

ORIGINAL

Decision No. 3417

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

A. H. Greenshields, et al.,
 Complainants,
 vs.
 Los Angeles Railway Corporation,
 Defendant.

Case No. 920

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Francis Fildew, for complainants,
 Samuel Haskins, for Los Angeles Railway
 Corporation, defendant.

DEVLIN, Commissioner:

O P I N I O N

The complainants in this proceeding are patrons of the Vermont Heights and the Homeward Avenue lines of the defendant, Los Angeles Railway Corporation, and reside south of Manchester Avenue, principally beyond the city limits of Los Angeles, within or on either side of what is commonly called the "Shoe String Strip", a narrow piece of land, included in the city limits extending to Port Los Angeles, a distance of about 24 miles.

It is alleged that the refusal of defendant to issue transfers for use on its connecting lines in the city of Los Angeles to such passengers as travel on commutation tickets is unfair, discriminatory, inequitable, inadequate and inefficient. Complainants also allege that a 20-minute car service is insufficient to meet the demands of the traveling public, and that same should be increased to a 10-minute schedule between the hours of 5 A.M. and 7:30 P.M., with a 20-minute service from 7:30 P.M. until the last car.

The distance from Fourth and Spring Streets to Manchester Avenue, via Hoover Street, is 7.57 miles; from Sixth and Hill

Streets, via Georgia, to Manchester Avenue it is 8.43 miles; and from Fourth and Spring Streets to Manchester Avenue via the Moneta Avenue line, 6.72 miles, cash fare being 5 cents via any of the three routes. This 5-cent cash fare includes a transfer to any of the lines of defendant running in the same general direction.

South of Manchester Avenue the Vermont Heights line extends for a distance of 2.51 miles to West Athens, and the Moneta Avenue line 2.27 miles to Edna Street. There is now in effect via these lines a 30-ride commutation fare of \$1.50 between Los Angeles and Vermont Heights on the first named route and the same fare to Homeward Avenue on the second named route. At the present time commuters are permitted to ride approximately 8.59 miles from Homeward Avenue to Fourth and Spring Streets, via Moneta Avenue line; and from Vermont Heights 10.43 miles to Sixth and Hill Streets, or 9.57 miles to Fourth and Spring Streets on the commutation fare of 5 cents. It is the plea of the complainants that transfers be issued on these \$1.50 commutation tickets to all points on connecting lines of defendant within the city of Los Angeles when the journey is made in the same general direction. If transfers were granted in connection with these fares the distance could in some cases be practically doubled, presuming passenger rode to the extreme limit of the connecting line.

Complainants introduced no exhibits or testimony to prove the fares discriminatory or unreasonable but by witnesses endeavored to show that the territory on both the Vermont Heights and Homeward Avenue lines, south of Manchester Avenue, is not progressing to the same degree as the territory in other parts of the City where a 5 cent cash fare with transfer privilege is in effect. No evidence was submitted to show that transfers are given in connection with commutation tickets between other points on defendant's lines and a check of the tariffs on file with this Commission reveals the fact that transfers are not issued on commutation tickets in Los Angeles, neither are they given on any of the suburban lines within the State of California. The practice of selling commutation tickets

at low rates, without transfer privilege, appears to be general and there is nothing in this record showing same to be unreasonable.

The first cause of complaint is based to some extent on grounds similar to those involved in Case No. 337, City of Inglewood vs Los Angeles Railway Corporation, Volume 3, Opinions and Orders of the Railroad Commission of California, page 32; No. 370, P. A. Freelich vs Los Angeles Railway Corporation, Volume 3, Opinions and Orders of the Railroad Commission of California, page 30, and No. 509, Lennox Improvement Association vs Los Angeles Railway Corporation, Volume 4, Opinions and Orders of the Railroad Commission of California, page 629. In all of these cases complainants alleged that the passenger fares were excessive and unreasonable. In the decision in each case the Commission's orders established 30-ride commutation tickets,- in the first case No. 337, the order put into effect a 30-ride commutation ticket at rate of \$1.50 without transfer privilege between Los Angeles and Inglewood; in the second proceeding, No. 370, the same order was issued requiring defendants to establish a 30-ride commutation ticket at rate of \$1.50 without transfer privilege between Los Angeles and Vermont Heights, and in the last case No. 509, the order required sale of a 30-ride commutation ticket for \$2.25 without transfer privilege, between Los Angeles and Lennox.

It will thus be seen that the principle involved in this particular case has now been reviewed three times by this Commission within the past few years. In Case No. 370, P. A. Freelich, complainant, exactly the same rates and territory were investigated, and in the decision in that case, rendered July 2, 1913, the 30-ride commutation fare was reduced from \$2.70 to \$1.50. There has been no change in the situation since decision in Case No. 370 was rendered which would justify a further reduction in the commutation fares and there is no convincing evidence that the fare of 5 cents per ride without transfer privileges between Vermont Heights-Homeward Avenue and Los Angeles is either excessive, unreasonable or discriminatory.

A witness for defendant testified that automobiles both

in private use and jitney service were making heavy inroads into its earnings and that a check of the traffic carried by jitney machines showed an average daily loss to defendant of approximately \$1735.00. In this connection an examination was made of the reports rendered to this Commission for the years 1912, 1913, 1914 and 1915, with the following results:

STATEMENT OF REVENUES, EXPENSES AND NET REVENUE OF LOS ANGELES RAILWAY CORPORATION YEARS ENDING JUNE 30, 1912, 1913, 1914 and 1915.

	1912	1913	1914	1915
Passenger Revenue	6,094,165.43	6,748,024.93	6,913,494.70	6,203,161.35
Baggage Revenue	-----	-----	-----	-----
Parlor, Sleeping, Dining and Special Car Revenue	12,046.10	14,762.05	14,305.05	12,156.40
Mail Revenue	2,557.22	4,910.81	3,876.45	3,918.64
Express Revenue	2,400.21	3,687.44	4,087.50	3,895.31
Milk Revenue	-----	-----	-----	-----
Freight Revenue	-----	-----	-----	-----
Switching Revenue	-----	-----	-----	-----
Miscellaneous Transportation Revenue	4,392.46	11,910.41	7,470.00	1,710.48
Total Revenue from Transportation	6,115,561.42	6,783,295.64	6,943,233.70	6,224,842.18
Total Revenue from Other Railway Operations	89,775.30	38,460.75	47,562.29	98,243.82
Total Operating Revenues	6,205,336.72	6,821,756.39	6,990,795.99	6,323,086.00
Railway Operating Exps.	4,228,340.33	4,870,605.80	4,821,272.00	4,374,189.85
Net Operating Revenue	1,976,996.39	1,951,150.59	2,169,523.99	1,948,896.15
Taxes	264,404.78	286,352.78	362,162.05	356,351.20
Operating Income	1,712,591.61	1,664,797.81	1,807,361.94	1,592,544.95
Total Non-Operating Income	263.90	64,055.56	12,204.17	2,967.20
Gross Income	1,712,855.51	1,728,853.37	1,819,566.11	1,595,512.15
DEDUCTIONS FROM GROSS INCOME				
Rents	70,657.49	124,708.34	166,135.79	177,200.00
Taxes	-----	-----	-----	7,866.80
Interest	1,066,753.27	1,067,107.31	1,071,288.55	1,089,936.27
Miscellaneous	-----	365.16	-----	-----
Total Deductions from Gross Income	1,137,410.76	1,192,180.81	1,237,424.34	1,275,003.07
Net Income or Loss	575,444.75	536,672.56	582,141.77	320,509.08

It is unnecessary to make any extensive analysis of the annual reports reproduced above, as the figures quoted are self-explanatory. However, I would call attention to the total revenue

from transportation which shows an increase of \$667,734.22 in 1913, an increase of only \$159,938.06 in 1914, and a decrease of \$718,391.52 in 1915. The effect of competition from the self-propelled vehicles is very apparent and it may fairly be assumed that had this competition been absent in 1915 the earnings would have been at least considerably greater. It is also to be noted that operating expenses in 1915 were reduced from \$4,821,272.00 to \$4,374,189.85, or \$447,082.15. Without this reduction in expenses the defendant would have shown a net loss of \$126,573.07 instead of an income of \$320,509.08. After a careful consideration of all the evidence and reports I can find no justification for a change in the present commutation fare arrangements; the fares are not shown to be excessive, neither are they discriminatory and certainly the present financial condition of this defendant does not warrant an order from this Commission further reducing its income. This part of the complaint should be dismissed and I so recommend.

As to the allegation of complainants that the service rendered is inadequate and insufficient and does not accommodate the existing transportation demands and requirements, the evidence of witnesses for the defendant in this case and the schedules filed as defendant's exhibits would indicate that northbound cars, which were checked at the intersection of Jefferson and Main Streets Los Angeles, (the point at which the maximum load was present), for eight days between the hours of 7.20 and 7.40 A.M., carried loads on but 21 trips beyond the seating capacity of the cars, or an average of 2-5/8 trips per day. Between the hours of 7.40 and 8.00 A.M., from a check of eight days, an average of one trip per day carried passengers in excess of the seating capacity of cars. Southbound on a check made at Jefferson and Main Streets, between the hours of 5.00 and 5.20 P.M., three trips out of a four day check were loaded beyond seating capacity; between 5.20 and 5.40 P.M. six trips on a four day check were overloaded; between the hours of 5.40 and 6.00 P.M. five trips in a four day check were overloaded and between the hours of 6.00 P.M. and 6.20 P.M. one trip in a four day

check was loaded beyond seating capacity.

The hours during which checks were made are those in which people are traveling to and from their work and the checks were made at the point where the maximum number of people were on the cars. Under these conditions the defendant, in common with all other transportation companies similarly situated and serving large centers of population, finds it extremely difficult to transport its patrons without some overcrowding of cars and the situation presented in this case is no different from that existing in every large city in the country and is one that is very hard to overcome. The congested conditions in the business district of Los Angeles at present make it practically impossible to increase the service on any specific line during what are termed rush hours when the patrons of all transportation companies are desirous of being moved to their destination at one time and the conditions as reflected by exhibits introduced in this case do not indicate that the overcrowding of cars during the extreme rush hours is of sufficient frequency to justify additional service desired by complainants.

Conditions existing during the portion of the day other than rush hours do not indicate that there is any overcrowding of cars nor that complainants are inconvenienced by not being able to obtain seats and I am of the opinion that the facts in this case as regards service do not justify the change from the schedule based on a twenty minute headway to that of a ten minute headway as requested.

After careful consideration I conclude that this action should be dismissed.

I submit the following form of order:

O R D E R

Public hearing having been held in the above entitled case and the same having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that the complaint in the above entitled proceeding be and the same is hereby dismissed.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 9th day of
June. 1916.

Max Thelen

Alex Gordon

Edwin W. Edgerton

Frank R. DeWitt

Commissioners.