

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
PACIFIC ELECTRIC RAILWAY COMPANY
for authority to abandon service
and remove its tracks on certain
streets in the City of Redlands,
California.

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) Application No. 10298
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ORIGINAL

- C. W. Cornell and O. A. Smith, for Applicant,
- W. L. Thornquest, C. A. Rolfe, E. M. King, and
Geo. A. Tyree, for Citizens' and Trustees'
Transportation Committee of the City of Redlands,
Protestant,
- F. A. Leonard, City Attorney, and Allen Wheaton,
Mayor, for the City of Redlands, Protestant,
- A. E. Isham, for Redlands Chamber of Commerce, Protestant,
- E. G. Clement, for Redlands School District, Protestant,
- Helen C. Meserve, Secretary, Contemporary Club, Protestant,
- Ben Johnson, for the Rotary Club, Protestant,
- E. K. Garsgin, for Kiwanis Club of Redlands, Protestant,
- H. P. D. Kingsbury, for Realty Board of Redlands, Protestant,
- Miss E. D. Eaton, for the Spinet Club, Protestant,
- Mrs. E. S. Cochran, for Parent-Teachers Association,
Protestant,
- L. B. Boyd, for Redlands Country Club, Protestant,
- Rev. E. S. Layne, for the Ministerial Union, Protestant,
- Mrs. S. Guy Jones, for University of Redlands, Protestant.

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 suspension of service, abandonment and removal of tracks on the following street railway lines in the City of Redlands, County of San Bernardino,

- (1) Commencing at or near the northerly line of Citrus Avenue and extending southeasterly on Orange Street, Cajon and Garden Streets to end of line at Cajon Road,
- (2) From Cypress Street southwest on Cypress Avenue to Center Street; southeast on Center Street to Cedar Street and southwest on Cedar Street to end of line.
- (3) Commencing at Orange Street, thence west on Citrus Avenue to Brookside Avenue, southwest on Brookside Avenue to end of line at San Mateo Street.

(4) Commencing at 6th Street on Citrus Avenue, thence east on Citrus Avenue to end of line near Wabash Avenue .

The lines proposed to be abandoned are more fully shown in purple color on a blue-print map, marked "C.E. 6668-a" as attached to and forming a part of the application herein.

Applicant proposes to substitute for the street railway service herein proposed to be abandoned, the following motor bus service:

(1) Commencing at or near the northerly line of Citrus Avenue and extending southeasterly on Orange Street, Cajon and Garden Streets to end of line at Cajon Road.

(2) Commencing at the intersection of State Street and Orange Street; thence south on Orange Street to Cajon Street, thence southeast on Cajon Street to Cypress Avenue, thence southwest on Cypress Avenue to Center Street, thence southeast on Center Street to Highland Avenue, thence southwest on Highland Avenue to the end of the street railway line hereinabove described in paragraph "2".

(3) Commencing at the intersection of Orange and State Streets, thence east on State Street to Church Street, thence north on Church Street to Santa Fe Railway tracks, thence in a generally northeasterly direction through Sylvan Park to terminus near East Street.

The motor bus lines proposed to be operated are more fully shown in black on a blue-print map marked "C. E. 6668-a" as attached to and forming a part of the application herein.

A public hearing on this application was conducted by Examiner Handford at Redlands, at which the matter was duly submitted.

Applicant alleges that there is not sufficient patronage on the lines proposed to be abandoned to justify their continued operation; that operation has for some time been conducted at a loss; that continued operation would necessitate the expenditure of large amounts for repairs and maintenance, and for paving and reconstruction necessary to comply with the requirements of the City of Redlands under its street improvement proceedings; that applicant does not believe there is any prospect of sufficient patronage

in the future which justifies continued street car operation and the cost of reconstruction and repairs; and that public convenience and necessity does not exist for the further use and maintenance of said street car lines which are no longer necessary or convenient to the conduct of the applicant's business.

L. E. St. John, Assistant to Auditor of applicant, testified as to receipts and expenditures on the lines herein proposed to be abandoned. From exhibits presented by this witness, the revenue and out-of-pocket cost of operation for the respective lines is as follows:

YEAR ENDING MAY 31, 1924.

| <u>OPERATING INCOME</u> | <u>COUNTRY CLUB LINE</u> | <u>SMILEY HEIGHTS LINE</u> | <u>RECAPITULATION ALL LINES</u> |
|-------------------------------|------------------------------|------------------------------------|-------------------------------------|
| Passenger Revenue | \$ 3782.90 | \$9809.14 | \$ 13592.04 |
| Station and Car Privileges | <u>94.52</u> | <u>165.78</u> | <u>260.30</u> |
| Total Operating Revenue | \$ 3877.42 | \$9974.92 | \$ 13852.34 |
| Direct Operating Expenses | <u>16255.55</u> | <u>10990.24</u> | <u>17255.79</u> |
| Net Operating Loss | \$ 2388.13 | 1015.32 | 3403.45 |
| Depreciation and Taxes | <u>709.99</u> | <u>1808.94</u> | <u>2750.53</u> |
| Total Operating Loss | \$ 3098.12 | \$2824.26 | \$ 6153.78 |

In the foregoing compilation only direct operating charges have been considered, together with depreciation on cars, state and franchise taxes.

If all operating charges were to be included the revenue and expenses would, according to a statement filed as an exhibit, result in the following statement:

YEAR ENDING MAY 31, 1924

| <u>OPERATING INCOME</u> | <u>COUNTRY CLUB LINE</u> | <u>SMILEY HEIGHTS LINE</u> | <u>RECAPITULATION ALL LINES</u> |
|------------------------------|--------------------------|----------------------------|---------------------------------|
| Passenger Revenue | \$ 3782.90 | \$ 9809.14 | \$ 13592.04 |
| Station and Car Privileges | <u>94.52</u> | <u>165.78</u> | <u>260.30</u> |
| Total Operating Revenue | \$ 3877.42 | \$ 9974.92 | \$ 13852.34 |
| <u>OPERATING EXPENSE</u> | | | |
| Railway Operating Expense | <u>7384.16</u> | <u>13019.04</u> | <u>20403.20</u> |
| Net Operating Loss | \$ 3506.74 | \$ 3044.12 | \$ 6550.86 |
| Depreciation and Taxes | <u>716.03</u> | <u>1819.54</u> | <u>2766.97</u> |
| Railway Operating Loss | \$ 4222.77 | \$ 4863.66 | \$ 9317.83 |

O. A. Smith, Passenger Traffic Manager of applicant, testified as to investigations made of traffic conditions and endeavors to continue street service at a minimum deficit; that during the power shortage the substitution of bus service, while conserving power, did not attract additional patronage; and that the local travel in Redlands was steadily decreasing due to the use of private automobiles.

H. E. De Nyse, Assistant Engineer of applicant, testified regarding the physical condition of the lines herein proposed to be abandoned, stating that all were in bad condition, particularly as to ties which had never been fully renewed since the time of construction, a period of 20 years, and that within two or three years the lines would require complete rehabilitation and reconstruction. The witness estimates the expense of track reconstruction to be \$20,000 for the Citrus Avenue Line, \$30,000 for the Smiley Heights Line, and \$19,500 for the Country Club Line, an estimated total of \$69,500. The overhead construction would

also require rehabilitation, particularly as to pole lines, but no estimate had been made of the expenditure which would be required.

The attitude of protestants as appearing from statements of counsel and witnesses testifying at the hearing was that although the car lines could not be operated, any bus service which might be installed should be of sufficient frequency to encourage local travel to an extent which would make the revenue received from operation meet the expense thereof. Some criticism was also made as to the type of bus proposed, it being the desire of protestants for the use of modern and attractive equipment.

From the record herein it appears that the local street car lines in the city of Redlands have not been profitable for many years, applicant having originally acquired some of the lines at the time of consolidation with other companies; and that for some years there has been a decreasing patronage due to privately owned automobiles, there being no competitive bus service which would divert traffic.

The Citizens and Trustees Transportation Committee of the City of Redlands, protestant herein, by conference with applicant's officials, has secured the consent of applicant to the withdrawal of its application for the discontinuance of street car service on the Smiley Heights Line, it being agreed that the operation of such line shall be continued on a local fare of ten cents for adults and five cents for children. The City of Redlands, by its petition filed herein concurs with the recommendation of the Transportation Committee.

Applicant has filed herein its amended application withdrawing its request for the abandonment of the Smiley Heights Line, being the portion of the line hereinbefore described in paragraph 1 of the original application between the northerly line of Citrus Avenue and Cypress Avenue and all of the line as described in paragraph 2 of said original application.

Upon the record herein and in view of the agreement reached with protestants by the applicant and the Citizens and Trustees Transportation Committee of the City of Redlands, said agreement being approved by the City of Redlands as hereinabove stated, we conclude and hereby find the following facts:

I- That public convenience and necessity do not require the operation of the Brookside, Citrus Avenue, and Country Club Street car lines of applicant in the City of Redlands.

II- That the revenue received from the operation of the aforesaid Brookside, Citrus Avenue, and Country Club street car lines does not return the out-of-pocket cost of operation, and that there is no prospect of traffic which would justify the continued operation of said lines and return the cost of operation, depreciation, taxes and a reasonable return on the investment.

III- That the cost of reconstructing and rehabilitating tracks and overhead construction on the aforesaid lines is not justified.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted and the Commission being now fully advised and basing its order on the findings of fact as appearing in the opinion which precedes this order:

IT IS HEREBY ORDERED that applicant Pacific Electric Railway Company, a corporation, be and the same hereby is granted authority to suspend service and to abandon and remove its tracks, overhead construction and appurtenances in the City of Redlands on the following lines:

1. Commencing at Cypress Avenue and extending southeasterly on Cajon and Garden Streets to end of line at Cajon Road.
2. Commencing at Orange Street, thence west on Citrus Avenue to Brookside Avenue, southwest on Brookside Avenue to end of line at San Mateo Street.
3. Commencing at 6th Street on Citrus Avenue, thence east on Citrus Avenue to end of line near Wabash Avenue.

All as more fully shown on a blue-print map marked "C.E. 6668-a" as filed with the application herein.

IT IS HEREBY FURTHER ORDERED that applicant Pacific Electric Railway Company, a corporation, file with this Commission, in conformity with its tariff regulations, cancellation of all tariffs covering service on the street car lines herein ordered discontinued.

Dated at San Francisco, California, this 18th day of July, 1927.

Ernest West

Chas. ...

Leon ...

COMMISSIONERS.