

Decision No. 18185-**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of Application of the)
 PACIFIC ELECTRIC RAILWAY COMPANY)
 for permission to discontinue opera-)
 tion of the Lamanda Park-Michillinda) Application No. 12530
 Motor Coach Line, in the County of)
 Los Angeles, State of California.)

C. W. Cornell, for Applicant.

Roscoe R. Hess, City Attorney and
 Leonard A. Diether, Deputy City
 Attorney for City of Pasadena.

BY THE COMMISSION:

O P I N I O N

Pacific Electric Railway, applicant herein, asks the authority of the Commission to abandon and discontinue operation of its Lamanda Park-Michillinda Motor Coach line operating between Pasadena and points in Los Angeles, County.

Public hearings herein were conducted by Examiner Williams at Los Angeles.

The service sought to be abandoned was established in February, 1924, under Decision No. 13040 on Application No. 9405, and since has been operated continuously over the following route:

Commencing at the intersection of Daisy Street and East Colorado Street (Lamanda Park), in the City of Pasadena, east on Colorado Street to East Pasadena Avenue, thence south on Pasadena Avenue to the intersection of Pacific Electric Monrovia Line at Michillinda Station; returning over same route.

The line furnished transportation and fed the rail service of applicant at Colorado and Daisy Street in Lamanda

Park (now annexed to Pasadena), and applicant's Monrovia-Glendora line at Huntington Drive and East Pasadena Avenue.

Exhibits filed by applicant show that during the year August, 1925 to July, 1926, inclusive, total out-of-pocket cost was \$7,854.97, and that its earnings per mile were 9.70 cents, and its expense per mile (including taxes) were 20.54 cents.

Record of passenger travel for the two years between January, 1925 and January, 1927, indicate that patronage on the line is increasing at the rate of approximately 7% per annum, but it was the testimony of O.A. Smith, Passenger Traffic Manager of applicant company, that a survey made of the regions served does not indicate that such increase in traffic would even remotely tend to put the operation on a basis of profit, or even the earning of out-of-pocket cost. On an average 140 passengers were carried daily on this line during the month of January, 1927.

The average expenses of this line are \$0.23 per mile compared with \$0.24 for all the Pasadena local bus lines, while the revenues are only \$0.097 as compared with \$0.165 per mile for the Pasadena local lines.

The line has been operated upon a thirty-minute headway over paved highways a distance of 2.1 miles between termini, and has not had commutation, or school rates, or transfers. The fare charged has been six cents within zones, and ten cents between termini. It is the testimony of Mr. Smith that neither commutation rates nor school rates or transfers would in any way inure to the benefit of the operation in a financial way. The abandonment of this service was protested by the City of Pasadena, which introduced no testimony in support of this protest, except on cross examination of applicant's witness, Mr.

Smith, as to the allocation of costs including overhead against this service.

Applicant maintains several lines in and out of Pasadena together with bus lines operating exclusively within the city and the vehicles are interchangeable between lines. All are housed and maintained in one general garage. The allocations of costs are therefore made on mileage basis, and it is possible that in this manner the expense of operation has been shown slightly higher than it actually would be if the operation itself were segregated.

At the hearing, Mr. Hess, City Attorney of Pasadena, stated that applicant could not reasonably be expected to continue this service at a loss, and the applicant was asked if it would make opposition to a similar service to be established by another operator who might be able to conduct it with less expensive equipment and overhead. Applicant replied through Mr. Smith that it would not only not oppose such an operation but would encourage it; but that applicant would not feel that any operation competitive with its rail service could be consented to.

From the exhibits filed herein and the testimony, it seems probable that the operation of this service can not reach a profitable state by any forecast of conditions within several years to come. The City of Pasadena, the Parent Teachers' Association of the Willard Elementary School and the Woodrow Wilson Junior High School, located near the route of the operation, urged that it be continued for the transportation of the school children. It was the opinion of Mr. Smith that accretions to revenue from this source would have little benefit in a financial way.

We, therefore, find as a fact that, due to the losses sustained by applicant herein in the conduct of this service during the past three years, and the absence of patronage sufficient to maintain the operation, public convenience and necessity do not longer justify the continuation of said operation, and that applicant should have authority to abandon and discontinue the same. An order accordingly will be entered.

O R D E R

Pacific Electric Railway Company having made application to the Railroad Commission to abandon and discontinue operation of its Lamanda Park-Michillinda Motor Coach Line, as authorized by Decision No. 13040 on Application No. 9405, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

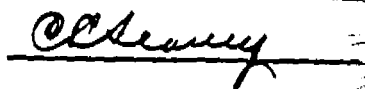
IT IS HEREBY ORDERED that authority is hereby granted to applicant to discontinue said service between Lamanda Park and Michillinda thirty (30) days after date hereof, and

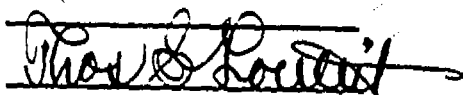
IT IS FURTHER ORDERED that the order heretofore made and entered on Decision No. 13040 on Application No. 9405 be and the same is hereby revoked and annulled.

For all other purposes, the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California this 7th day of April, 1927.







Commissioners.