

Decision No. 28588.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
the PACIFIC ELECTRIC RAILWAY COMPANY,
a corporation, for an in lieu certifi-
cate of public convenience and necessity.

Twenty-sixth Supplemental
Application No. 17984.

ORIGINAL

- R. E. Wedekind, for applicant.
- Aubrey N. Irwin, City Attorney, for City of Glendale,
interested party.
- George Campbell, for Glendale Chamber of Commerce,
interested party.
- Ray L. Chesebro, City Attorney, and Carl I. Wheat,
Public Utilities Counsel, for City of
Los Angeles, interested party.
- Harry See, for Brotherhood of Railroad Trainmen, protestant.
- Rex W. Boston, for Original Stage Lines, protestant.
- J. H. Wolfe, for Consumers' League, property owner in
Burbank, interested party.
- E. L. Parker, for Brotherhood of Utility Employees,
representing Pacific Electric employes.
- W. H. Mitchell, representing three stations along private
right-of-way, between end of Edendale terminal
and Montesano Station, interested party.
- H. A. Jackson, property owner of the Atwater section,
interested party.
- E. S. Ayers, Vice President, Tax Payers Association,
interested party.
- A. W. Morrow, Secretary, Northwest Glendale Civic Association,
interested party.
- E. F. Knouf, a commuter, interested party.
- J. Ogden Marsh and James Gunn, for Board of Public Utilities
and Transportation of the City of Los Angeles,
interested party.
- A. L. Bristow, for Brotherhood of Railway Car Men of America,
representing mechanical employes, Pacific
Electric Railway Company, interested party.

BY THE COMMISSION:

O P I N I O N

The above entitled supplemental application was filed by Pacific Electric Railway Company on January 17, 1936, and seeks authority of this Commission to establish a motor coach line between Los Angeles, Glendale and Burbank and to make certain changes in the rail service between the above mentioned points.

A public hearing on this matter was conducted by Examiner Hunter on February 13, 1936, at which time it was submitted and is now ready for decision.

The record shows that for many years rail service has been operated between the points involved in this application, and that in 1923 applicant commenced local motor coach operation to serve the residential district of Glendale and the Atwater section of Los Angeles.

Applicant alleges that the present rail equipment, operated in the Los Angeles-Glendale-Burbank service, is old and in need of replacement. In 1929 and 1930 studies were made looking toward the purchase of new equipment for this line. These studies were discontinued, however, due to the depression. In July 1935 there was begun a study to determine the proper method of handling the entire transportation problem on this line, as to whether it should be by rail or by motor coach. This study developed the fact that it would require approximately \$900,000 to replace the existing rail equipment with modern new cars. Due to the uncertainty as to whether the travelling public generally desires motor coach in preference to rail service, it eventually was determined to conduct an experiment with dual service and await the results of this experiment before definitely deciding the final course to pursue with respect to rail or bus service, or a combination of both.

Applicant asks that this Commission retain jurisdiction of this matter and that any order issued be made subject to further consideration and hearing, at the request of either the applicant or the City of Glendale, on or before two (2) years after the date of the inauguration of the trial service proposed herein.

In the instant application it is proposed that rail service will be operated daily except Sundays and holidays, during the peak hours, approximately 6:30 to 9:30 A.M. and 4:00 to 7:00 P.M., with hourly limited service during the mid-day period between these peak hours, and that during the entire day, from approximately 5:00 A.M. to 1:00 A.M., motor coach service will be operated in both directions over a route closely paralleling the rail service. On Sundays and holidays it is proposed that only motor coach service shall be provided from approximately 5:30 A.M., to 12:45 A.M.

The record shows that with the coordinated rail and motor coach service, considerably closer headways will be afforded than at present; e.g., under the present schedule there are 75 round trips per day between Los Angeles and Burbank, whereas the revised schedule will provide 85 round trips; between Los Angeles and North Glendale there are 113 round trips at present and under the proposed schedule there will be 163; between Los Angeles and Broadway and Brand, Glendale, there are 188 round trips at present, as compared with 271 under the proposed plan.

To begin with, it is expected that it will require from one to four minutes more time to make the trip via bus as compared with rail time, but it is expected that as the experiment progresses, the coach schedule will be the same as that of the rail line.

If this application is granted, applicant proposes to use as the Los Angeles terminal for the motor coach line an auto parking deck located over the surface tracks adjoining the Subway

Terminal Building, with a turn-table at this terminal to provide for turning the busses. It is also proposed to construct suitable stairways and openings from its main passenger waiting room in the Terminal Building to the motor coach loading platform. The arrangement will be such that passengers may enter either through the building or from Olive Street and directors will be maintained to advise passengers as to the proper procedure to board either a coach or rail car.

To provide the service proposed in this application it will be necessary to purchase fifteen new motor coaches, twelve of which will be used to fill the schedules and three as spares. This will entail an investment of approximately \$220,000. The general plan also provides for the changing of equipment operated on the rail line from the present "550-class" cars to a type of car known as the "800-class." Thirty-five of the latter class of cars are available for this service which, together with the new motor coaches, should be ample to meet present traffic requirements. The "550-class" cars are of a short wheel base, have an open section and an enclosed section, seat 48 passengers and are more or less rough riding. The "800-class" cars have been in use several years, are all enclosed, have upholstered seats for fifty-six passengers, and are generally considered to have easier riding qualities. These cars are also faster in operation and the loading facilities are better in that there are three steps to the platform in place of two as on the "550-class."

No changes in fares are contemplated in this application and the tickets purchased for use on either type of service will be interchangeable. A fare-breaking point is proposed to be established on the motor coach line at Glendale Boulevard and Fletcher Drive, to correspond to the fare point located at India Street and the private right of way on the rail line.

The record shows that conferences have been held with representatives of the cities of Glendale, Burbank and Los Angeles and they have expressed themselves as being agreeable to the plan.

Under date of December 31, 1935, the Board of Public Utilities and Transportation of the City of Los Angeles recommended the adoption of the proposed plan of operation, subject to the understanding that a hearing would be conducted by this Commission.

Representatives of the Original Stage Lines, which now operates a motor coach service between Los Angeles, Glendale and Burbank along San Fernando Road, appeared at the hearing as protestants but it was stipulated that applicant would not render any motor coach service along San Fernando Road between Brand Boulevard, Glendale, and Eton Drive, Burbank, and further, that a written stipulation to this effect would be filed by the parties as a part of this record. With that understanding, the protest was withdrawn.

After a careful review of the record, we are of the opinion that the application for permission to establish experimental motor coach service in connection with rail service between Los Angeles, Glendale and Burbank is reasonable and in public interest, and should be granted, and the following order will so provide.

Pacific Electric Railway 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 may be changed or destroyed at any time by the State, which is not in any respect limited as to the number of rights which it may give.

O R D E R

Public hearing having been held on the above entitled

matter and the Commission being fully advised;

The Railroad Commission Of The State Of California
Hereby Declares that public convenience and necessity require the
operation, by Pacific Electric Railway Company, of an automotive
service for the transportation of passengers over the following
route:

LOS ANGELES-GLENDALE-BURBANK MOTOR COACH LINE:

Commencing at parking deck located between 4th
and 5th Streets immediately south of Subway Terminal
Building, thence along Olive Street, Fifth Street, Figueroa
Street, Second Street, Glendale Boulevard, Brand Boulevard,
Arden Avenue, Pacific Avenue and Glencaks Boulevard to
Burbank (Eton Drive); also from the intersection of Brand
Boulevard and Arden Avenue, along Brand Boulevard to Moun-
tain Street; also from the intersection of Brand Boulevard
and Broadway; along Broadway to Chevy Chase;

to be considered as a part of the in lieu certificate granted by
this Commission's Decision No. 24854, dated June 13, 1932, on
Application No. 17984.

IT IS HEREBY ORDERED that a certificate of public con-
venience and necessity be and it is hereby granted to Pacific
Electric Railway Company for such automotive passenger service,
subject to the following conditions:

- (1) The service herein authorized shall be sub-
stantially in accordance with the schedules
shown on Exhibit No. 44, being supplementary
to and coordinated with existing rail service.
- (2) Applicant shall file with this Commission,
within ninety (90) days from the date hereof,
certified copies of an agreement entered into
between it and the City of Glendale, covering
the plan of service proposed herein.
- (3) Applicant shall file its written acceptance of
the certificate herein granted within a period
of not to exceed fifteen (15) days from the
date hereof.
- (4) Applicant shall file, in triplicate, within a
period of not to exceed thirty (30) days after
the effective date of this order, on not less
than ten (10) days' notice to the Commission
and the public, a tariff or tariffs constructed

(4) Cont'd

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 pertain to the certificate herein granted, or rates satisfactory to the Commission.

- (5) Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five (5) days' notice to the Commission and the public, time schedules covering the dual service herein authorized, in a form satisfactory to the Railroad Commission.
- (6) Applicant is authorized to turn its motor vehicles at termini either in the intersection of the street or by operating around a block contiguous to such intersection in either direction and to carry passengers as traffic regulations of the municipality may require.
- (7) The rights and privileges herein authorized may not be discontinued, sold, leased, transferred or assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
- (8) No vehicles may be operated by applicant herein unless such vehicles are owned by said applicant or leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (9) This order is subject to further consideration and hearing at the request of either the applicant or the City of Glendale or on the Commission's own motion, on or before two years after the date of commencement of the service authorized herein.

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 24th day of February, 1936.

M. B. Harwin
Leon A. Harwin
M. A. Harwin
Frank R. Harwin
Commissioners.