

36616

Decision No. _____.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the LOS ANGELES RAILWAY CORPORATION for an in lieu certificate for its motor coach lines.) Nineteenth Supplemental Application No. 19179.
In the Matter of the Application of the LOS ANGELES RAILWAY CORPORATION for authority to abandon a portion of its "A" street car line in the City of Los Angeles.) Application No. 21717.
In the Matter of the Application of the LOS ANGELES RAILWAY CORPORATION for authority to discontinue service on a portion of its "G" (Griffith Avenue) street car line in the City of Los Angeles.) Application No. 21728.

S. M. Haskins, General Counsel, by Woodward M. Taylor, General Attorney, for Applicant.

Ray L. Chesebro, City Attorney, for City of Los Angeles, interested party.

Nathan Ross, a protestant in re the "G" line.

Leon E. Washington, representing the Los Angeles Sentinel, a protestant in re the "G" line.

Porter J. Wooton, a protestant in re the "G" line.

BY THE COMMISSION:

O P I N I O N

The above entitled matters deal with proposed changes of operation on Los Angeles Railway Corporation's local transportation system in the City of Los Angeles. Public hearing was conducted on these applications before Examiner Hunter at Los Angeles on February 4th, 1938. In view of the fact that the subject matter of these applications has been presented to the Board of Public Utilities and Transportation of the City of Los Angeles

and action thereon, in a number of instances, is set forth in a single document, applicant asks that the three matters be considered on the consolidated record, with the thought that each one can be decided upon that portion of the record which relates to the respective application.

Some of the interested parties, in connection with Application No. 21728, expressed their desire that that application be decided independently of the other two. It was the order of the presiding examiner that applicant would make its showing upon the joint record but that each application would be decided upon its merits, as indicated in this record.

In Application No. 21717 Los Angeles Railway Corporation seeks authority to abandon the north leg of its so-called "A" street car line located between Temple Street and Hill Street on the south and Sunset and Beaudry on the north, a distance of approximately one mile.

In Application No. 19179, 19th Supplemental, a certificate is sought to operate a motor coach line along the same route as that for which authority is sought to discontinue rail operations in Application No. 21717.

In Application No. 21728 authority is sought to discontinue rail operation on that portion of applicant's "G" line to the north of Twelfth Street and Stanford Avenue.

APPLICATION NO. 21717.

The record shows (Exhibit No. 5), that the Board of Public Utilities and Transportation of the City of Los Angeles has given its consent to the abandonment of rail operation on this line. Exhibit No. 13 sets forth the result of an on and off check, taken on this line on May 17th, 1937, which shows that, during this

one-day check, 748 people boarded the cars between Sunset and Beaudry on the north and California and Hill Streets on the south and that, in the reverse direction, 979 persons alighted from the cars during this check. The record shows that there is a plan to improve Figueroa Street as an important highway artery in the City of Los Angeles. The line herein sought to be abandoned follows Figueroa Street from Boston Street to Alpine Street, a distance of about 1000 feet. Under the new highway plan, the grade of Figueroa Street is to be lowered and widened along this section of highway, which will necessitate the rebuilding of the car line if it is to remain.

Exhibit No. 14 shows that a considerable portion of the line sought to be abandoned is now in need of reconstruction. It is estimated that to reconstruct that portion of the "A" line sought to be abandoned would involve an expenditure of \$45,800.

The record shows that there is an urgent demand for the elimination or the rebuilding of this rail line along Figueroa Street, in order that the highway improvement may proceed. No opposition developed to the granting of this application and it appears that the application should be granted, particularly in view of the fact that applicant proposes to operate a substitute bus line along this route on a trial basis (Application No. 19179, 19th Supplemental), to determine whether or not sufficient business can be developed to justify its continued operation.

APPLICATION NO. 19179, 19th SUPPLEMENTAL.

In this application authority is sought to operate a motor coach line on a trial basis ⁽¹⁾ serving the same district as

(1) WHEREFORE, applicant prays that the Railroad Commission of the State of California issue its supplemental order, pursuant to this application, amending its said Decision No. 27052 by adding thereto authority to applicant to place in effect and operate, for a trial period of six months, a motor coach service over the route hereinabove described.

that now served by the portion of the "A" line sought to be abandoned in Application No. 21717. The record shows (Exhibit No. 5), that the City of Los Angeles, through its Board of Public Utilities and Transportation, has given its consent to this motor coach operation. No opposition developed to the granting of this application and it appears that the request is reasonable and should be granted.

APPLICATION NO. 21728.

The so-called "G" line operates between its southerly terminus at McKinley and Vernon Avenues and its northerly terminus at Spring and Alpine Streets, a distance of 4.795 miles. In this application authority is sought to abandon that portion of this line to the north of the intersection of Twelfth Street and Stanford Avenue and operate the portion of the line to the south of this intersection as a shuttle service, a distance of 2.21 miles. Under this plan of operation, the "G" line will connect with the company's "B" line at Twelfth Street and Stanford Avenue, which will involve a transfer between the two lines for through passengers.

Exhibit No. 10 shows the results of an on and off check taken on the "G" line between the hours of 6:00 A.M. and 7:00 P.M. on Wednesday, June 9th, 1937. This check shows that 2,391 passengers boarded the northbound cars along the entire route and 2,189 boarded the cars in a southbound direction. Forty-seven per cent of the northbound passengers on said line boarded on McKinley Avenue and Griffith Avenue south of Twelfth Street, which indicates that 53 per cent of the northbound passengers will in no way be inconvenienced by the discontinuance of service on the "G" line, as proposed herein.

With respect to the southbound passengers on the "G" line, 53 per cent alighted from the cars between Twelfth Street and Stanford Avenue and the southerly terminus of the line.

Exhibit No. 9 shows the results of operation on the "G" line for the years 1934 to 1937, inclusive, to the effect that the line has been operated at an out-of-pocket loss during this period of time, as indicated on the following tabulation which is taken from this exhibit:

<u>PASSENGER REVENUE - OPERATING EXPENSES - NET PASSENGER REVENUE</u>				
	<u>1937</u>	<u>1936</u>	<u>1935</u>	<u>1934</u>
Revenue	\$59,352.12	\$59,420.92	\$51,340.98	\$42,688.64
Total Operating Expenses	66,562.13	67,610.05	66,139.06	60,135.22
Revenue Less Operating Expenses	D7,210.01	D8,189.13	D14,798.08	D17,446.58
Taxes	3,419.31	3,127.84	2,507.32	2,433.84
Revenue Less Operating Expenses & Taxes	D10,629.32	D11,316.97	D17,305.40	D19,880.42

D-indicates deficit.

It may be observed from this tabulation that the operating results of this line have shown an improvement during this time. Witness for applicant, however, testified that the same results obtained for the remainder of the system in practically the same proportions. He also called attention to the fact that little improvement was shown for the year 1937, as compared to 1936. The record shows that on the Los Angeles Railway rail system, as a whole, an average of 8.5 passengers are carried per car mile of operation, whereas the average number of passengers carried per car mile on the "G" line is approximately 5.8. It was admitted, however, that cars operated on the "G" line are small, known as the Birney car, with a seating capacity of thirty-two passengers, as compared to the cars operating on the remainder of the system, having an average seating capacity of about fifty.

The record shows that, with respect to that portion of the "G" line over which authority is sought to discontinue operation, the company now operates one or more other car lines along this route, to the effect that the "B" car line is operated along that portion of the "G" line located on Twelfth Street and the "B," "F" and "O" car lines are operated on that portion of the "G" line located on Main Street, which constitutes 54 per cent of the line sought to be abandoned. In addition to this service, local service is also provided on Main Street, between Ninth and First Streets, by lines of Pacific Electric Railway Company.

With respect to the remainder of the "G" line to the south of Twelfth Street and Stanford Avenue, where it is proposed to provide shuttle service, the record shows that this line is paralleled by the so-called "S" line of Los Angeles Railway to the west on San Pedro Street, within a distance of approximately one-quarter mile, and that applicant's "U" line operates along Central Avenue which, for the major portion, is less than one-quarter mile to the east.

It is applicant's contention that its proposed change on the "G" line will not eliminate public transportation to the district affected and that the inconvenience which might be caused by the necessity of a transfer at Twelfth Street and Stanford Avenue between the "G" and "B" lines is justified by the material operating savings that will result from this change, particularly in view of the fact that the district traversed by the "G" line to the south of Twelfth Street and Stanford Avenue is served by parallel lines on either side.

The record shows, by Exhibits Nos. 5 and 7, that the Board of Public Utilities and Transportation of the City of Los Angeles has given its consent to the proposed plan of operation

of the "G" line, provided applicant operates a motor coach line on Washington Boulevard. With respect to a bus operation along Washington Boulevard, it should be pointed out that such a line would offer transportation to only that part of the area now served by the "G" line in the vicinity of the intersection of Griffith Avenue and Washington Boulevard, where the two lines intersect, as the "G" car line runs north and south and Washington Boulevard runs east and west.

Four interested parties testified in opposition to the proposed plan of terminating the "G" line at Twelfth Street and Stanford Avenue, which will require a transfer by through passengers to the company's "B" line at that point. It was their contention that whatever savings might accrue to applicant from the abandonment of the northerly portion of the "G" line would be more than offset by additional service which would have to be provided on the "B" line to accommodate these transfer passengers. It is also the contention of these interested parties that the removal of service on the "G" line will tend to decrease property values in the district served and that, instead of abandoning service, as proposed, Los Angeles Railway Corporation should extend the line southerly from Vernon Avenue.

It is clear from this record, however, that should patrons desire not to make this transfer at Twelfth Street and Stanford Avenue, they can be afforded through service by walking to either the parallel "S" or "U" lines referred to above, with a maximum walking distance of 1500 feet. It appears to the Commission that this is not an unreasonable walking distance, under prevailing conditions. Other than the above, no opposition developed and a careful review of the record leads to the conclusion that this application should be granted.

Los Angeles Railway Corporation 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 feature 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 may be given.

O R D E R

The Railroad Commission of the State of California Hereby Declares that public convenience and necessity require the establishment by Los Angeles Railway Corporation, for a trial period of six months, of motor coach service for the transportation of passengers in the City of Los Angeles, said line to be known as the Temple-Beaudry Line, the description of the route being as follows:

From the intersection of Sunset Boulevard and Beaudry Avenue, thence via Beaudry Avenue, Alpine Street, Figueroa Street, Boston Street, Bunker Hill Avenue, California Street, Hill Street, Temple Street, Grand Avenue, California Street, Bunker Hill Avenue, Boston Street, Figueroa Street, Alpine Street, Centennial Street, and Sunset Boulevard to Beaudry Avenue;

to be considered as part of the in lieu certificate granted by this Commission's Decision No. 27052, dated May 14th, 1934, on Application No. 19179.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and the same is hereby granted to Los Angeles Railway Corporation.

IT IS HEREBY FURTHER ORDERED that:

I. Los Angeles Railway Corporation is hereby authorized to abandon rail service and remove its tracks and appurtenances on the north leg of its so-called "A" line over the following route in the City of Los Angeles:

Commencing at the intersection of Hill and Temple Street, thence over Hill Street to California Street, Bunker Hill Avenue, Boston Street, Figueroa Street, Alpine Street and Beaudry Avenue to Sunset Boulevard.

II. Los Angeles Railway Corporation is hereby authorized to abandon passenger service on that portion of its "G" line from its northerly terminus at Spring and Alpine Streets to the intersection of Twelfth Street and Stanford Avenue.

This entire Order is subject to the following conditions:

- (1) Applicant shall afford the public at least five (5) days' notice of the abandonments authorized in Sections I and II above, by posting notices on all cars operating on the lines involved.
- (2) Service on the north leg of the "A" line shall not be discontinued until service shall have been commenced on the substitute motor coach line as authorized herein.
- (3) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
- (4) Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof and shall file, in triplicate, and concurrently make effective, on not less than five (5) days' notice to the Commission and the public, a tariff or tariffs constructed 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 application, in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad 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 Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.

- (6) At the end of the trial period of six months, if it is found that patronage on the Temple-Beaudry Motor Coach Line is insufficient to warrant its continuance, applicant is hereby authorized to discontinue the service upon written notice to the Commission. Applicant shall also afford the public at least five (5) days' notice of its intention to abandon the line by posting notices in all motor coaches operating on said line.
- (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 obtained.
- (8) No vehicle may be operated by applicant herein, unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 14th day of February, 1938.

Walter C. Brown
Leon J. Whelan
James R. Nevin

Commissioners.