

Decision No. 20125

ORIGINAL

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 the Up-
 land Ontario line in the City of
 Ontario, and for a certificate of
 public convenience and necessity
 for the operation of a motor coach
 line as substitute therefor, be-
 tween the Cities of Upland and
 Ontario; and to relocate passenger
 station in Upland.

APPLICATION NO. 14665

C. W. Cornell, for Applicant.

E. H. Jolliffe, for City of Ontario.

Isaac Jones, A. D. Mitchell and Ieland S.
 Davidson, for various protestants.

F. H. Wallihan, for Ontario Business
 Men's Association.

BY THE COMMISSION:

OPINION

This is an application of Pacific Electric Railway Company, a corporation, filed May 4, 1928, for an order authorizing abandonment of passenger service on its Upland-Ontario line; removal of tracks on a portion of said line within the City of Ontario; operation of a motor coach line between Upland and Ontario as a substitute therefor, and relocation of passenger station in Upland.

The City of Ontario and City of Upland, by resolution of their respective governing bodies, indicated that they

avored the granting of the application. An independent investigation was made by our Engineering Department and a favorable report rendered. As a result, the Commission entered an ex parte order on July 3, 1928, granting the application.

On July 23, 1928, a petition was received containing the signatures of a number of residents of Ontario, protesting the abandonment of the rail service. As a result, the Commission set aside the prior decision and reopened the matter for hearing. Such hearing was held on August 9, 1928, at Ontario, before Examiner Rowell, at which time the matter was submitted.

Applicant introduced evidence showing that passenger service on the line for the year ending March 31, 1928, was operated at a net out-of-pocket loss of \$3,869.18. Revenue for this period was \$14,965.85, expenses were \$18,049.32 and taxes \$785.71. Only direct expenses were considered, such expenses as general office expense and overhead costs being omitted. The statement reflects the actual saving in money which would accrue if the passenger service were removed. Freight revenues or expenses were not considered. Protestants did not offer any evidence to refute applicant's showing, and upon this record we must accept the applicant's showing.

Applicant proposes, as a means of reducing the operating expense incident to providing public transportation between Upland and Ontario, to substitute a motor coach service for the rail service. Under such a plan, the number of operators required is materially reduced, first, because only one operator is required per coach, while two operators are required on each street car, and, second, because only one coach will be

required for service, while two street cars are required. This latter results from the unusually low speed restriction required on rail line crossings in the City of Ontario, while coach operation is governed by the state. The service also is proposed to be reduced from 34 round trips daily to 28, a reduction of six trips. Convenient connection will, however, continue to be made with all main line trains. It is estimated that these changes will result in an operating saving of \$9,600.00 a year. The record shows that it would be impracticable to make such a saving on the rail line.

The proposed plan will reduce the investment, on which the public is expected to pay, through fares, a fair return, from \$45,515 to \$12,750, or a net reduction of \$32,765.

Applicant also proposes to relocate its passenger station on the main line at Upland, from Euclid Avenue easterly a distance of two blocks to Second Avenue. The northern terminus of the motor coach line will be at the relocated station. Such station relocation, the record shows, is to place the station where it will be most convenient to the entire community, the present location being somewhat west of the center of development.

The record shows that the official attitude of the Cities of Ontario and Upland, as expressed by resolution of their Boards of Trustees prior to the ex parte authorization of this Commission, has not been modified, and that these bodies still remain in favor of applicant's proposal. An independent investigation by our Engineering Department concluded in a recommendation that substitution of motor coaches for rail service be undertaken, as a means of reducing the operating cost of applicant and lessening the necessity for an increase in fares.

The position of the protesting citizens of Ontario may be best expressed by quoting from the petition filed with the Commission:

(1) That the public interest and convenience demand that the service of the Pacific Electric on Euclid Avenue remain a rail service as at present, for the reason that the position of the rails in the center of the avenue affords a much more convenient service than is possible if bus service is substituted.

(2) That rail connection with the Pacific Electric system is a valuable commercial asset to the City of Ontario, which asset will be greatly impaired if bus service is substituted for the rail line.

(3) That at irregular periods, which periods cannot be definitely foretold, a bus service would not be adequate to supply the need over this line that the car service now fills.

(4) That the substitution of the bus service for the car service would tend to congest traffic in the streets of Ontario, and that the service would not be as convenient or satisfactory as the present rail service.

With respect to the first contention, a number of representative citizens of Ontario testified both in favor of the motor coach service and in favor of the rail service, as to convenience in entering and leaving, riding qualities and location of stops and terminals, although a majority of the witnesses expressed a preference for rail service in these regards. It is true, however, that successful substitutions of busses have been made for street cars in a number of instances, of which the Pasadena local service is pointed out by applicant as an example.

While a connection with the Pacific Electric system undoubtedly is an advantage for Ontario, the record shows that the use made of this line has been decreasing year by year, until the revenues are not now sufficient to pay the cost of operation. Such a condition would not occur in a growing community, if the service continued to be a valuable

commercial asset. The motor coach service as proposed would continue to connect Ontario with the applicant's main line.

Travel checks show that travel is fairly uniform throughout the day, the usual morning and evening peaks being absent. During the entire week March 9 to 15, 1928, the maximum number of passengers on any one trip was thirty. The average number was approximately ten. Except for unusual occurrences, therefore, the 29-passenger vehicle applicant proposes to operate will adequately care for travel. The record shows that applicant proposes to assign one spare coach to the line, and in addition has a fleet in excess of two hundred coaches on which to draw for extra service.

Summarizing, we are faced with a railroad operation which results in an annual net loss of in excess of \$3,000, and a proposal by the utility to substitute a motor coach service therefor at an annual saving of over \$9,000. There will also be a saving in investment of \$33,000 under the plan. The plan of the utility is approved by the representatives of the cities affected and by the independent investigation of the Commission's Engineering Department. On the other hand, a number of the Ontario residents expressed their opinion as favoring a rail service as compared to a motor coach service, for convenience and location of terminals. There is no evidence, however, in our judgment, to indicate that the motor coach service as proposed will not reasonably meet the needs of the public for transportation in this territory, having in mind the operating losses now sustained by applicant, and the savings possible under the proposed substitution. The original order in this case should be reaffirmed.

O R D E R

Pacific Electric Railway Company having filed the above entitled application, a public hearing having been held, the matter being under submission and ready for decision, therefore

IT IS HEREBY ORDERED that the order in Decision No. 19990 in the above entitled matter, dated July 3, 1928, and which was set aside by this Commission on July 30, 1928, be and the same is hereby affirmed as the order of this Commission and shall stand hereafter in full force and effect.

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 17th day of August, 1928.

Leon Whitell

Clarence

David L. ...

W. A. ...

Commissioners