

DECISION NO. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application }  
 of PACIFIC ELECTRIC RAILWAY COMP- }  
 ANY for authority to abandon and }  
 remove 4,262 feet of its railroad }  
 tracks on Ocean Avenue, in the }  
 City of Santa Monica, California. }

APPLICATION NO. 3343.

Frank Karr, for Applicant.  
 V. R. McLucas, City Attorney,  
 for City of Santa Monica,  
 Protestant.

GORDON, Commissioner.

O P I N I O N

Pacific Electric Railway Company, a corporation, has applied to the Railroad Commission for an order authorizing the abandonment of its line of railroad in the City of Santa Monica located on the northwesterly side of Ocean Avenue, between the southeasterly line of Montana Avenue and the point of connection with its Santa Monica Boulevard Line just north of the southeasterly line of Santa Monica Boulevard, a distance of 4,262 feet, for the reason that the traffic is extremely light and does not produce revenue equal to the cost of operation and that demands of the City of Santa Monica for the installation of paving with concrete base and asphalt wearing surface, and the substitution of grooved girder rail of a weight of 127 pounds to the yard

will necessitate an expenditure for reconstruction of approximately Seventy Thousand (\$70,000.00) Dollars.

A public hearing was held at Santa Monica on December 13, 1917, the matter was duly submitted and is now ready for decision.

The track proposed to be abandoned is a portion of the city lines operated by the Pacific Electric Railway in the City of Santa Monica and is also used by the so-called Westgate line of through cars from Los Angeles. The Ocean Avenue line is located on the northwesterly side of Ocean Avenue, between Santa Monica Boulevard and Montana Avenue. Ocean Avenue between said points, except the portion occupied by the railroad of the applicant, is paved with concrete base paving with asphalt wearing surface. The City of Santa Monica has demanded the paving of the portion of Ocean Avenue occupied under franchise by the tracks of the applicant, such paving to be under the same specifications as were used in the paving of the highway portion of Ocean Avenue, the demand being made under the provisions of Section 2 of Ordinance 339 as passed by the City Council of Santa Monica on September 4, 1900, granting to Los Angeles - Pacific Railroad, its successors and assigns, a franchise for the construction and operation of an electric railway on and along Ocean Avenue for a period of fifty years, said Section 2 reading as follows:

"Section 2. The track along the said streets and avenues aforesaid shall be laid even with the surface or with the established grade, and in case the City shall pave any street or avenue during the existence of this franchise, the said grantee and assigns shall pave in a similar manner those portions of the streets and avenues lying between the tracks and between the rails, and for two feet on each side thereof."

The Pacific Electric Railway Company is the successor in interest to the Los Angeles - Pacific Railroad Company.

The installation of the type of paving required by the terms of Special Ordinance No. 634 adopted by the City Council of the City of Santa Monica on December 13, 1915, and by the terms of Special Ordinance No. 621, adopted by the City Council of the City of Santa Monica on October 11, 1915, would require the entire reconstruction of the double track street railroad over the portion of Ocean Avenue which is sought to be abandoned, and the substitution of grooved girder rail of a weight of 127 pounds to the yard for the present tee rail which weighs 60 pounds to the yard.

The estimated original value of the track and overhead construction proposed to be abandoned is \$24,320.00, the cost of removal is estimated at \$2,400.00, and the cost of paving the right-of-way occupied by the tracks proposed to be abandoned in conformity with the requirements of the ordinance of the City of Santa Monica is estimated at \$19,000.00; a total of \$45,720.00. The salvage value of the old material to be recovered is estimated at \$7,248.00, or a net expense of \$38,472.00 which would be charged as a loss if the tracks were to be abandoned.

If the tracks are to be rehabilitated and the paving installed as required by the City of Santa Monica an estimated expenditure of \$86,100.00 would be incurred and in view of the limited earnings and the deficit now alleged to result from the operation of this portion of the Pacific Electric lines, the applicant prefers to abandon service, remove the tracks and pave the abandoned right-of-way at an estimated expense of \$38,472.00 rather than incur an expenditure of over \$86,000.00 upon which no return could be secured.

It appears that the traffic derived from the operation of the portion of the line proposed to be abandoned does not jus-

tify the investment of additional capital and checks of travel as submitted by the applicant show an average of but 40 passengers per day off and on the local cars on Ocean Avenue between Santa Monica Boulevard and Montana Avenue, and an average of 7 passengers on and off the through cars operated from Los Angeles to Santa Monica via Westgate and Sawtelle. Results from a four day check made in the month of October, 1917, indicate a collection of thirty-two tickets and the sum of \$2.90 in five-cent cash fares. On the basis of crediting a full five-cent fare for each passenger boarding or leaving the cars on the portion of track proposed to be abandoned, the total receipts properly creditable to this portion of the line would average \$1.12-1/2 per day. The estimated daily operating expense is \$7.36, covering the forty round trips operated by the local cars and the estimated annual cost of maintenance of track and overhead structure for the year ending June 30, 1917, was \$2515.00, the track maintenance including a considerable expenditure for renewal of track, special work which is in the nature of an extraordinary expenditure.

It is apparent that the traffic handled over this portion of the line is unremunerative and does not equal the cost of operation and maintenance, taxes and fixed charges, or any return upon the value of the investment.

It appears that several efforts have been made by the applicant to effect a compromise with the City Council of the City of Santa Monica, whereby some modification of the paving specifications might become effective, three of the suggested plans being as follows:

1. Take up track in Ocean Avenue. Make track connection with Westgate Line at Montana Avenue, thence across to a connection with the Third Street Line.

2. Abandon and remove trackage on Ocean Avenue including a portion of private right-of-way back to Fourth Street. Build across Fourth Street to existing track on Montana Avenue, thereby affording connection with Third Street Line.

3. Construct connecting track across Ocean Avenue via Idaho Street.

None of the proposed compromises have been accepted by the City Council of the City of Santa Monica, nor has any modification been secured as to the expensive type of paving required on Ocean Avenue by Special Ordinance No. 621 and Special Ordinance No. 634, although an offer has been made by the applicant to install a cement curb line or to continue the maintenance and operation of the track without paving. Permission to abandon the track on Ocean Avenue has also been denied by the City Council of the City of Santa Monica.

It appears from the evidence in this proceeding that all possible efforts have been made by the applicant to make some adjustment that will permit of the continued operation of an unprofitable portion of their line as represented by the tracks on Ocean Avenue, Santa Monica, as sought to be abandoned in this proceeding. It further appears that the continued maintenance and operation of the tracks is not justified by the patronage given by the traveling public and that it would be an economic loss to increase the capital investment necessary to rehabilitate the tracks in the manner necessary to comply with the ordinances of

the City of Santa Monica requiring the expensive type of paving. In view of the limited amount of traffic handled over the portion of line sought to be abandoned, I cannot recommend the substitution of any of the former compromises suggested by the applicant to the City Council of the City of Santa Monica, as any of the proposed compromises would require an additional capital investment which is not justified by the present or prospective traffic to be handled. It appears that there is opposition by interested residents of all of the proposed compromise plans and also to the proposed abandonment.

The Pacific Electric Railway Company has for some years operated at a deficit. In view of such fact, and from the testimony in this proceeding, I am unwilling to recommend the expenditure of a very considerable sum of money, either for the rehabilitation of the present tracks here sought to be abandoned and as required by the expensive type of paving or for any compromise plan, when it is clearly apparent that such expenditure would be an economic waste and one upon which no return on the investment could reasonably be expected.

After careful consideration of all the evidence in this proceeding, I am of the opinion and find as a fact that the continued maintenance and operation of the tracks of the Pacific Electric Railway Company on Ocean Avenue, Santa Monica, between Santa Monica Boulevard and Montana Avenue, is not justified in that sufficient patronage is not accorded such portion of the line by the traveling public, particularly in view of the present financial condition of the company.

I recommend that the application be granted subject to the conditions appearing in the following suggested form of order:

O R D E R

A public hearing having been held in the above-entitled proceeding, and the matter having been duly submitted and the Commission being fully advised and basing its order on the finding of fact as set forth in the foregoing opinion,

IT IS HEREBY ORDERED that the application of the Pacific Electric Railway Company for permission to abandon and remove its double track line of railroad on Ocean Avenue in the City of Santa Monica, between Santa Monica Boulevard and Montana Avenue, be and the same hereby is granted, subject to the following conditions:

1. The portion of Ocean Avenue occupied by the right-of-way as granted by Ordinance 339 of the City Council of the City of Santa Monica under date September 4, 1900, shall, after the removal of the tracks and overhead construction, be paved in accordance with the requirements of the City Council of the City of Santa Monica.

2. The removal of the tracks herein authorized shall be accomplished within sixty days from the effective date of this order, and the paving of the right-of-way in accordance with the requirements of the City of Santa Monica shall be completed within thirty days thereafter.

The Commission reserves the right to make such further

orders in this proceeding as to it may appear right and proper.

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 21<sup>st</sup> day of February, 1918.

Max Thelen  
H. L. Howard  
Alfred Gordon  
Edwin W. Edgerton  
Frank P. Decker

Commissioners.