

ORIGINAL

Decision No. 12413

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
PACIFIC ELECTRIC RAILWAY COMPANY for) Application No. 9188
authority to abandon Wharf No. 3 at)
Redondo Beach.

- Frank Karr for Applicant.
- F. L. Perry, City Attorney, for City of Redondo Beach.
- Carl Bush for Hollywood Chamber of Commerce, Protestant.
- G. C. DeGarmo for C. Ganahl Lumber Company and Redondo Planing Mill Company, Protestants.
- Dana R. Weller for Patton-Davies Lumber Company, Protestant.
- C. A. DeCoo for DeCoo Brainerd Lumber Company, Protestant.
- H. Ruddiford for Lumbermen's Exchange, Protestant.
- F. P. Gregson for Associated Jobbers of Los Angeles.
- W. Wellington Farrow for E. B. Harris Lumber Company and Loundsbery & Harris Lumber Company, Protestants.
- E. G. Betz for Montgomery Lumber Company, Protestant.
- W. C. Schull for J. & W. C. Schull, Protestants.
- Fred Fancher for Redondo Chamber of Commerce.
- E. D. Tennant for Los Angeles District Lumbermen's Club, Protestant.
- M. W. Reed for The Atchison Topeka & Santa Fe Railway Company.

BY THE COMMISSION,

O-P-I-N-I-O-N

Pacific Electric Railway Company, a corporation, has petitioned the Railroad Commission for an order authorizing the abandonment and removal of its wharf No. 3 at Redondo Beach, California.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted

and is now ready for decision.

The wharf herein proposed to be abandoned was constructed by the Los Angeles and Redondo Railway Company under authority conveyed by Ordinance No. 140 of the Board of Trustees of the City of Redondo Beach adopted and approved on August 19, 1906 and authorizing the construction and maintenance together with the right to receive and take tolls for the use of the wharf for a period of twenty years. Applicant herein duly acquired the rights of the original grantee by consolidation of its property with that of the Los Angeles and Redondo Railway Company, such consolidation being effective on September 1, 1911. Under the terms of the franchise the rights conferred terminate on August 19, 1923.

Applicant herein filed on May 28, 1923 an application with the Board of Trustees of the City of Redondo Beach for a renewal of the wharf franchise for a period of twenty years and said Board on July 2, 1923 denied the application and also refused to extend the time covered by its Ordinance No. 140 or to permit applicant to maintain the wharf beyond the term of the franchise granted by said Ordinance No. 140.

The wharf has been used for the transfer of lumber from vessels to cars of applicant and to those of The Atchison, Topeka and Santa Fe Railway Company for movement to Redondo consignees and to other Southern California points, principally west and south-west of the City of Los Angeles. Due to a considerable congestion of incoming shipments at San Pedro Harbor points, and the existence of a lower freight rate from the port of Redondo to certain points in Southern California west and southwest of the City of Los Angeles than is applicable from San Pedro Harbor points, Redondo has been particularly favored with a large volume of lumber

transfer from vessels to cars of applicant and those of the Atchison Topeka and Santa Fe Railway Company, all of which has moved over the wharf for which abandonment is sought due to the early expiration of the wharf franchise and the inability of applicant to secure either a renewal of the wharf franchise or a reasonable extension of time for its continued maintenance and use.

The attitude of the Board of Trustees of the City of Redondo Beach, as expressed by the Chairman of the Board, a witness in this proceeding, is that the interests of the City will best be served by the elimination of the wharf and the discontinuance of the lumber business handled thereover and the ultimate development of the Redondo waterfront primarily for resort purposes rather than for commercial uses. Complaint is made that access to the portion of the waterfront devoted to resort and pleasure purposes is interfered with by the practice of applicant in allowing cars loaded with lumber to stand for long periods on tracks which ^{must} ~~require~~ be crossed to obtain access from the business and residential sections of the City of Redondo Beach to the pleasure pier and other waterfront attractions, also that the switching of such cars along the waterfront has been objectionable and is not considered conducive to the character of development desired by the Board of Trustees.

The granting of the application is opposed by many representatives of the wholesale and retail lumber interests that have heretofore received shipments through the port of Redondo and have depended on the facilities furnished by the wharf for the handling of their shipments to retail yards and other destinations in Southern California. The objection of these protestants is particularly against the interference with their business conditions by a suspension of service over Wharf No. 3 coincident with the date of the expiration of the present franchise for the

reason that it appears that the port facilities at San Pedro Harbor are at the present time badly overtaxed by the volume of traffic moving through such port, that berthing space for the discharge of lumber cargoes is difficult to secure often resulting in ^{the payment of} demurrage ~~requiring to be paid~~; that the difference in freight rates on lumber between those applicable to the port of Redondo and those from San Pedro Harbor points create an unexpected and disturbing situation in the price of lumber at certain retail yards in Southern California and give a considerable advantage to yards heretofore receiving lumber through the port of San Pedro by increasing the cost of transportation to yards heretofore served through the port of Redondo and also increasing the transit time of freight shipments through the use of the San Pedro Harbor facilities. These protestants are of the opinion that the present wharf at Redondo should be permitted to remain in operation for a sufficient time to permit the lumber industry to properly ^{to} adjust itself to the new conditions which would be created by its abandonment and suggest that a two-year period is a necessary and reasonable time for readjustment to meet the anticipated change in conditions.

The volume of lumber passing over the Redondo wharf has been considerable. During the year ending June 30, 1923, 3194 carloads were handled by the Pacific Electric Railway Company and 429 by the Atchison Topeka & Santa Fe Railway Company, a total of 3623 cars, all destined to points west and southwest of Los Angeles. The entire movement of lumber over the wharf is reflected by the following figures covering the respective years shown:

<u>Year</u>	<u>Lumber in feet, board measure</u>
1918	19,992,121
1919	45,026,077
1920	62,029,707
1921	68,760,122
1922	100,908,157
1923 (1st 6 months)	63,586,539

The Board of Trustees of the City of Redondo Beach have made an offer of a temporary renewal of the franchise for a period of two years provided that the applicant complies with the following conditions:

1. Immediately remove from the El Paseo of the City of Redondo Beach and from the land on the west side of Hermosa Avenue, all switching tracks and all other tracks and use the existing tracks of the Atchison, Topeka & Santa Fe Railway Company.

2. That any and all switching or removing or operation of freight or cars or locomotives over the El Paseo or ocean front of said City, be confined as much as possible to that period of each day between the hours of midnight and 9:00 A.M., and that no stops be permitted between Wharf No. 3 and Diamond Street; and no switching of any kind be permitted within such territory.

3. That during all of such extended period the said wharf shall be maintained in good repair and operated solely as the property of Pacific Electric Railway Company and that at the expiration of said extended period, said Pacific Electric Railway Company shall dismantle and remove said wharf at its own expense, and the said removal be fully completed within sixty (60) days thereafter.

The conditions under which an extension of the wharf franchise would be granted for a two year period do not appear acceptable to the applicant, principally on the basis of the expense required to make the physical changes in tracks and facilities which would be necessary to meet the obligations imposed as conditions for the granting of an extension of the franchise for the two-year period. Applicant has filed an estimate of the cost of the track changes, etc., as follows:-

1. Cost to remove scale, scale track and wharf track (net)	\$2,100.00
2. Cost to remove P. E. track on El Paseo (net)	1,540.00
3. Cost to electrify Santa Fe track on El Paseo	1,400.00
4. Cost to provide new interchange with Santa Fe, relocate scale, and provide new scale track	<u>28,770.00</u>
Total estimated cost	\$ 33,810.00

In order to eliminate the switching on the tracks on El Paseo it is necessary to move the present track scales and the trackage serving same, and this track has also served as the interchange track with the Atchison Topeka & Santa Fe Railway Company and a new interchange track must be provided if the present track is to be abandoned. Facilities must also be provided for the weighing of carload shipments and the removal of the track scales must be followed by their relocation at another point. The use by the applicant of the track of the Atchison, Topeka & Santa Fe Railway as suggested by the Board of Trustees of the City of Redondo Beach will necessitate an expenditure for the bonding of such track and the installation of an overhead trolley for the electrical operation, and an operating agreement for the joint use of the track will also be necessary. Objection is also made to the requirement that the wharf must be maintained in good condition during the period of the extension of the franchise, and while the applicant is willing to assume the expense of ordinary repairs it is unwilling to obligate itself for the reconstruction of the wharf should it be destroyed by storm for the short period covered by the extension of the franchise. The restriction desired by the City of Redondo against the moving of freight cars on El Paseo at any hours excepting between midnight and 9:00 A.M. does not appear one that can be observed by the applicant if the volume of traffic

heretofore cared for by the use of the wharf facilities is to continue. Vessels, when assigned berths at the wharf, discharge their cargoes as promptly as possible and frequently work crews overtime to secure expeditious discharge of their loads, such practice requiring a supply of empty cars to be available for the receipt of lumber as it is unloaded from the vessel. It is in evidence that the hours of switching as desired by the Board of Trustees of the City of Redondo Beach were based on the requirements of the lumber yards and planing mill operated in Redondo Beach, and that no consideration was given to the requirements of other lumber companies located at other points than Redondo, but who have been served by the Pacific Electric and Atchison, Topeka & Santa Fe Railway in the movement of lumber handled over Redondo Wharf.

We are of the opinion that the service heretofore rendered to the public by the operation of the wharf herein sought to be abandoned is one that should be continued, at least for such reasonable period as may be necessary to enable industries that have heretofore depended on the facilities afforded by the wharf in the receipt of their lumber shipments to make new arrangements. It appears, however, that the attitude of the Board of Trustees of the City of Redondo Beach is unfavorable to the granting of an extension of time as regards the continuance of the wharf franchise unless conditions are complied with by applicant which require the expenditure of an amount which is not justified by the short term extension proposed and certain other conditions which appear impracticable and not within the ability of applicant to perform if it is to give satisfactory and efficient service to all its patrons by the use of the wharf and other adjacent facilities. It is clear that this Commission has no authority

to compel the continued maintenance and operation of this wharf after the expiration of the existing franchise; that authority therefor must be obtained from the Board of Trustees of the City of Redondo Beach; that a renewal of the franchise for a twenty year period has been refused after proper application and action thereon; that a renewal of the franchise for a two year period has been informally considered by the Board of Trustees but upon conditions to be complied with by applicant that require a considerable expense and are not reasonably possible as regards their fulfillment.

In view of all the phases of the matter herein considered, we are of the opinion that the application should be granted, provided, however, that if applicant is able to secure an extension of its present franchise from the Board of Trustees of the City of Redondo Beach without the unusual and restrictive conditions as heretofore proposed the order herein shall not be effective.

ORDER

A public hearing having been held in the above entitled proceeding, the matter having been duly submitted and the Commission being now fully advised,

IT IS HEREBY ORDERED that applicant, Pacific Electric Railway Company, be and the same hereby is authorized to discontinue the maintenance and operation of its Wharf No. 3 at Redondo Beach, such maintenance and operation having been heretofore conducted under the authority of a franchise granted by Ordinance No. 140 of the Board of Trustees of the City of Redondo Beach on August 19, 1903 to Los Angeles & Redondo Railway Company, predecessor of applicant herein, and said franchise expiring by its terms on August 19, 1923; provided, however, that this order shall be without prejudice to the filing of a

supplemental application by the applicant in this proceeding for the approval by this Commission, pursuant to Section 2906 of the Political Code, of any extension of the said wharf franchise which may be granted by the Board of Trustees of the City of Redondo Beach.

The effective date of this order is hereby fixed and designated as the 10th day of August, 1923.

Dated at San Francisco, California, this 7th day of August, 1923.

C. Seaver
H. B. ...
... ..

J. ...
Commissioners