

Decision No. 20952.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of Application of the
PACIFIC ELECTRIC RAILWAY COMPANY for
permission to discontinue operation
of the Hyperion Avenue-Silver Lake-
Glendale Boulevard Motor Coach Line
in the City of Los Angeles, State of
California.

ORIGINAL

Application No. 15121.

Frank Karr, for Applicant.
Jess E. Stephens, by J. L. Ronnow, for City
of Los Angeles.
F. F. Ball, for Board of Public Utilities and
Transportation, City of Los Angeles.
A. J. Barnes and W. H. Powell, for East Hollywood
Improvement Association.
Chas. W. Farrell, Hollywood Junction Business
Men's Association.
W. D. Mann, in propria persona.
T. M. Gray, for Ivanhoe Hills Improvement
Association.
Harold E. Perry, for Thomas Starr King, Jr. High
School.
Chas. H. Butterfield, for Northwest Chamber
of Commerce.
J. A. Van Pelt, for East Silver Lake Valley
Improvement Association, Griffith Heights
Improvement Association and Strong-Dickerson
& Moreno, Protestants.

BY THE COMMISSION:

O P I N I O N

This is an application of Pacific Electric Railway
Company for permission to discontinue operation of its Hyperion
Avenue-Silver Lake-Glendale Boulevard motor coach line in the
City of Los Angeles, State of California.

By amended application, applicant seeks authority to dis-
continue only the portions of this line operating on Silver Lake
Boulevard and on Rowena Avenue; continuing the present service along

Glendale Boulevard and Hyperion Avenue instead of the entire abandonment as originally applied for. Under the amended application it is proposed to cancel the present twenty-ride tickets, resulting in an increase in fare from five (5) cents to ten (10) cents for passengers who use such tickets in transferring to points on applicant's rail lines in Zone 1.

A public hearing was conducted on the original application by Examiner Rowell on January 23, 1929, and on the amended application February 8, 1929, at Los Angeles. The matter is now submitted and ready for decision.

Applicant presented evidence to show that the revenue derived from the operation of the motor coach line is not sufficient to pay the direct, out-of-pocket costs of operation and taxes. Exhibit No. 1, covering revenues and expenses for the period January 1, 1927, to November 30, 1928, inclusive, shows that during said period the revenues amounted to \$12,081.15, while out-of-pocket operating expenses and taxes amounted to \$27,090.80. During this period, however, contributions were received from real estate operators in the amount of \$8,145.83, in accordance with terms of an agreement entered into at the commencement of operations. This agreement has expired and such contributions are no longer received.

The record shows that the revenue credited to this line in the above statement is not all of the revenue which would be lost to the Pacific Electric Railway Company if the line were totally abandoned, as applicant's traffic manager testified that approximately \$10,000.00 additional would be lost to their rail lines in that event. Even considering this item of additional revenue, it is evident that the line is still being operated at an out-of-pocket loss.

A number of protests were entered at the first hearing to the elimination of the entire service. The hearing was thereupon adjourned in order that the applicant might consider the matter further and submit such alternate plan as it found to be feasible. Prior to the adjourned hearing the amended application previously mentioned was filed, which seeks authority to increase fares and discontinue only those portions of the operations where, in applicant's opinion, the heaviest losses occur. The Board of Public Utilities and Transportation of the City of Los Angeles and interested improvement associations did not protest the granting of this amended application, except a representative appearing jointly in behalf of the East Silver Lake Improvement Association, Griffiths Heights Improvement Association and Strong-Dickerson & Moreno Real Estate Company. This protest was directed against the abandonment of the Silver Lake portion of the line.

A review of the evidence shows that the territory along Silver Lake Boulevard is rather sparsely developed at this time and that the earnings of the portion of the line operating along this street are proportionately lower than the earnings of the remaining portion which the applicant proposes to continue. It was pointed out also that a considerable part of the route is within walking distance of applicant's existing rail and motor coach lines. It is apparent from the record in this case that this portion of the line should be abandoned.

Applicant proposes in its amended application to increase the fares now in effect between the downtown business district and points on the bus line. Prior to the general fare adjustment, effective April 27, 1928, the local fare on this line was six (6) cents and the through fare, including transfer to applicant's rail lines, was ten (10) cents. On the above date modifications were made in

the zones under which the local fare was reduced to five (5) cents including transfer within Zone 2 on the rail lines, while the through fare to the downtown district (Zone 1) remained at ten (10) cents. Shortly thereafter a book of twenty (20) tickets, selling for \$1.00 (five (5) cents per ride) good between Zone 1 and Zone 2, was placed in effect. This rate automatically applied to the Hyperion Glendale Motor Coach Line and it is this fare which the applicant proposes to cancel on the ground that the fare is unreasonably low considering the service rendered and cost of providing the same. It would appear, under the circumstances, that the request should be granted.

It appears to the Commission that a certificate of public convenience and necessity should be issued to cover the route which applicant proposes to continue in operation, that permission to abandon the remaining portions of the present operation should be granted and that the book of twenty (20) tickets sold for \$1.00 should be cancelled in so far as same applies to this line. Suggestion was made at the hearing that one round trip in the late evening be operated in addition to the schedule shown in the amended application, to which applicant agreed, and which should be incorporated in the time schedule to be filed with the Commission.

O R D E R

Pacific Electric Railway Company having applied for permission to continue in operation a portion of its Hyperion-Silver

Lake-Glendale Boulevard Motor Coach Line, to abandon the remaining portion thereof, and to increase fares, a public hearing having been held, the Commission being apprised of the facts, the matter being under submission and ready for decision, therefore,

THE RAILROAD COMMISSION HEREBY DECLARES that the public convenience and necessity require the operation of an automotive passenger stage service in the City of Los Angeles along the following route:

Commencing at Hollywood Junction, located at Sunset Boulevard and Sanborn Avenue; thence along Sanborn Avenue to Fountain Avenue; thence along Fountain Avenue to Hyperion Avenue; thence along Hyperion Avenue to Rowena Avenue; thence along Rowena Avenue to Glendale Boulevard; thence along Glendale Boulevard to Fargo Street;

Returning reverse of this route to Hyperion Avenue; thence along Hyperion Avenue to Sunset Boulevard; thence along Sunset Boulevard to Sanborn Avenue, the point of beginning;

as shown by green line on blue print map C.E.H. 8596-d, attached to the amended application, therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service be and the same is hereby granted to Pacific Electric Railway Company, subject to the following conditions:

(1) Applicant shall file with the Railroad Commission, within a period of not to exceed twenty (20) days from date hereof, its written acceptance of the certificate herein granted.

(2) Applicant shall commence operation of said service within a period of not to exceed sixty (60) days from the date hereof.

(3) The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

(4) No vehicle may be operated by applicant under the authority herein granted unless such vehicle is owned by applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby authorized to discontinue the operation of that portion of the present Hyperion-Silver Lake-Glendale Boulevard Motor Coach Line not covered by the certificate of public convenience and necessity herein granted, provided that said abandonment shall be coincident with the commencement of operations under said certificate.

The route over which operation is herein authorized to be discontinued is described as follows:

Commencing at Silver Lake Boulevard and Sunset Boulevard, thence along Silver Lake Boulevard to Rowena Avenue; and commencing at Rowena Avenue and Hyperion Avenue; thence along Rowena Avenue, Griffith Park Boulevard to Effie Street.

Notice of such discontinuance shall be given the public at least five (5) days prior to the date thereof.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby authorized to cancel the twenty (20) ride ticket rate of \$1.00 applying between points on said motor coach line and Zone 1, Los Angeles local lines of applicant.

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 12th day of April, 1929.

Thomas J. Lott
C. C. Lewis
Ernest J. Smith
Leon Whitall
W. M. ...
Commissioners.