

**ORIGINAL**Decision No. 76058

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for authority to  
 equalize passenger rules and  
 regulations for transportation  
 of children under five within  
 the State of California to a  
 basis identical with that before  
 the Interstate Commerce Commission.

Application No. 50822  
 (Filed January 16, 1969;  
 Amended March 28, 1969  
 and April 9, 1969)

Charles W. Burkett and Robert S. Bogason,  
 for applicant.

Thomas M. O'Connor, by William C. Taylor  
 and Robert Laughead, for the City and  
 County of San Francisco, interested  
 party.

Vincent MacKenzie, Counsel, for the  
 Commission staff.

O P I N I O N

By this application, as amended, H. W. Siddall, agent, Western Railroad Passenger Association, seeks authority on behalf of Southern Pacific Company (SP), and Northwestern Pacific Railroad Company (NWP), to revise their intrastate passenger tariffs in respect to fares for children under five years of age. Western Pacific Railroad was included in the original application but withdrew by the Second Amendment, filed April 9, 1969. At present, the tariff provides that children under five will be carried free. Applicant proposes to amend its tariffs to provide that one child per accompanying adult will be free, and additional children under five years of age will be charged half fare. This tariff change became effective interstate December 1, 1968, and has become effective intrastate in many states since then.

A prehearing conference was held before Commissioner Vukasin and Examiner Turpen on April 10, 1969 at San Francisco to resolve the issues. Public hearing was held before Examiner Turpen on April 24 and 25, 1969, at San Francisco. The application was submitted on receipt of a late-filed exhibit on May 8, 1969. Evidence on behalf of applicant was presented by the Chairman of the Western Railroad Passenger Association and by an accountant from the Western Railroad Traffic Association. Testimony was also presented by an engineer from the Commission's Transportation Division.

Testimony by applicant of a survey taken on SP trains during the period of March 24 to April 6, 1969, shows that of 500 children under five traveling intrastate, 142 (or 28 percent) would be required to pay half fare under the proposed rule. The witness testified that this would result in additional annual revenue of approximately \$21,000 for SP and about \$115 for NWP. This, he said, is far less than the annual deficit for the California intrastate passenger operations. According to the witness, the main reason for the proposed tariff revision is to remove the difference between intrastate and interstate tariff provisions. He cited the incident of a passenger from San Francisco to Reno having to pay for children under five, whereas a passenger to Truckee did not have to. This, according to the witness can cause confusion among passengers and among ticket agents. He contended that for uniformity, the rules interstate and intrastate should be the same. The witness said that he did not think the proposed change would cause any diversion of traffic.

A transportation engineer from the Commission's staff testified that he estimated that there would be from 10 to 50 percent

diminution in traffic of children under five years of age if applicant's proposal is granted. In his opinion this proposal would also cause a loss of adult traffic in that, in many cases, if the children could not travel without charge the entire family would find other means of transportation. He further testified that a diminution of 33 percent in children under five would result in no increase of overall revenues and any greater diminution would actually result in a decrease of revenues.

The question of diminution is entirely speculative. The record contains no factual data, just differing opinions of two transportation experts. Accordingly, we cannot determine how much, if any, diminution can be expected.

It is apparent that the proposed tariff revision is an effort by SP to gain some additional revenues, and may result in some reduction of passenger revenue losses.

We find:

1. Southern Pacific (and NWP) now charge interstate passengers half-fare charges per passenger under five years of age for all such children in excess of one per adult, whereas all children under five years of age in intrastate traffic are carried free.

2. Southern Pacific Company's intrastate passenger operations result in an annual deficit which may be diminished by the proposed tariff revision.

3. Increases resulting from granting of the application are justified.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. H. W. Siddall is hereby authorized to establish, on behalf of Southern Pacific Company and Northwestern Pacific Railroad Company, the changes in passenger fare rules as proposed in Application No. 50822, as amended.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.

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

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

Dated at San Francisco, California, this 19th  
day of AUGUST, 1969.

William S. Squire, Jr.  
President

August

W. D. H. Morisset

W. D. H. Morisset

Commissioners