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Decision No. 23870

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
MOTOR TRANSIT COMPANY,  
a corporation, for authority to abandon  
and reroute, and for a certificate of  
public convenience and necessity to ex-  
tend, certain routes and operative rights  
in Los Angeles, San Bernardino, Riverside,  
and Orange Counties.

ORIGINAL

Application No. 16665

Frank Karr and R. E. Wedekind, for Applicant,  
J. W. Slater and Chas. R. Dyer, for certain  
residents of Montrose District,  
Mark A. Hall, for certain residents of Montrose  
District,  
W. D. Lee, in propria persona, Protestant.

BY THE COMMISSION:

O P I N I O N

MOTOR TRANSIT COMPANY, a corporation, by the above numbered application, as amended, seeks authority to change certain operations on its system by abandonments of service, reroutings, the establishment of a new routes and the removal of certain restrictions, and for a certificate of public convenience and necessity authorizing the changes.

Public hearings thereon were conducted by Examiner Williams at Los Angeles and Montrose, and the matters were submitted for decision.

Applicant's averred purpose is to relieve itself of unnecessary mileage, unprofitable routings and schedules and other changes that may inure to the benefit of revenues and to improve service where patronage justifies it. According to the testimony of F. D. Howell, General Manager of appli-

cant, the application is intended to relieve the corporation, which is not now operating at a profit, from operations that present no hope of better patronage and reduce costs. Another result sought is to facilitate exchange of business with Pacific Electric Railway Company, which, under authority of this Commission, now owns two-thirds of the stock of applicant corporation, and for which purpose interchangeable tickets and consolidated terminals and joint fares are to be established.

The application was protested only by W. D. Lee, operating a passenger stage line between Rialto and San Bernardino. As applicant, to meet this protest, amended its application to "not pick up or discharge passengers at Rialto and Riverside Streets in Rialto to or from San Bernardino," we believe this restriction will afford protestant reasonable protection. At the conclusion of the hearings, The Atchison, Topeka & Santa Fe Railway Company withdrew its protest.

Applicant also asks that reroutings or extensions as proposed be made to apply to the movements of passengers, their baggage and express, and consolidated, without restriction, with each of applicant's present rights and routes heretofore consolidated.

Applicant proposes to abandon that part of its route between Riverside, Beaumont and Banning, beginning at the foot of the so-called Jack Rabbit Trail, at its intersection with the Moreno-Gilman Hot Springs highway, thence to Beaumont and Banning; also between Banning and Pine Cove.

Public need apparently no longer requires this service, as applicant transports only 22 passengers a month at most, according to a traffic check (Ex. No. 13), including sales from Banning, Beaumont and Riverside. As Pacific Greyhound Lines operate four schedules daily via Redlands to Beaumont and Banning, while applicant operates but one via Moreno, it appears that the one schedule of applicant is of little service and is operated at the expense of patrons.

of other lines on the system. The order will permit the abandonment to Pine Cove via Beaumont and Banning, but not to Gilman's Hot Springs, also served via Moreno.

Applicant also desires to abandon its alternate route between Pomona and Chino, beginning at the intersection of Philadelphia and East "N" Street in the County of San Bernardino, and extending easterly along Philadelphia Street to Central Avenue, along Central Avenue to "D" Street in the City of Chino. The route here sought to be abandoned was served by a morning and evening detour from the regular route (via "D", Sixth and Riverside Streets), to accommodate several school teachers, who no longer use it. The abandonment will be permitted.

Applicant also seeks to abandon that portion of its alternate route between Anaheim and Garden Grove, beginning at the intersection of Euclid Avenue and Lincoln Avenue, westerly of Anaheim, and extending southerly on Euclid Avenue to Ocean Avenue in Garden Grove. This service is patronized by an average of two passengers daily. Applicant has abundant schedules between Santa Ana and the coast towns, which are preferred by the public in reaching Garden Grove, and applicant prefers to concentrate on these routes. From the record, it appears that the service to be abandoned is so little used that public interest does not justify its continuance. The abandonment will be permitted.

Applicant also seeks to abandon that portion of its alternate route between Santa Ana and Long Beach, beginning at the intersection of Verano and Fifth Streets, westerly of Santa Ana, and running northerly on Verano to Garden Grove, thence westerly on Ocean Avenue to Wright Street, to Seventeenth Street, to Huntington Beach boulevard. This abandonment eliminates service to Greenville and Talbert, villages off the main highway, from Santa Ana to the coast. The patronage from this route does not justify its operation over rather inferior roads. During June, 1930, but seven passengers used the service to or from Talbert, and only two passengers to or from Greenville. These facts justify permitting

the abandonment.

Applicant, by amendment filed prior to the hearing, seeks to abandon its route between Redlands and Yucaipa (Exhibit "F" attached to the amendment to the application) and verified by the testimony of F. D. Howell, Vice President and General Manager of applicant, shows that only eleven passengers used the service from Redlands, and only four from Yucaipa and intermediate points. In addition, applicant has lost the contract to carry United States mail, which has heretofore made the operation possible by its revenues. The order will permit abandonment.

Applicant also proposes to reroute its line between Riverside and San Bernardino now operated via Market Street and Iowa Avenue in Riverside, to operate via Market Street, First, La Cadena Drive to Iowa Avenue, and thence via the present route to San Bernardino. The authorized route via Iowa Avenue was part of a restriction to protect Pacific Electric Railway, whose line parallels La Cadena Drive. Removal of this restriction was consented to by Pacific Electric Railway by its communication (Exhibit "D" attached to the application), and there now remains no protest to the change. The La Cadena route will shorten the mileage between Riverside and San Bernardino and also facilitate movements in Riverside. No objection appears in the record, and the rerouting will be granted.

Applicant also proposes to reroute and extend its present service between Santa Ana and Laguna Beach, via Tustin and Irvine, and to operate over the present direct route between Santa Ana and Newport Beach, thence along Coast Highway to Laguna Beach to Arch Beach, to Three Arches. The reasons for the change are that the present route via Irvine and Laguna Canyon provides no intermediate traffic. Rail connections are at San Juan Capistrano, which is served by Pacific Greyhound Lines to Laguna Beach, via Serra; and Tustin, another point to be abandoned by this rerout-

ing, has abundant service by Santa Ana-Tustin Stage, B. J. Harris, owner. By rerouting, applicant will follow its route from Santa Ana to Newport Beach. Schedules will be established making connection with stage and electric service from Newport Beach to Long Beach and intermediates, or to Los Angeles, <sup>the</sup> through service to serve the Coast highway from Newport Beach to Three Arches, midway between which is Laguna Beach. That such a service will be an improvement in transportation to the Laguna Beach district, was the testimony of John Jehle, R. A. Bird, Dr. H. Hilmer, Laguna Beach, Joseph A. Beek, Newport Beach, G. C. McCloud, Secretary and Manager of the Newport Beach Chamber of Commerce, and Secretary of Orange County Coast Association, W. B. Hanner, Hotel Proprietor at Laguna Beach, H. C. Sloan and ten other witnesses from communities affected by the change. The record shows that the rerouting will provide more frequent service than is now possible with two routes. Although the Pacific Greyhound is authorized to serve locally, the coast highway between Newport Beach and Serra, including Laguna Beach, the witnesses testified that the service is not adequate, as the stages are through from Long Beach to San Diego and vary in arrival and departure and at times are full upon arrival. While service has been maintained via Laguna Canyon for many years, it appears now that the route proposed is preferred by the travelling public. This rerouting will be granted.

Applicant also seeks to reroute all of its service now operating over Atlantic Avenue between the intersection of Atlantic Avenue and San Antonio Drive, and the termini at Long Beach, by way of American Avenue, in place of Atlantic Avenue. This is sought because it is alleged that the two lines now operating are confusing to the public. The use of American Avenue only is urged by the City of Long Beach and its Chamber of Commerce. It appears to be amply adequate and convenient, as American Avenue is the principal north and south street of the city. Both routes join in their progress toward Los Angeles, and two schedules on different streets

appear confusing as the public cannot remember their separate periods. As this is merely a routing internally affecting Long Beach, its wishes should be met and the permission granted.

Applicant also asks permission to reroute service between Norwalk and Bellflower beginning at the intersection of Center Street and the Norwalk-Artesia road, west on Center Street to Sommerset Street, south on Sommerset Street to Artesia Road, and thence via present route. The present route is over an unimproved road without originating business. The new route will be over a paved road directly into and through the center of Bellflower, and will connect with Pacific Electric station there. There appears no reason why the change should not be made, and it will be granted.

Applicant also seeks to reroute a portion of its present service between Upland and San Bernardino, from Foothill Boulevard to Ninth and Euclid Avenue via Ninth Street and Tenth Street to the Arrow Highway, thence through Cucamonga, Fontana, Rialto to San Bernardino. Arrow Highway is about midway between the Foothill Boulevard and Valley Boulevard parallel to both, and terminates, as they do, at San Bernardino. It appears from the testimony of applicant's officers and witnesses that 75 per cent of the people between Upland and San Bernardino live nearer to the Arrow Highway than to Foothill Boulevard, this being particularly true of the regions near Cucamonga, Fontana and Rialto. Applicant proposes to reduce its schedules over Foothill Boulevard from 12 to 7 daily, and to establish 6 schedules along Arrow Highway (partly by extension of its Pasadena-Pomona schedules), to be alternated on both routes to furnish frequent service conveniently accessible for all patrons. The change had affirmative support by Fontana Chamber of Commerce and twelve residents of the districts affected, who supported the new route because it will give each of the communities a service approximately every hour and twenty minutes and add a route convenient to the greatest number and where development is

greatest. The request of applicant will be granted.

Applicant also requests authority to reroute a portion of its service between Los Angeles and Sunland via Montrose and La Canada to follow a route from the south junction of Verdugo Road and Canada Boulevard to the north junction of those streets, thence via the present route to Honolulu Avenue, to La Crescenta Avenue to Michigan Boulevard, thence via present route. Applicant's route turns east at Honolulu Avenue over La Canada road to La Canada, thence west over Michigan Avenue. This request affects principally the residents of Montrose and Sparr Heights. One group of residents prefers the routing via Ocean View and Honolulu Avenues to La Crescenta Avenue, as proposed. The other group prefers Verdugo Road to Montrose Avenue and thence via Montrose Avenue to La Crescenta Avenue. The latter route follows that of the Glendale and Montrose Electric Railway, authority to abandon which was granted on September 29, 1930, by our Decision No. 22920 on Application No. 16673, effective when the approval of the Interstate Commerce Commission has been given to the abandonment of interstate status. Public hearings were conducted at Montrose, at which both groups of residents appeared and presented testimony. Both based their attitudes on house and family counts in regions adjacent to the routes, thus necessarily including many in both counts. The result is an almost equal division as between households. It is our experience, however, in these days of private automobile travel that population and house counts are not secure bases for assuming patronage of transportation service. That the Montrose-Sparr Heights region will accord liberal patronage to a stage line appears certain (especially as it soon will be the only public service), but there is no way of ascertaining which route will be the most convenient to them. The Montrose Avenue route appears to divide the territory best. For the purpose of testing both, the applicant will be authorized to furnish service by either or both routes, and the final select-

tion of one or the other to abide by the demonstrated convenience to patrons. The present route to the west and through La Canada will be continued with adequate schedules.

Applicant also asks authority to reroute that portion of its Foothill Boulevard-Los Angeles-Monrovia-San Bernardino line over the Valley Boulevard, effecting a partial change in the through service between Los Angeles and San Bernardino. The service has received no patronage east of Uplands for more than six months. The change proposed affects applicant's right acquired from its predecessor, G & W Stage Company. Local service is not given west of Uplands, due to restriction. The rerouting by way of Valley Boulevard is an operating convenience to the carrier and also to the traveller. Four schedules will be maintained. The change will in no way affect local service now conducted on Foothill Boulevard, via Monrovia, to San Bernardino. The request will be granted.

Applicant also asks to reroute its service between Yorba Linda and Atwood on the one hand, and Los Angeles on the other hand, by way of Fullerton, for the purpose of connecting its service between Corona and Los Angeles by way of Orange and Fullerton. This change connects the Los Angeles, Fullerton and Yorba Linda service route with the route in Santa Ana Canyon, between Orange and Corona and permits service from Los Angeles to Corona via Fullerton. Four schedules by the new route are proposed. The connection requires a certificate to use the new county highway from a point west of Peralta, crossing the Santa Ana River and terminating at Atwood.

In Decisions Nos. 20542 on Application No. 14293 and 20913 on Application No. 14473, applicant herein was restricted from conducting any through service between Los Angeles and Long Beach by any route or connecting route between termini. This was to protect the Pacific Electric Railway Company, which pro-



tested both applications. In the instant application consent is given (Exhibit "D" attached to the application) to removal of this restriction. Removal means that applicant may furnish through service, via its Downey route, between Los Angeles and Long Beach. The request was not opposed, and the record justifies granting it.

The tariffs, rules and regulations now on file by applicant are to continue without other change than shown in Exhibit "B" attached to the application and such additional tariffs as are necessary, according to Mr. Howell's testimony, upon the same rate base and structure as already approved by this Commission. The time schedules for added or changed operations are shown in Exhibit "C."

Consent in writing to the granting of the application was filed by Pacific Electric Railway Company, D. W. Pontius, President; Pacific Greyhound Lines, Inc., T. B. Wilson, President, and Tustin-Santa Ana Stage Line, B. J. Harris, owner.

MOTOR TRANSIT COMPANY is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

#### ORDER

MOTOR TRANSIT COMPANY, a corporation, having made application to the Railroad Commission for authority to abandon and reroute, and for a certificate of public convenience and necessity to extend, certain routes and operative rights in Los Angeles, San Bernardino, Riverside and Orange counties; a public

hearing having been held and the matter having been duly submitted,

IT IS HEREBY ORDERED that Motor Transit Company, a corporation be, and it is hereby, authorized to abandon all service--

(A) Between Riverside, Beaumont and Banning, beginning at the foot of the so-called Jack Rabbit Trail where said Trail intersects the highway at Moreno and Gilman's Hot Springs, thence to Beaumont and Banning;

(B) All service on that portion of its Riverside-Idyllwild Line from the south end of the so-called Jack Rabbit Trail at its intersection with the Moreno-Gilman's Hot Springs road to Pine Cone, via Beaumont and Banning;

(C) Between Pomona and Chino, commencing at the intersection of Philadelphia and East End Streets, in the County of San Bernardino, extending easterly along Philadelphia Street to Central Avenue, thence southerly along said Central Avenue to "D" Street in the City of Chino;

(D) From Santa Ana south on Main Street to Edinger Street; thence westerly and southerly on Edinger Street to the Town of Greenville, thence westerly on Talbert Street to the intersection of Talbert Street with Huntington Beach Boulevard;

(E) Beginning at the intersection of Euclid Avenue and Lincoln Avenue westerly of Anaheim, southerly on Euclid Avenue to the intersection of Euclid Avenue and Ocean Avenue in Garden Grove;

(F) Beginning at the intersection of Verano Street with Fifth Street westerly of Santa Ana, running northerly on Verano Street to the Town of Garden Grove, thence westerly on Ocean Avenue to Wright Street, thence southerly on Wright Street to Seventeenth Street; thence westerly on Seventeenth Street to the intersection of Seventeenth Street and Huntington Beach Boulevard;

(G) Beginning at the intersection of Orange Street and East Colton Avenue in the City of Redlands, thence southerly along said Orange Street to the intersection of Orange Street and Citrus Avenue in said city, thence easterly along said Citrus Avenue to the intersection of said Citrus Avenue and Reservoir Canyon Road to Yuicapa.

IT IS HEREBY FURTHER ORDERED that Motor Transit Company, a corporation, be, and it is hereby authorized to reroute its service in the manner and form shown as follows:

(a) Leaving Riverside via Market Street northerly via Market Street to First Street; thence on First Street to La Cadena Drive; thence on La Canada Drive to the intersection of La Cadena Drive with Iowa Avenue; and thence via the present route to San Bernardino, in lieu of the route between said termini, via Market Street and Iowa Avenue, which is to be discontinued.

(b) Over the present route between Santa Ana and Newport Beach; thence southeasterly from Newport Beach along the Coast Highway to Laguna Beach and extending said line from Laguna Beach along the Coast Highway to Arch Beach and thence to Three Arches, in lieu of the route via Tustin, Irvine and Laguna Canyon Road, which is to be discontinued.

(c) By operating all schedules between the intersection of Atlantic Avenue and San Antonio Drive and terminal in Long Beach over American Avenue, in lieu of alternate operation over Atlantic Avenue.

(d) Beginning at the intersection of Center Street and Norwalk-Artesia Road west on Center Street to Somerset Street; thence south on Somerset Street to Artesia Road and thence on present route, in lieu of the route via Center Street, Norwalk, Artesia Road to Somerset Avenue.

(e) Beginning at the intersection of Ninth Street and Euclid Avenue via Ninth Street and Tenth Street to the Arrow Highway; thence via the Arrow Highway through Cucamonga, Fontana and Rialto to San Bernardino.

(f) From the south junction of Verdugo Road and Canada Boulevard to the north junction of Verdugo Road and Canada Boulevard; thence via the present route to Honolulu Avenue; thence on Honolulu Avenue to La Crescenta Avenue (Verdugo City); thence on La Crescenta Avenue to Michigan Boulevard; thence via the present route, or beginning at the intersection of Verdugo Road and Montrose Avenue, northerly and westerly to Crescenta Avenue, thence to Michigan Avenue, thence over present route, either or both routes as applicant may elect, and in addition to its route via La Cadena.

(g) By rerouting its through service between Los Angeles and San Bernardino via the Valley Boulevard, in lieu of its routing via Mission Road and Huntington Drive.

IT IS FURTHER ORDERED that restrictions made in Decision No. 20542 on Application No. 14293 and Decision No. 20913 on Application No. 14473, whereby Motor Transit Company, applicant herein, was forbidden to conduct any through service between Los Angeles and Long Beach, via Downey, and the same hereby are removed, and such through service may be established.

IT IS FURTHER ORDERED that Motor Transit Company be, and it is hereby authorized to connect its service between Santa Ana and Corona, and between Los Angeles and Corona via Fullerton and Yorba by operating over the public highway between a point 1.2 miles west of Peralta on said highway northerly and across the Santa Ana River, thence westerly via Yorba to Atwood.

IT IS HEREBY FURTHER ORDERED that as to each of the foregoing abandonments, reroutings or new services as authorized, a certificate of public convenience and necessity therefor be, and the same hereby is granted, together with the consolidation thereof for the transportation of passengers, their baggage and express with each and every applicant's present operative rights and routes, as heretofore consolidated, without restriction, on the following conditions:

1. That weight limits on express heretofore imposed on operating rights changed by the order herein shall be maintained on all extensions and reroutings herein authorized.
2. That at least five (5) days before making the changes herein authorized notice of such changes shall be posted in cars of applicant serving the affected territory, also at the depots involved.
3. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
4. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application in so far as they conform to the certificate herein granted.
5. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
6. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

7. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of November, 1930.

C. L. Seamy  
Edward L. Smith  
Leon A. Whittell  
Thomas L. Smith  
M. J. Lee  
Commissioners.