

Decision No. 15987

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of Application of)
the PACIFIC ELECTRIC RAILWAY)
COMPANY for permission to dis-)
continue operation of through)
passenger rail service between)
Long Beach and Huntington Beach)
in the State of California.)

APPLICATION NO. 11083

C. W. Cornell and O. A. Smith, for
Applicant.

BY THE COMMISSION:

O P I N I O N

Pacific Electric Railway Company, a corporation, has made application to the Railroad Commission for permission to discontinue operation of through passenger rail service between Long Beach and Huntington Beach via Seal Beach.

A public hearing herein was conducted by Examiner Williams at Los Angeles.

The service sought to be abandoned was established in compliance with the order of the Commission in Decisions Nos. 13843 and 14091 on Application No. 9771 of A. B. Watson, operating under the fictitious name and style of "Crown Stage Lines". Watson in such application sought to establish automobile passenger service, paralleling rail service of applicant herein, between Huntington Beach and Long Beach via Seal Beach. At the hearing it appeared that physical conditions

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existed by which such through service between termini could be established by Pacific Electric Railway Company, which protested the granting of Watson's application, and a sufficient need was shown to justify the Commission in ordering improvement of existing facilities, rather than granting a certificate for the establishment of a new and competitive service.

In obedience to the Commission's order, applicant herein established through service between termini on October 2, 1924. The service has since been maintained by applicant at a constant loss, as shown by exhibits filed in the instant proceeding. According to these exhibits, the losses accruing between October 2, 1924, and August 31, 1925, amounted to \$2314.32. It further appears from the record of passengers carried on each trip during this period that the patronage produced a revenue of \$6875.77, while the cost of operation, including depreciation, (\$441.20) but not including taxes assignable to railway operation (\$359.77), amounted to \$8830.42. It was the testimony of Mr. O. A. Smith, general passenger traffic manager of applicant, that the operation cannot be made profitable, or even self-sustaining, under any conditions that may now be foreseen.

No opposition to the discontinuance of the service was made by governing bodies of either Huntington Beach or Long Beach, or by any civic organization, although due notice of the hearing had been given.

In making the order requiring the establishment of this service, the Commission denied, without prejudice, the application of A. B. Watson, in the belief and expectation that the public would support the service of the Pacific Electric when established. After the filing of the application herein,

A. B. Watson filed a new application (No. 11146), requesting permission to perform service between Huntington Beach and Long Beach via Seal Beach, and this application was heard by Examiner Williams at Huntington Beach. It was stipulated in the present proceeding that the record in Application No. 11146 should be made a part of the record in behalf of applicant Pacific Electric Railway Company's request to discontinue service. According to such record, applicant herein had stipulated with applicant Watson as to certain restrictions upon stage operations between termini, which stipulations were satisfactory to both parties and appear consistent with the regulations of this Commission; and it appears clear that applicant Pacific Electric Railway Company does not now protest the establishment of stage service, provided that there be a restriction as to direct local competition between termini.

It appears from the record herein that applicant Pacific Electric Railway Company has met and fully discharged the duty imposed upon it as a common carrier by this Commission, and that it has incurred losses in so doing which now justify this Commission in modifying its order in Decision No. 13843 on Application No. 9771, and that the request of applicant to discontinue service should be granted. The discontinuance of this service will not affect the long-established service of applicant between Huntington Beach and Long Beach, with change of cars at East Long Beach or North Long Beach, as service will continue.

We hereby find as a fact, upon the record herein, that the service established between termini by applicant Pacific Electric Railway Company is not now required by public

convenience or necessity; that it cannot be maintained except at a loss to applicant; and that, therefore, applicant's request for permission to discontinue service should be granted.

O R D E R

Pacific Electric Railway Company, a corporation, having applied to the Railroad Commission for an order authorizing the discontinuance of through passenger rail service between Huntington Beach and Long Beach via Seal Beach, a public hearing having been held, the matter having been duly submitted and the Commission being now fully advised,

IT IS HEREBY ORDERED that applicant Pacific Electric Railway Company, a corporation, be and it hereby is authorized to discontinue through passenger rail service as required by Decision No. 13843 on Application No. 9771, between Huntington Beach and Long Beach via Seal Beach, and to withdraw its schedules and rates for such service now on file with this Commission.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 15th day of February 1925.

H. P. Bunnell

Chairman

Commissioner

Commissioners.