carter; Stanley N. Cotten; C. F. Grigg; W. K. Jansen; Henry A. Kleinschmidt; Judge Earl O. Lippold; McKay Mitchell; Karen C. Murray; George W. Phillips; Hayden E. Reece; Alfredo Sansoni; Carl H. Swenson; Florence Tropper; Daniel C. Waters; Michael M. Wright; Norman Wright; Maggi A. Zeit, in propria personae; protestants.

Edward L. Blincoe, for Utility User's League of California; R. W. Russell, Department of Public Utilities and Transportation, City of Los Angeles, by K. D. Walpert; interested parties. Charles J. Astrue, for the Commission staff.

O P I N I O N

The Atchison, Topeka and Santa Fe Railway Company<sup>1/</sup> is a common carrier by railroad of persons and property between points in California and elsewhere. By this application, it seeks authority to cancel its tariff naming multiple ride coach fares between Los Angeles, on the one hand, and Fullerton, Anaheim and Santa Ana, on the other hand, and to apply one-way and round-trip individual coach fares in lieu thereof.

Authority Sought

The multiple ride coach fares sought to be canceled and the current one-way and round-trip coach fares are shown in Table I:

1/ Sometimes hereinafter referred to as Santa Fe.

Table I

Multiple Ride and One-Way and Round-Trip Coach Fares  
Currently in Effect Between Los Angeles, on the One Hand,  
and Fullerton, Anaheim and Santa Ana, on the Other Hand.

<u>Multiple Ride Coach Fares</u> (1)	<u>Between Los Angeles and</u>		
	<u>Fullerton</u>	<u>Anaheim</u>	<u>Santa Ana</u>
25-ride family ticket, 3 months' limit	\$ 7.86	\$ 8.82	\$11.40
30-ride family ticket, 6 months' limit	12.60	13.95	18.00
46-ride individual student ticket, limited to calendar month in which sold	18.06	20.19	26.03
60-ride individual ticket, limited to calendar month in which sold	9.54	10.56	13.68
<u>Individual Coach Fares</u> <sup>2/</sup>			
One-way (2)	.70	.78	1.00
Round-trip (3)	1.30	1.45	1.80

(1) AT&SF-CL Local Passenger Tariff No. A-901.

(2) AT&SF-CL Local and Joint Passenger Tariff No. A-925.

(3) Local and Joint Passenger Tariff No. 203, H. E. Mogler,  
Tariff Publishing Agent.

#### Public Hearing

A duly noticed public hearing was held before Examiner Mooney at Los Angeles on October 29, 1963, and the matter was submitted on that date.

#### Applicant

Evidence was introduced at the hearing on behalf of applicant through its assistant general passenger agent and assistant general passenger traffic manager.

<sup>2/</sup> Special round-trip excursion fares with a 30-day limit were published in Western Local and Joint Passenger Tariff No. 238-2 issued by E. B. Padrick, Agent. The tariff became effective on January 10, 1964 and expired with April 30, 1964. California Intrastate Supplement No. 1 with the same effective and expiration dates made the tariff applicable to California intrastate traffic. The round-trip coach fares published in the tariff between Los Angeles, on the one hand, and Fullerton, Anaheim and Santa Ana, on the other hand, are \$1.00, \$1.10 and \$1.40, respectively. These fares are not involved in the application.

The assistant general passenger agent traced the history of the multiple ride fares from 1907 to the present. He testified that according to the earliest available records of applicant, multiple ride fares between stations in California were published in Santa Fe Tariff No. 92 which became effective April 1, 1907. The fares published in Tariff No. 92 are shown in Table II:

Table II

Multiple Ride Fares Published  
in Santa Fe Tariff No. 92,  
Effective April 1, 1907

	<u>Between Los Angeles and</u>		
	<u>Fullerton</u>	<u>Anaheim</u>	<u>Santa Ana</u>
25-ride family ticket, 60-day limit	\$ 5.95	\$ 6.65	\$ 8.60
30-ride family ticket, 6 months' limit	14.00	16.00	20.00
60-ride individual ticket, limited to calendar month in which sold	7.15	8.00	10.35

The passenger agent stated that the fares published in Santa Fe Tariff No. 92 were based on one cent per mile for the 25-ride family ticket, one-half cent per mile for the 60-ride individual ticket, and 20 times the effective one-way first class fare for the 30-ride ticket. The latter fare, he pointed out, is the only one that was constructed on a fluctuating basis.

The passenger agent testified that the limit on the 25-ride family ticket was extended from 60 days to three months in 1908; that a 46-ride student ticket based on one and one-quarter cents per mile was added in 1911; that increases in fares of 10 and 20 percent were authorized by the Federal Government in 1913 and 1920, respectively, as a result of the wartime emergency; and that with the exception of the 30-ride family fare, the fares currently published in Santa Fe Tariff No. A-901 have not been changed since 1920.

With respect to the 30-ride family fare, which is based on a multiple of the first class fare, the passenger agent asserted that it was revised several times between 1920 and 1949 as a result of changing the basis on which it is computed (from 22 to 15 times the first class fare) and as a result of changes in the first class fare. The 30-ride family fares were published as specifically named fares between the points in question in Santa Fe Tariff No. A-901, which became effective December 1, 1954, rather than as a multiple of the basic one-way first class fares as formerly. The 30-ride family fares published in the tariff are on the same level as those in effect in 1949 and have not been revised since. Table III shows the revisions made in the 30-ride family fares between 1920 and 1949:

Table III

Revisions in 30-Ride Family Fares  
Between 1920 and 1949

<u>Effective Date</u>	<u>Between Los Angeles and</u>		
	<u>Fullerton</u>	<u>Anaheim</u>	<u>Santa Ana</u>
August 26, 1920	\$19.14	\$21.12	\$27.28
June 24, 1923	13.05	14.40	18.60
December 1, 1933	10.80	12.00	15.45
August 7, 1942	11.85	13.20	17.25
May 1, 1949	12.60	13.95	18.00

The passenger agent further testified that prior to October 17, 1954, multiple ride fares were published between all Santa Fe stations in California, which numbered approximately 240. He stated that during the 12-month period from February 1953 through January 1954, only 47 multiple ride tickets were sold in the entire State and that of this number, 11 were for transportation between Fullerton and Los Angeles and the remaining 36 were for transportation between Santa Ana and Los Angeles. As a result, the witness

asserted, applicant filed a petition with the Commission seeking authority to cancel all multiple ride fares in California. The Commission granted Santa Fe authority to cancel multiple ride fares between all points in California except those herein involved. He stated that Santa Fe does not publish multiple ride fares in any of the other states in which it operates.

The assistant general passenger traffic manager for applicant testified that the multiple ride fares are extremely low and unrealistic and that they are discriminatory to other patrons riding trains in California. He asserted that if the sought authority is granted, the same bases would then be used for determining fares for passengers between all points in California and the discrimination would be removed. The witness stated that the regular coach fares compare favorably with the per-ride cost of multiple ride fares of other transportation agencies in the Los Angeles-Santa Ana area and other parts of the country.

The passenger traffic manager alleged that the multiple ride fares were not increased in the past because applicant did not consider that the time and expense involved in such requests were justified by the small amount of additional revenue that would result therefrom. However, because the fares have become so depressed, he stated, it is now a matter of principle and fairness to other patrons that the fares be raised to a realistic level. The witness pointed out that during the 43-year period during which the multiple ride fares have remained constant (with the exception of adjustments in the 30-ride fares, which are now substantially less than they were in 1920), the intrastate individual passenger fares have been increased at least six times by amounts ranging from five to ten percent each time.

A number of exhibits comparing the multiple ride and coach fares between the points herein involved with multiple ride fares of other railroads in various sections of the country and with multiple ride fares of bus lines in the Los Angeles area were presented by the passenger traffic agent. Applicant alleged that the Commission has recognized the validity of such comparisons in fare increase proceedings.<sup>3/</sup> A comparison of applicant's 25- and 60-ride fares with the multiple ride fares of Southern Pacific Company on the San Francisco Peninsula, for comparable distances, is shown in Table IV:

Table IV

Comparison of Santa Fe's 25- and 60-Ride  
Fares with Southern Pacific Company's  
Multiple Ride Fares on the San Francisco  
Peninsula

<u>Miles</u>	<u>Railroad</u>	<u>Between</u>	<u>20- Ride</u>	<u>25- Ride</u>	<u>Monthly (1)</u>	<u>60- Ride</u>
23.8	AT&SF	Los Angeles-Fullerton		\$7.86		\$9.54
23.2	SP	San Francisco-San Carlos	\$13.50		\$20.00	
26.6	AT&SF	Los Angeles-Anaheim		8.82		10.56
27.8	SP	San Francisco-Atherton	14.50		23.00	
34.3	AT&SF	Los Angeles-Santa Ana		11.40		13.62
34.8	SP	San Francisco-Castro	16.50		26.00	

(1) Weekdays only.

A comparison of Santa Fe's coach fares with multiple ride fares (and the per-ride cost of multiple ride fares) of the Metropolitan Transit Authority and Pacific Greyhound Lines in the Los Angeles area and the Southern Pacific Company on the San Francisco Peninsula, for comparable distances, is shown in Table V:

<sup>3/</sup> Applicant cited Decision No. 4276 in Application No. 2749, 13 C.R.C. 95, 101 (1917), to support its allegation.

Table V

Comparison of Coach Fares with Multiple Ride Fares of the Metropolitan Transit Authority and Western Greyhound Lines in the Los Angeles Area and the Southern Pacific Company on the San Francisco Peninsula

<u>Miles</u>	<u>Line</u>	<u>Between</u>	<u>One Way</u>	<u>Round Trip</u>	<u>10- Ride</u>	<u>20- Ride</u>	<u>Monthly (1)</u>
23.8	AT&SF	Los Angeles-Fullerton per ride	\$0.70	\$1.30 .65			
	MTA	Los Angeles-Fullerton per ride			\$10.00 1.00		
23.0	WGL	Los Angeles-San Fernando per ride			6.84 .684		
23.2	SP	San Francisco-San Carlos per ride				\$13.50 .675	\$20.00 .465
26.6	AT&SF	Los Angeles-Anaheim per ride	.78	1.45 .725			
	MTA	Los Angeles-Anaheim per ride			10.75 1.075		
26.0	WGL	Los Angeles-Sylmar per ride			7.51 .751		
27.8	SP	San Francisco-Atherton per ride				14.50 .725	23.00 .535
34.3	AT&SF	Los Angeles-Santa Ana per ride	1.00	1.80 .90			
	MTA	Los Angeles-Santa Ana per ride			12.10 1.21		
34.0	WGL	Los Angeles-Agoura per ride			9.50 .95		
34.8	SP	San Francisco-Castro				16.50 .825	26.00 .605

(1) Weekdays only. Cost per ride based on average of 21.5 working days per month.

The record shows that the round-trip coach tickets between all points served by Santa Fe in California are on the level of 2.6 cents per mile. The Southern Pacific and Western Pacific California

intrastate coach fares are based on 3.68 and 3.34 cents per mile, respectively.<sup>4/</sup>

According to the exhibits, the multiple ride fares of Santa Fe are substantially less than the multiple ride commute fares of other rail lines for like distances in certain large metropolitan areas in other states selected by the applicant for comparative purposes. The per-ride cost of Santa Fe's round-trip coach fares are less than the per-ride cost of the 10-, 20-, 24- and 25-ride commute fares of the other railroads in all instances except one, and are generally lower than or within ten percent of the monthly commute fares of such other rail lines.

The passenger traffic manager also introduced exhibits which show the number of 25- and 60-ride tickets, and the stations between which they applied, which were sold by applicant during the months of January, March, July and September for each year from 1960 through 1963. He testified that no 30- or 46-ride tickets between any of the stations have been sold for over six years. The total number of 25- and 60-ride tickets between all stations which were sold during the afore-mentioned periods are summarized in Table VI below.

Table VI

Total Multiple Ride Tickets Sold  
Between All Stations During the  
Months of January, March, July  
and September, 1960 through 1963

<u>Year</u>	<u>Month</u>	<u>25-Ride</u>	<u>60-Ride</u>	<u>Total</u>
1960	January	42	13	55
	March	55	12	67
	July	41	16	57
	September	44	15	59

(continued)

<sup>4/</sup> The Southern Pacific and Western Pacific fares were increased to the level shown pursuant to Decision No. 66112 in Application No. 45296, 61 Cal. P.U.C. 490 (1963). Santa Fe did not participate in this rate increase proceeding.



Table VI

Total Multiple Ride Tickets Sold  
Between All Stations During the  
Months of January, March, July  
and September, 1960 through 1963  
(continued)

<u>Year</u>	<u>Month</u>	<u>25-Ride</u>	<u>60-Ride</u>	<u>Total</u>
1961	January	52	26	78
	March	62	25	87
	July	70	29	99
	September	61	30	91
1962	January	80	39	119
	March	60	37	97
	July	77	30	107
	September	71	22	93
1963	January	79	37	116
	March	74	41	115
	July	97	44	141
	September	92	35	127

A tabulation of the number of coupons from 25- and 60-ride books that were collected daily on each train at each station during the month of September 1963 was also presented in evidence as an exhibit by applicant. The exhibit shows that there is very little usage of the multiple ride tickets on Saturdays, Sundays and holidays. On regular work days during the month, the number of coupons collected each day varied from 28 to 54 on trains to Los Angeles and from 38 to 67 on trains from Los Angeles, and the number of 60-ride coupons collected on such days ranged from 28 to 49 on trains to Los Angeles and from 35 to 54 on trains from Los Angeles. The passenger traffic agent pointed out that although only 35 of the 60-ride books were sold during September 1963 and such tickets are to be used by the purchaser only, the evidence shows that more 60-ride coupons were collected on certain days during the month than the number of books sold. This, he stated, is apparently due to the conductor not having sufficient time to closely check each 60-ride coupon collected and could be remedied by substituting a flash, punch or some other type of ticket. He further explained that the 25-ride book may be used by members of

the purchaser's family and is good for a three-month period. Table VII below summarizes the total number of coupons collected on trains to and from Los Angeles and the average daily collection on week ends, on work days and for the entire month.

Table VII

Total and Average Daily Collection  
of Multiple Ride Coupons for Month  
of September 1963

<u>Collected On</u>	<u>To Los Angeles</u>			<u>From Los Angeles</u>		
	<u>25-Ride</u>	<u>60-Ride</u>	<u>Total</u>	<u>25-Ride</u>	<u>60-Ride</u>	<u>Total</u>
Saturdays, Sundays (1)	42	14	56	45	26	71
Daily Average on Week Ends	4.2	1.4	5.6	4.5	2.6	7.1
Weekdays (2)	766	753	1,519	886	1,886	
Daily Average on Weekdays	38.3	37.7(3)	76	50	44.3(3)	94.3
Total for Month	808	767	1,575	1,045	912	1,957
Daily Average for Month	26.9	25.5	52.5	34.8	30.4	65.2

- (1) Includes Labor Day, Mon, September 2, 1963.
- (2) Other than Saturdays, Sundays and Labor Day.
- (3) As pointed out above, 35 of the 60-ride tickets were sold during September 1963.

Santa Fe does not, the passenger traffic manager asserted, operate special trains, equipment or schedules for the convenience of multiple ride ticket users. They ride the through trains that operate between Los Angeles and San Diego and serve intermediate points. Five trains are operated daily in each direction, and an additional train in each direction is operated on week ends. The equipment used is stainless steel, lightweight chair cars. The train schedules, the witness testified, are set to accommodate mail and express and through passengers between Los Angeles and San Diego and to connect with trains from and to points beyond Los Angeles. He stated that the average number of multiple fare riders per day in both directions is 125.

The passenger traffic manager further testified that there is an imbalance of multiple ride passengers from and to Los Angeles each day. The exhibit of coupon collections during the month of September 1963 shows that on weekdays 24 percent more coupons were collected on trains from Los Angeles than on trains to Los Angeles. The exhibit further shows that on weekdays approximately 91 percent of the coupons collected on all trains to Los Angeles were collected on Train No. 71 which is the earliest train to Los Angeles in the morning and arrives at 8:45 a.m., and that approximately 85 percent of the coupons collected on all trains from Los Angeles were collected on Train No. 78 which is the last daily train from Los Angeles and leaves at 5:45 p.m. The train from Los Angeles prior to No. 78 departs at 2:30 p.m.

The passenger traffic manager compared the operations of Southern Pacific on the San Francisco Peninsula with Santa Fe's operation between Los Angeles and Orange County. He testified that Southern Pacific carries 11,000 riders in each direction daily and operates 11 trains during the morning peak hours and also during the afternoon peak hours to accommodate its patrons. Operations of the type performed by Southern Pacific, he stated, would be classified as a regular commute service, whereas Santa Fe's limited operation would not be.

The revenue received from the Los Angeles - San Diego operation in 1962 was, according to the record, \$1,129,222 in passenger revenue and \$623,614 in mail and express revenue. The multiple ride fares accounted for approximately \$12,600 of the passenger revenue in 1962 and \$10,935 in 1961.

The passenger traffic manager testified that during 1962 the earliest morning train to Los Angeles, which arrives at

8:45 a.m., carried 33,203 passengers, of whom 16,644 were multiple ride ticket users, and that the total passenger revenue for the train was \$40,249, of which multiple ride tickets accounted for approximately \$6,500. The last train from Los Angeles on weekdays, which leaves at 5:45 p.m., he further testified, carried 72,386 passengers in 1962, of whom 20,752 were multiple ride ticket users, and the total passenger revenue for the train was \$118,403, of which approximately \$6,500 was from multiple ride tickets.

The passenger traffic manager alleged that if the application is granted, it will have little effect on Santa Fe's operations. He pointed out that Santa Fe's coach fares are less than the passenger fares of other transportation agencies in the area. For this reason, he alleged, the number of patrons between Los Angeles, Santa Ana and intermediate points would not be substantially reduced.

According to the record, applicant's request to discontinue the multiple ride fares is based on a showing that such fares are unrealistic and are discriminatory to other passengers of Santa Fe in California, coupled with the fact that the coach fares are reasonable for the transportation in issue. No showing was made that the revenue from multiple ride tickets is inadequate, and no cost evidence was introduced. The passenger traffic manager testified that no trains or personnel are assigned solely to the passenger operation between Los Angeles and the Orange County points. The only expense that can be attributed directly to this operation, he further testified, is the cost of the multiple ride ticket books.

Applicant pointed out that Section 454 of the Public Utilities Code provides only that it make a showing before the Commission that the sought rate increase is reasonable and that the section does not require cost evidence to substantiate such a

showing. Applicant cited several Commission decisions as authority for its position that a determination of a rate may be based on factors other than cost.<sup>5/</sup>

Applicant also pointed out that the Commission has granted authority to California intrastate rail lines, including Santa Fe, several times in recent years to increase their first class and coach fares<sup>6/</sup> and that several years ago Santa Fe was granted authority to discontinue one train in each direction between Los Angeles and San Diego.<sup>7/</sup> Applicant stated that cost evidence was presented in each of the afore-mentioned proceedings and showed that Santa Fe was losing a substantial amount of money on its California intrastate passenger service. This fact, it averred, is also evidenced by its recent annual reports filed with the Commission.

#### Protestants

Three protestant witnesses testified in opposition to the sought cancellation of multiple ride fares.

The general manager of the Downtown Businessmen's Association of Los Angeles testified that he commutes daily between Santa Ana and Los Angeles. He stated that although he has lived in Orange County for three years, he commenced using the service only four months ago because it has not been advertised and he was not aware of its existence. He testified that in his opinion an increase

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<sup>5/</sup> Decision No. 33514, in Case No. 4473, 43 Cal. P.U.C. 25, 39 (1940); Decision No. 43368, in Application No. 29777, 49 Cal. P.U.C. 107, 120 (1949).

<sup>6/</sup> Decision No. 63671, in Application No. 43761, 59 Cal. P.U.C. 591 (1962); Decision No. 59712, in Application No. 41374, unreported (1960); Decision No. 54914, in Applications Nos. 38056 and 38741, unreported (1957).

<sup>7/</sup> Decision No. 55663, in Application No. 38982, unreported (1957).

of not to exceed 50 percent of the current multiple ride fares is justified and that the multiple ride tickets should be retained.

The Orange County Director and Legislative Chairman of the Citizens Committee for Better Transportation testified that the position of the committee is that increased usage should be made of existing transportation facilities, including the Santa Fe facilities between Los Angeles and Orange County, for commuter service. He stated that it would be a step backward to eliminate the commute ticket book and that this type of fare is not discriminatory but is in the public interest. He stated that he had no objection to a fare increase if supported by the record but that, in his opinion, the record does not justify an increase.

A resident of Fullerton who is a member of a Los Angeles law firm also testified and presented evidence in protest to the sought cancellation of the multiple ride fares. He testified that he commutes by train between Fullerton and Los Angeles three or four times a week, depending on his work schedule; that he uses the 60-ride ticket book; and that he prefers the speed, comfort and safety of the train to driving on the crowded freeway during the morning and afternoon rush hours. He stated that if the sought fare increase is granted, he would prefer the continuation of a multiple ride book or ticket and that he would not ride the train as frequently as he does now. He alleged that these views were also expressed on behalf of a committee of commuters of which he is a member.

An exhibit introduced in evidence by this witness pointed out that the sought increase would amount to approximately 300 percent; that the monthly increase in cost to commuters who use the 60-ride book on work days, based on an average of  $21\frac{1}{2}$  work days:

per month, would be \$25.02, \$20.62 and \$18.41 for persons boarding at Santa Ana, Anaheim and Fullerton, respectively; that the number of users of Santa Fe has increased due to the constant increase in traffic on the freeway during the rush hours; and that the population of Orange County has reached one million and, according to recent surveys, will substantially increase in the future, thus stimulating greater demands for mass transportation. He also cited several decisions in which, he alleged, the Commission held: that although uniformity in rates is desirable, such reason alone is insufficient to justify an increase in rates;<sup>8/</sup> that a utility cannot expect to have its rates unreasonably raised when it has been willing in the past, under competitive conditions, to operate at a lesser charge;<sup>9/</sup> and that rate increases are not justified merely because the volume of traffic has increased substantially as a result of the maintenance of rates lower than those of other carriers.<sup>10/</sup>

A petition was filed by this attorney on October 24, 1963, amended on October 31, 1963, requesting the Commission to investigate the desirability of establishing commute fares to San Clemente and San Juan Capistrano and requiring additional service which would include an evening train departing from Los Angeles at about 8:00 p.m. and a morning train arriving at Los Angeles at 8:00 a.m.

Twenty-two additional parties entered appearances as protestants but did not offer evidence or otherwise actively participate in the proceeding.

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<sup>8/</sup> Decision No. 6881, in Application No. 4733, 17 C.R.C. 531, 533 (1919).

<sup>9/</sup> Decision No. 9914, in Application No. 6442, 20 C.R.C. 1066, 1069 (1921).

<sup>10/</sup> Decision No. 46573, in Application No. 32656 et al., 51 Cal. P.U.C. 353, 361 (1952).

Interested Parties

A member of the Utility User's League of California stated that the position of the league is that the people of Orange County are entitled to the best service possible and that commuter type fares should be retained.

A representative of the Department of Public Utilities and Transportation of the City of Los Angeles advised that its position is that the evidence introduced by applicant does not support granting the full increase sought. The representative pointed out that the Commission must give consideration to the volume and regularity of customer use with the object of permitting the utility to operate its facilities at maximum efficiency and thus insure the lowest rates to its customers as a whole.<sup>11/</sup>

Commission Staff

A Senior Transportation Engineer of the Commission staff participated in the development of the record through extensive cross-examination of applicant's and protestants' witnesses. No evidence was presented by the staff at the hearing.

Discussion

30- and 46-Ride Fares

Applicant has shown by uncontradicted evidence that no 30-ride family or 46-ride student tickets have been sold during the past six years, or longer. As shown in Table I, above, the 30-ride family tickets include only five more rides than the 25-ride family tickets, but cost over 50 percent more, and the 46-ride student tickets include fewer rides than the monthly commute fares while the cost is almost double.

<sup>11/</sup> The witness cited Decision No. 43368, in Application No. 29777, 49 Cal. P.U.C. 107 (1949), to support his allegation.



It is a well-established principle that when a fare published in a tariff has not been used for many years and there is no present or apparent future demand by the public for the particular service for which the fare was established, such a fare has, in effect, become an obsolete or dead fare in the tariff, and the carrier should be authorized without the necessity of further evidence to cancel it from its tariff. It is evident that both the 30- and 46-ride fares are dead fares, and applicant should be authorized to cancel them.

25-Ride and Monthly Fares

A comparison of the per-ride cost of the 25-ride and 60-ride monthly tickets with the per-ride cost of the round-trip coach ticket and the percentage increase in the per-ride cost that would be paid by users of the multiple ride tickets should the sought authority be granted is shown in Table VIII, following.

Table VIII

Comparison of Per-Ride Cost of Multiple Ride Tickets with Per-Ride Cost of Round-Trip Coach Tickets and Percent of Difference between Them

Between Los Angeles and	Per-Ride Cost (in cents)			Percent Increase in Per-Ride Cost of Round-Trip Over Per-Ride Cost of	
	<u>25-Ride Ticket</u>	<u>Monthly Ticket<sup>(1)</sup></u>	<u>Round-Trip</u>	<u>25-Ride Ticket</u>	<u>Monthly Ticket</u>
Fullerton	31.4	22.2	65.0	107	193
Anaheim	35.2	24.6	72.5	106	195
Santa Ana	45.6	31.8	90.0	97	183

(1) Based on weekday use only and an average working month of 21.5 days.

As shown in Table VIII, users of the 25-ride tickets would pay approximately double the amount now paid and users of the monthly tickets would pay almost triple the amount now paid

for the same class of service, should the sought authority be granted. Fare advances of the magnitude herein requested place a burden on applicant not only to show that the present fares are unduly low but also to show that the proposed increase in fares is reasonable and justified. The issue to be determined is whether applicant has met this test.

As hereinbefore stated, the evidence shows that Santa Fe's California intrastate one-way and round-trip passenger fares have been increased at least six times since 1920, whereas the multiple ride fares have not been increased during this period. (The 30-ride family fares were reduced after 1920 and later increased; they are presently lower than in 1920. See Table III.) The record also shows that Santa Fe's multiple ride fares are substantially lower than the multiple ride fares of railroads in other parts of California and the nation and of other transportation companies in the Los Angeles area. It is clear that railroad passenger fares which are no higher than they were over 43 years ago are unduly low in the light of present economic conditions.

The record clearly shows that an increase in fares is justified. The only real controversy concerns the percentage of increase that should be granted. Several of the parties have suggested that the current multiple ride fares be increased 50 percent. The fares that would result from an upward adjustment of 50 percent would range from 11 to 31 percent lower than comparable multiple ride fares of the Southern Pacific on the San Francisco Peninsula for similar distances.

As shown in Tables VI and VII, above, the number of multiple ride tickets sold by applicant during the month of September 1963 was 127, and the average number of multiple ride coupons collected on weekdays during the same month was 76 on all trains to

Los Angeles and 94 on all trains from Los Angeles. When compared with the transportation of 11,000 passengers on weekdays in each direction by Southern Pacific in its San Francisco Peninsula commute operation, it is apparent that Santa Fe does not render a large scale commute service for which there is a significant public demand.

The record further shows that the proposal advocated by applicant compares favorably with the fares charged by the Metropolitan Transit Authority for similar service between the same points. As shown in Table V, above, the per-ride cost of Santa Fe's round-trip coach ticket is less than the per-ride cost of Metropolitan Transit Authority's ten-ride ticket between Los Angeles, on the one hand, and Fullerton, Anaheim and Santa Ana, on the other hand.

There remains for discussion the question of whether the record is deficient because of the lack of evidence of the cost of the service performed for the multiple fare riders. The Commission, when determining a reasonable rate for a particular class of service, frequently has indicated that no single formula or process has yet been devised.<sup>12/</sup> Generally, cost of service is one of the factors weighed by the Commission in determining the reasonableness of a proposed rate. In the instant proceeding, the evidence of record is persuasive that the multiple ride fares, which are over 40 years old, are unreasonably low and that applicant's proposal to apply individual coach fares in lieu thereof is, as hereinafter modified, reasonable. Under all the circumstances, a cost study relating specifically to the multiple ride fares is not necessary to support the granting of the application.

<sup>12/</sup> See, for example, Decision No. 43368, in Application No. 29777, 49 Cal. P.U.C. 107, 120 (1949).

Findings

Upon consideration of the evidence and argument, we hereby find that:

1. Applicant does not operate a large scale commute type of service between Los Angeles and Orange County.

2. The current multiple ride fares are at the level of or lower than those which were in effect in 1920 and are unreasonably low.

3. There has been no public demand for either 30-ride or student 46-ride tickets during the past six years.

4. The per-ride cost of Santa Fe's round-trip coach tickets between Los Angeles, on the one hand, and Fullerton, Anaheim and Santa Ana, on the other hand, is less than the per-ride cost of multiple ride tickets of other means of public transportation between the same points.

5. There is sufficient use of the multiple ride fares here involved to justify continuance thereof in the form of a 20-ride ticket at approximately 90 percent of the one-way fare.

6. The alternative proposal to increase current multiple ride fares by 50 percent would not result in reasonable fares.

7. The increase in fares authorized by the following order is justified.

8. There is not sufficient supporting evidence to warrant consideration, in this proceeding, of multiple ride fares to San Juan Capistrano and San Clemente.

Conclusions

The Commission concludes that:

1. The application should be granted, except that a 20-ride ticket at approximately 90 percent of the one-way fare should be provided.

2. The petition to investigate the need for increased service and the establishment of multiple ride fares to San Clemente and San Juan Capistrano should be denied.

O R D E R

IT IS ORDERED that:

1. Applicant is hereby authorized to cancel the multiple ride passenger fares in its Local Passenger Tariff No. A-901, as proposed in Application No. 45766, but subject to paragraph 2 of this order. The tariff cancellation authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof or not less than ten days' notice to the Commission and to the public.

2. Applicant shall establish, effective concurrently with the cancellation authorized by paragraph 1 of this order, a twenty-ride ticket, limited to use in the calendar month in which it is sold and the next succeeding calendar month, for transportation between Los Angeles and the following stations, at the following fares:

Fullerton	\$12.50
Anaheim	14.00
Santa Ana	17.50

3. The petition to investigate the need for increased service and additional multiple ride fares is denied.

4. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 7/11  
day of JULY, 1964.

Frederick B. Halaloff  
President  
John E. Mitchell  
Ernest A. [unclear]  
George J. [unclear]  
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.