

ORIGINAL

Decision No. 6282

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC ELECTRIC RAILWAY COMPANY to
 discontinue local passenger service
 on Eighth Street and modify and dis-
 continue service between Colorado
 Avenue and Sunset on the Santa Monica
 Air Line, and to discontinue after
 six p.m. the service on Santa Monica
 Boulevard conducted by the cars oper-
 ating from Venice to Sawtelle over
 Santa Monica Boulevard.)
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) Application No. 4253
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Frank Karr and R. C. Gortner for applicant.

Victor R. McLucas, City Attorney, for City of Santa Monica, protestant.

Arthur A. Weber, for Santa Monica-Ocean Park Chamber of Commerce, protestant.

H. W. Bowers, J. A. Prior and J.W. Snell for Chamber of Commerce of Sawtelle, protestant.

LOVELAND, Commissioner.

OPINION

Pacific Electric Railway Company, a corporation, has petitioned the Railroad Commission for an order authorizing the discontinuance of passenger service on Eighth Street, Santa Monica; the modification and discontinuance of service between Colorado Avenue and Sunset on the Santa Monica Air Line; and the discontinuance of service after the hour of six p.m. on Santa Monica Boulevard as now protected by cars operating from Venice to Sawtelle over said Santa Monica Boulevard.

A public hearing was held at Santa Monica on January 23, 1919, the matter was duly submitted on briefs to be filed by counsel and is now ready for decision.

Applicant desires to suspend entirely the service now being given on Eighth Street, Santa Monica, from the intersection of Santa Monica Boulevard to Garfield Avenue, a distance of six blocks, over which service is operated between the hours of 6.05 a.m. and 11.05 p.m. on a scheduled thirty minute headway. It is alleged that the travel on such line is very light and that the revenue derived from the operation is not sufficient to defray the cost of operation of such service.

Applicant operates a car line from Port Los Angeles Wharf to Sunset on the Santa Monica Air Line and alleges that there is no travel on this line from Colorado Avenue to Sunset, except at rare intervals. Authority is requested for the modification of service and the discontinuance of service between Colorado Avenue and Sunset.

Applicant operates a line of cars over Santa Monica Boulevard, such cars operating from Venice to Sawtelle. It is alleged that after the hour of 6.00 p.m. these cars are very lightly patronized and that the revenue derived from such operation is insufficient to defray the cost of operation. Authority to discontinue operation after the hour of 6.00 p.m. is requested and it is alleged that the proposed reduction of service will save the expense of one hundred thirty car miles and twenty three man hours daily, releasing two cars for service on other lines of the applicant's system.

The granting of this application is protested by the Chamber of Commerce of the City of Sawtelle, the City of Santa Monica, the Santa Monica-Ocean Park Chamber of Commerce, the Santa Monica Bay Merchant's Association, the Merchants Association of Santa Monica, the Young Men's City Club of Santa Monica and other residents and property owners of Ocean Park

and Santa Monica.

Mr. F. L. Annable, General Superintendent of Pacific Electric Railway Company testified that the service on Eighth Street, Santa Monica, extended over a route from the intersection of Eighth Street with Santa Monica Boulevard, a distance of .95 miles, to the intersection of Eighth Street and Garfield Boulevard. That service was operated between the hours of 6.05 a.m. on a thirty minute headway until 11.12 p.m. by the use of a one-man car, such car making 35 round trips or a total mileage of 66.5 daily. The cost of operation and maintenance is estimated at \$4,195.53 per annum, such cost eliminating items of interest on investment and depreciation on the value of the car and track and overhead construction, and also overhead expenses such as the salaries of officials, etc. The results of three checks of travel were offered as indicating the patronage accorded the line, as follows:

	<u>Daily Average</u>
April 29 to May 5, 1918, inclusive	133.7 passengers
October 28 to November 6, 1918, inclusive	52.6 "
January 17 to 21, 1919, inclusive	82.0 "

On the basis of each passenger paying a five cent fare, the revenue derived per annum from the operation of the Eighth Street line would be \$2440.03; \$959.95 or \$1496.50 in accordance with the check taken as a representative period. The most favorable check of travel as offered in evidence indicates an annual operating loss of \$1755.50 per annum, excluding entirely any interest on investment, depreciation on cars, track or overhead, or salaries of officials and other administrative expenses.

Mr. H. B. Titcomb, Vice President of Pacific Electric Railway Company, testified that the net deficit of the company for the calendar year 1918 amounted to \$1,692,164.76 and that such deficit had accumulated notwithstanding that increased fares had been received during a portion of the year, and that the general situation of the Company required the elimination of all possible service where lines could not be operated and secure sufficient revenue to at least equal the cost of operation.

The granting of this portion of the application is protested on the basis that the schedule as at present arranged permits of too much layover time at the intersection of Eighth Street and Santa Monica Boulevard, that such layover time could be used in continued operation without more expense being incurred than would be required for the power consumed and the slight increase in maintenance costs; that the service as at present operated is not reliable as regards the matter of connection with cars operating on Santa Monica Boulevard; that the line was originally constructed as a compromise between the railroad and the city of Santa Monica and as a result of the granting of permission by the City Council for the removal of tracks formerly laid on Fourth Street, Santa Monica; that the line should be connected up with and be operated in conjunction with a line now operated on Third Street or by a re-routing of cars now operated on the "Westgate Line" by the construction of a new line from the intersection of Fourth Street and the private right of way of the Pacific Electric Railway Company, a distance of five blocks along Fourth Street to the intersection of Fourth Street and Montana Street; that the tracks now existing on private right of way from the intersection of Fourth Street to Ocean Avenue and along Ocean Avenue to Santa Monica

Boulevard be abandoned and the cars of the "Westgate Line" now using such tracks operate over the new construction on Fourth Street on Montana Street and Third Street to Santa Monica Boulevard or Utah Street and thence to Ocean Avenue; that the present wage scale paid operators of one-man cars on Eighth Street is not justified as a fair presentation of cost of wages for operation of the line; that the Eighth Street line should be extended to reach other residences; that the Eighth Street line should be extended to Tokio Station in Venice or to Fredericks Station on the Venice Short Line.

The Eighth Streetline serves the pupils of the Santa Monica High School and the Garfield grade school, the former having a normal attendance of about four hundred eighty, the latter of about two hundred. Should the application for discontinuance of service be granted, the pupils of these schools now using the service offered by this line would be required to walk a distance of over half a mile. The line further offers service to attendants of the night school and for persons who attend entertainments or meetings at the auditorium in the High School building.

The contention of protestants regarding the scale of wages paid the operators of the one-man car used on this line not reflecting a proper showing as to the amount of wages which should be considered in the operating costs cannot be seriously considered under the operating conditions and agreement with platform men. It is customary to pay platform wages on the basis of length of employment and an allowance over the ordinary wage schedule is made to the operators of a one-man car. Runs are bulletined and from such bulletin of vacant runs a selection is made by the employees, the oldest employee having the first

choice of run. Runs operated by one-man cars are attractive in that they carry with them a slight increase in the rate per hour over that paid platform men on two-man car operation and the hours and work are usually more attractive than are those where two-man car operation is in use. The applicant is entitled to set up the actual expenditures necessary for wages which have been paid in the operation of the line herein sought to be abandoned and it is understood from the record in this matter that such actual wages only have been set forth for the consideration of the Commission.

In the matter of the layover time at the terminal at Eighth Street and Santa Monica Boulevard and the contention that the operation should be so arranged that extra trips might be accomplished at no additional expense than the power consumed and the increased maintenance incident to additional mileage operated. The record does not indicate that any substantial increase in the traffic would be enjoyed and I do not feel justified in recommending that additional mileage be operated on this line.

The Santa Monica-Ocean Park Chamber of Commerce have suggested that a change be made in the operation of the line by combining same with the Westgate line also a proposed extension of the line on Eighth Street to Ashland Avenue. This change as is the case with the suggested extensions to Tokio Station in Venice or to Fredericks Station on the Venice Short Line would require additional capital expenditure and without any immediate prospect of improving the conditions as to revenue in an amount sufficient to meet operating expenses and the items of taxes, depreciation and a reasonable return on the value of the property devoted to the service.

The City of Santa Monica has suggested that a combination be made of the Eighth Street service with that now operated on Third Street whereby two one-man cars would be operated from Seventh and Montana Streets west on Montana to Third Street, south on Third Street to Santa Monica Boulevard, east on Santa Monica Boulevard to Eighth Street and south on Eighth Street to the end of the Eighth Street line at Garfield Avenue. This service would allow a twenty minute headway and could be accomplished with the use of two one-man cars, a thirty minute headway to be established at the time the Venice Short Line was operating on a thirty minute headway. This plan of operation appears entirely feasible and is worthy of a trial for a period sufficiently long to establish the attitude of the citizens of Santa Monica toward its patronage. The abandonment of service on the Eighth Street line will interfere with access to the High and Garfield schools, the schedules have not heretofore been dependable as regards the matter of connections with other city lines in Santa Monica and with the interurban lines serving Santa Monica, and a trial of the proposed service in combining the Eighth Street line with the Third Street line will not require additional capital expenditure on the part of the applicant herein and should be made. I recommend that the application for the abandonment of the Eighth Street line be denied until such time as a combined schedule with the Third Street line will have been placed in effect for a period of ninety days and that if at the expiration of such period the operating revenues of such combined service do not at least equal the cost of operation, exclusive of depreciation, taxes and interest on investment, that applicant again petition the Railroad Commission for the suspension of service.

I will ^{now} consider the matter of the requested modification of service and discontinuance of operation between Colorado Avenue and Sunset on the Santa Monica Air Line.

The service on this line has been given by a two-man car operating on a forty-five minute headway and a check of the patronage made during the month of December, 1918, averaged but twenty-five passengers on forty single trips. A check made in January, 1919, over a five day period showed an average of twenty-eight passengers on forty single trips. Assuming that a five cent fare was collected from each passenger the annual revenue on the basis of the December, 1918, check would amount to \$456.25, and on the basis of the January, 1919, check would average \$511.00. The cost of operation in this instance greatly exceeds the revenue derived and it is apparent that the operation of this portion of the line is conducted at a material loss, and that in view of the general condition of the entire operation of all the lines of the applicant and the substantial failure to meet fixed charges resulting from such operation as hereinabove referred to, the applicant should be relieved of the operation between Colorado Avenue and Sunset. It is not practicable, nor consistent with safety, to operate this line with a one-man car, nor could such operation be made on a basis of the revenue meeting the bare operating costs, exclusive of interest, taxes, depreciation and overhead expense. I, therefore, recommend that this portion of the application be granted.

In the matter of the requested discontinuance of service after the hour of 6.00 p.m. of the cars operated from Venice to Santele over Santa Monica Boulevard such reduction in service to result in the elimination of one hundred thirty-

one car miles and twenty-three man hours daily, releasing two cars for service on other lines of applicant. A check made during the month of January, 1919, on four days, January 17, 18, 20 and 21 indicated a total travel of one hundred forty-eight passengers per day during the hours upon which abandonment of service is requested. The total estimated annual revenue on the basis of the check is \$3,623.04 and the total estimated operating cost, excluding the maintenance of track, depreciation of track and overhead, interest on value of cars, track, overhead and administrative expense is \$4,748.73, a net annual deficit of \$1,125.69. The City of Santa Monica protests the proposed discontinuance of service after the hour of 6.00 p.m. and alleges that the lack of patronage on Santa Monica Boulevard is due principally to the infrequent service offered the public and that if a service on a five minute headway were to be established, the competition of jitney busses would cease and that the line would become immediately profitable, and that the proposed reduction of service will result in a thirty minute headway after the hour of 6.00 p.m. instead of a fifteen minute headway now given throughout the day and evening hours. Counsel for protestant refers in his brief to the jitney bus competition between Sawtelle and Venice, such competition paralleling the line of the Pacific Electric Railway on Santa Monica Boulevard, stating that "twenty or twenty-five jitney busses operate between Sawtelle and Venice through Santa Monica via Santa Monica Boulevard under permits issued by the Railroad Commission and licenses issued by the respective cities." No certificate of public convenience and necessity has ever been granted by

the Railroad Commission for any jitney bus operation over the route stated, and all operation of such vehicles was in effect prior to May 1, 1917, the date that the legislature at the time of enacting Chapter 213, Laws of 1917, recognized the right of such operators to do business without the requirement of securing a certificate of public convenience and necessity from the Railroad Commission and permits from the governing bodies of all political subdivisions through which such routes operated. The public desiring transportation, when jitney bus competition is present, have the option between street car and automobile transportation. In many instances, however, an ultimate choice must be made between the respective forms of transportation as but infrequently will the traffic support both methods of transportation. I am of the opinion, and therefore recommend that this portion of the applicant's petition should be granted.

O R D E R

PACIFIC ELECTRIC RAILWAY COMPANY having made application for authority to abandon service on its Eighth Street line in the City of Santa Monica; to modify and discontinue service between Colorado Avenue and Sunset on the Santa Monica Air Line; and to discontinue, after 6:00 P.M., the service on the Santa Monica Boulevard conducted by the cars operating from Venice to Sawtelle over Santa Monica Boulevard; a public hearing having been held, the matter having been duly submitted and briefs having been filed by counsel for applicant and protestants, and the Commission being fully advised,--

IT IS HEREBY ORDERED that the application for the suspension of service on the Eighth Street line in Santa Monica be, and the same hereby is, denied, such denial being without prejudice to a renewal of this application, provided that a revised method of operation be inaugurated and continued for a period of ninety days whereby the Eighth Street line and the so-called Third Street line are operated as a unit, using two one-man cars and operating from Seventh and Montana Streets west on Montana Street to Third Street, thence south on Third Street to Santa Monica Boulevard, thence east on Santa Monica Boulevard to Eighth Street, thence south on Eighth Street to the intersection of Garfield Avenue and Eighth Street. Such operation to be on the basis of a twenty minute headway until the hour at which the cars operating

the cars operating on the Venice Short line are placed on a thirty minute headway and to be operated thereafter on a thirty minute headway until approximately 11:00 P.M. Arrangements should be made in the preparation of the operating schedule to connect with cars of the Venice Short line. Accurate account of all expenditures and revenue should be kept for the ninety day period hereinabove referred to and should be filed with this Commission.

IT IS HEREBY FURTHER ORDERED that the application for the modification and discontinuance of service between Colorado Avenue and Sunset on the Santa Monica Air Line be, and the same hereby is granted.

IT IS FURTHER ORDERED that the application for the discontinuance of service on Santa Monica Boulevard after the hour of 6 P.M. now conducted by the cars operating from Venice to Sawtelle over Santa Monica Boulevard be, and the same hereby is granted.

The Railroad Commission hereby reserves the right to make such other and further orders in this proceeding as to it may appear just and proper or as may be required by the public necessity and convenience.

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 24th day of April, 1919.

Edwin O. Egan
H. B. ...
Frank ...
H. B. ...
Irving ...
Commissioners.