

Decision No. 18919

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
KEY SYSTEM TRANSIT COMPANY, a cor-  
poration, for permission to abandon  
its franchise rights and tracks of  
its San Lorenzo Branch street car  
service now operating between San  
Lorenzo Junction and East Fourteenth  
Street in the County of Alameda,  
State of California.

Application  
No. 13833

ORIGINAL

Brobeck, Phleger and Harrison, by H .E. Phleger  
and F.S.Richards, for applicant.

Earl Warren, District Attorney, by F.M.Ogden,  
Deputy District Attorney, for County of Alameda,  
Protestant.

Pillsbury, Madison and Sutro, by Marshall P. Madison,  
for California Packing Corporation, Protestant.

R.S. Houston, Protestant.

Jacob Veohl, Protestant.

Mrs. L.L.Brown, San Lorenzo League of Women Voters,  
Protestant.

C.P.Lawson, for San Lorenzo Schools, Protestant.

W.D.McDonald, Protestant.

Elsie Smyth, for certain commuters, Protestants.

BY THE COMMISSION -

O P I N I O N

Key System Transit Company, a corporation, has petitioned the Railroad Commission for an order authorizing the abandonment of portions of franchises permitting the operation of its San Lorenzo Branch street car line, discontinuing service on said line, and permitting the removal of its tracks and equipment.

Public hearings on this application were conducted by Examiner Handford at San Lorenzo and San Francisco, the matter was duly submitted and is now ready for decision.

Applicant relies as justification for the granting of the application on the following alleged facts: (1) that the earnings from the operation of the San Lorenzo Branch line have averaged approximately \$220.00 per month, while the total cost of operation has been approximately \$1035.00 per month; (2) that the average revenue per car mile has been less than four cents, and the cost per car mile has been in excess of twenty cents; (3) that the revenue received from the operation of the branch line is unreasonably low, when compared with the expense of performing the service; (4) that it is unfair to require the applicant and patrons of its other lines to sustain the deficit arising from this branch line operation, the loss being too great to justify further continuation of the service; and (5) that applicant should not be required to continue the operation of the branch line, such operation not being required by public convenience or necessity.

The branch line, herein proposed to be abandoned, extends from a junction with the Hayward's Line of applicant at East 14th Street and Telegraph Road, southeasterly over and along Telegraph Road to the end of track in San Lorenzo, a distance of 1.49 miles, and was constructed under authority as contained in the following ordinances of the County of Alameda:

Ordinance No.27, dated October 20, 1890.  
Ordinance No.47, dated February 20, 1893.  
Ordinance No.137, dated June 29, 1914.

Service over the branch line is given by means of a one-man car operating on a twenty minute headway between the hours of 5:28 A.M. and 12:05 A.M. week days, and between the hours of 7:15 A.M. and 12:05 A.M. on Sundays. Direct connection is made at San Lorenzo Junction with the main line cars operating between Oakland and Hayward's.

The testimony of officials of applicant and exhibits filed at the hearings show the following data regarding results from operation:

ANALYSIS OF PASSENGER TRAFFIC

<u>PERIOD</u>	<u>PASSENGERS CARRIED</u>	<u>RECEIPTS</u>	<u>CAR MILES</u>	<u>RECEIPTS PER CAR MILE</u>
Year, 1920	95,336	\$2742.70	66224	4.1 cents
" 1921	89,310	2668.72	65932	4.0 "
" 1922	98,419	2925.43	65428	4.5 "
" 1923	97,117	2875.19	65935	4.4 "
" 1924	91,535	2697.04	65033	4.1 "
" 1925	86,970	2559.32	64323	3.9 "
" 1926	80,979	2656.46	62146	4.3 "
January to June, inclusive, 1927	36,397	1157.30	28762	4.0 "

The expense of operation for the year 1926, including only the items of platform wages, power and taxes, amounted to \$6713.80 as against a total revenue of \$2656.46, a deficit of \$4057.34. The total operating expenses, including maintenance of way and structures, maintenance of equipment, depreciation, transportation, traffic and general expense, amounted to \$13,171.42, resulting in a deficit of \$10514.96. No allowance for any return on the investment has been included in the foregoing compilation.

The record shows the track and roadbed to be in bad condition and requiring a considerable expenditure for rehabilitation.

From estimates prepared by applicant the following expenditures would be necessary if either of the three following methods of rehabilitation were undertaken:

1. Rehabilitation using 70 lb. relayer tee rail, ties, tie plates and joints with some additional ballast . . . . . \$ 15666.00
2. Reconstruct with 122 lbs standard construction, concrete and asphalt paving, in present location . . . . . \$ 96231.75
3. Reconstruct with 122 lb. standard construction in center of highway, concrete-asphalt paving, reconstruct overhead from bracket arm to span construction . . . . . \$ 118812.05

The granting of the application is protested by the County of Alameda, California Packing Corporation, San Lorenzo League of Women Voters, and certain residents of San Lorenzo.

The evidence of protestants was directed to the need for the continuance of the service and the difficulty anticipated if the service were to be suspended; and to the absence of public transportation for school children, some 40 in number, especially during the rainy season. While the stage line of the Peerless Stages, Inc., operates through San Lorenzo on a two-hour headway southbound between the hours of 7:40 A.M. and 5:40 P.M. and northbound between the hours of 8:20 A.M. and 6:20 P.M. and the trains of the Southern Pacific Company serve San Lorenzo by five schedules eastbound and three schedules westbound, such stage and train service do not appear to fully satisfy the desires of the residents either as to rates or frequency of service. Protestant, California Packing Corporation, offered no evidence in support of its protest although an adjourned hearing was held at San Francisco for such purpose.

After careful consideration of the evidence and exhibits in this proceeding we conclude that the continued maintenance and operation of the San Lorenzo Branch of applicant's street railway system is not justified by the traffic offered and there is no evidence indicating any prospect of increased future traffic in volume sufficient to warrant the expenditure of the amount estimated necessary to rehabilitate the track and roadbed to an extent necessary if safe operation is to be assured. The record shows the branch line to have been operated for many years at a substantial deficit; that the revenues from operation have not met the actual out-of-pocket expenditures for platform labor and power, there being no return for maintenance of track and roadbed, maintenance of equipment, depreciation, transportation expenses (other than power and wages) traffic, miscellaneous and general expense, or any interest return on the investment. The line is in immediate need of rehabilitation, requiring a considerable financial expendi-

ture not justified by the record herein, and its continued maintenance and operation under existing conditions would impose an unfair and unwarranted burden on other users of applicant's system who would be required to meet the deficit occasioned by the continued operation of the San Lorenzo Branch line. We, therefore, find as a fact that the public convenience and necessity do not require the continued maintenance and operation of said branch line, and that the application should be granted.

The transportation of school children who will be deprived of the use of applicant's line will doubtless be cared for by the school district as is customary when public transportation facilities are not available.

ORDER

Public hearings having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the conclusions and finding of fact as appearing in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant Key System Transit Company, a corporation, be and the same hereby is authorized to discontinue the maintenance and operation of its San Lorenzo Branch street car line, between the junction of said branch line with the Oakland-Hayward line and the end of the track in San Lorenzo, and to abandon and remove its tracks and overhead line.

The discontinuance of service herein authorized shall not become effective until applicant will have given ten (10) days notice to the traveling public by publishing notice of the date of discontinuance in a newspaper of general circulation in the town of San Lorenzo, and by posting notice of the date of discontinuance in all cars operated on the San Lorenzo Branch line, on the Oakland-Hayward line, and at the postoffice at San Lorenzo.

Applicant is hereby further required to cancel all tariffs and time schedules now filed with this Commission covering fares and schedules now applicable to the San Lorenzo Branch line, such cancellations to be made in accordance with the provisions of this Commission's Tariff Circular No.2, and other regulations of this Commission.

For all purposes, other than hereinabove stated, the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of October, 1927.

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*Albany*  
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*Leon Whittell*  
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*Thos. S. Raiter*  
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COMMISSIONERS