

Decision No. _____.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 4553

In the matter of the application of)
INDUSTRIAL TERMINAL RAILWAY COMPANY,)
a corporation, for an order author-)
izing the issuance of 500 shares of)
capital stock at a par value of \$100.)
each.)
.....)

Application No. 2962.

Commissioners Edgerton and Loveland,

Gurney E. Newlin for Applicant.

O P I N I O N

In this application the Industrial Terminal Railway Company, a corporation, asks permission to issue five hundred (500) shares of its common stock at a par value of \$100. each, and desires to use this money for the payment of an indebtedness of \$29,321, which amount has been spent principally for the purchase of two parcels of right of way, and for legal expenses in connection with twenty-three condemnation proceedings. The balance of \$20,628.58 is to be used to acquire additional rights of way.

On July 26, 1915 this company applied to the Commission for permission to issue \$5,500. par value of its capital stock for organization expenses and rights of way. The opinion and order covering this application (Decision No. 2832) reviewed the financial history of the company and granted the application. It seems unnecessary in this opinion again to go into the matter of the organization of the company. Since the date of the Commission's order, however, on June 16, 1916, the capital stock of the company was increased from \$50,000 to \$1,000,000, the shares being of a par value of \$100. each.

The Industrial Terminal Railway Company proposes to construct in the City of Los Angeles a switching and terminal

railroad approximately two miles in length. If the plans of the company are carried out, the line will start at Alameda Street at a point about 200 feet north of Aliso Street, run in a westerly and northwesterly direction across Ramirez Street, Macy Street and Lyon Street, and across the tracks of The Atchison, Topeka and Santa Fe Railway Company; then across the Los Angeles River and across the tracks of the Los Angeles and Salt Lake Railroad, ending on the south side of Alhambra Avenue east of the Los Angeles River. The maps filed with the earlier application (Application 1803) do not show the proposed location of tracks and other facilities, but they do show the right of way as the company is securing it.

In addition to the right of way needed for the main line these maps show right of way for a short spur, 40 feet wide, at right angles to the main line about 250 feet east of Macy Street.

If a single track line is laid in the center of the right of way which will be owned by the company as indicated by the map, it will be necessary for this track to cross a spur track of the Southern Pacific just east of Alameda Street; three more spur tracks of the same company between the last mentioned crossing and Ramirez Street; two tracks of the Los Angeles Railway Company at Macy Street; two spurs of the Santa Fe east of its main line; the main line track of the Santa Fe; two other spurs or switches of the Santa Fe between its main line and the River; and the main line of the Salt Lake Railroad. In addition to these railroad crossings it will be necessary for crossing to be made at Macy Street, Ramirez Street and Lyon Street. The Los Angeles River, as has been shown, will also have to be crossed.

In this application very much the same situation is presented to the Commission as in the case of Application 3037, which was heard by the same Commissioners on August 8, 1917, in Los Angeles, together with this application. In the opinion in

Application 3037, written today, we stated our view that it would be unwise for the Commission at this time to permit a further aggravation of the grade crossing and terminal problem within the City of Los Angeles pending the investigation now being carried on by the Commission dealing with the entire passenger and freight terminal and grade crossing situation as presented to the Commission in Cases 970, 971, 972, 974, 980, 981 and 983.

It is true that in this application the Commission is not asked to authorize the construction of grade crossings and that the applicant merely asks for authority to issue a comparatively small amount of stock to make available funds for the acquisition of certain rights of way. It is nevertheless a fact that if this application is granted applicant will go ahead with its plans for a terminal railway in the location described when there is a possibility that after a comprehensive investigation by the Commission these plans may have to be changed altogether or seriously modified.

In the opinion in Application 3037 we have pointed out-

"that although the Commission might make it clear that any money expended now would be spent at the peril of the Railroad Company, the proposed expenditure is so large and the plan is so comprehensive and will be culminating so rapidly that it must become very difficult, if not impossible, for this Commission later on to recommend any steps or to issue any orders which might tend to make worthless the expenditures of these large amounts of money.

"Neither can we see how the attitude of a railroad company is a sound and proper one if it is willing to assume the capital expenditure of amounts running into the million, with the possibility in view that an order by the Commission might place such expenditures in jeopardy.

"The contemplated expenditures are all capital expenditures, and it will be extremely difficult, if not impossible, to remove from the capital account of the Railroad Company expenditures made under the authority of the Commission if later on other and better plans may be adopted by the Commission."

Under these circumstances we believe that this application should not be granted nor should it be denied until the Commission's investigation in the larger cases has progressed sufficiently to determine whether or not it will be possible to let applicant proceed with his plan; and we recommend the following form of order:

O R D E R

INDUSTRIAL TERMINAL RAILWAY COMPANY, having on May 29, 1917 made application to the Commission for permission to issue five hundred (500) shares of capital stock at a par value of one hundred (\$100.) dollars; and a public hearing having been held; and it appearing to the Commission that this application should not be granted at this time;

IT IS HEREBY ORDERED, That a supplemental order will be issued at such time as the Commission may be in possession of the necessary information to enable it to determine whether or not, under the circumstances set forth in the foregoing opinion, it is proper for this capital stock to be authorized.

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 18th day of August, 1917.

Max Thedson
H. H. Howard
Alfred Gordon
Edwin O. Edgerton
Frank R. Deulin
(C. E. I.)
Commissioners.