

Decision No. 30650.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC ELECTRIC RAILWAY COMPANY, a  
corporation, for authority to abandon  
local passenger service on its Whittier  
Line between Los Angeles and Walker.

Application No. 21467.

C. W. Cornell, for Applicant.

Ray L. Chesebro, City Attorney, and E. J. Burns,  
for the City of Los Angeles, Interested Party.

S. M. Lanham, for the Board of Public Utilities  
and Transportation of the City of Los Angeles,  
Interested Party.

J. H. Cragin, City Attorney, for the City of May-  
wood, Protestant.

Delbert A. Hessick, City Attorney, for the City of  
Huntington Park, Protestant.

Carlton H. Kasjens, City Attorney, for the City of  
Bell, and Bell Chamber of Commerce, Protestants.

Peter Ritchie and Oliver J. Mader, for the Southeast  
Realty Board, Protestants.

George E. Archer, and P. A. Barrels, for the Maywood  
Chamber of Commerce, Protestants.

Frederick J. Pimm, for Bell Chamber of Commerce,  
Protestants.

BY THE COMMISSION:

O P I N I O N

In this proceeding Pacific Electric Railway Company seeks authority to discontinue local passenger service on its Whittier line between downtown Los Angeles and Walker in Los Angeles County.

A public hearing was conducted on this matter before Examiner Hunter at Los Angeles on December 14th, 1937.

At this hearing City Attorneys of Huntington Park, Bell and Maywood took the position that the application was incomplete, in that it did not show the freight earnings on the line. They therefore objected to the introduction of any testimony unless the company would agree to include in its showing such freight earnings, urging that if it could be shown that business on the line as a whole was profitable, the passenger service should not be discontinued, as any deficit from this operation should be made up from the freight earnings.

The presiding Examiner ruled that applicant would be permitted to proceed with its showing, with respect to the passenger operation, and the question of whether or not it would be required to show the freight earnings would be referred to the Commission. It was understood that if the Commission decided that this carrier should show both freight and passenger operations on this line, a further hearing would be held to consider the results of the entire operation before action would be taken on the application to discontinue passenger service. On the other hand, if the Commission decided that the company should not be required to show the results of freight operations, the matter would be taken under submission following the testimony dealing with passenger service.

The Commission has considered this matter and has reached the conclusion that if applicant can show that public convenience and necessity do not require the continued operation of this passenger service, with due consideration to the operating results, it will not be required to make a showing with respect to the freight operations. This conclusion is based upon the fact that ordinarily it is improper for a carrier to continue the operation of a service which cannot reasonably be justified from a public transportation standpoint and one which is operated at an out-of-pocket loss that must be carried by more profitable lines of the system. Obviously, it

would be unfair for the patrons of this company, considering them as a whole, both passenger and freight, to make up the losses of an unprofitable passenger service which cannot reasonably be justified.

#### DESCRIPTION OF LINE.

The line involved herein is 8.3 miles in length and is that portion of the company's Whittier line between Los Angeles and Walker, which latter point is located a short distance east of the city limits of the City of Maywood in Los Angeles County. This line provides local transportation between the City of Los Angeles and the Cities of Huntington Park, Maywood and Bell. For convenience hereinafter, this local passenger line will be referred to as the "Walker line."

Service on the Walker line was initiated on September 1st, 1935, under authority issued by the Commission's Decision No. 28145, dated August 5th, 1935, on Application No. 19916. By this decision, the company was permitted to discontinue inter-urban passenger service on its entire Los Angeles-Whittier-Fullerton-La Habra-Yorba Linda line, except for two round trips per day, one of which was to provide service for commuters traveling to Los Angeles in the morning and from Los Angeles in the evening. The other trip was maintained to provide a combination passenger, express and mail service. Previous to the establishment of service on the Walker line, this district was provided rail service by through trains operating over the Los Angeles-Whittier line.

#### RESULTS OF OPERATION.

Exhibit No. 3 shows the results of passenger operation on the Walker line for the period January to August, inclusive, 1937, and an estimate for this same period of 1938, as follows:

<u>Operating Income</u>	<u>1937</u>	<u>1938</u>
Total operating revenues	\$23,684	\$23,684
Approximate out-of-pocket expenses (excl. taxes)	37,388	41,043
Net Operating Loss	<u>\$13,704</u> RED	<u>\$17,359</u> RED
Taxes	1,677	2,029
Net Loss	<u>\$15,381</u> RED	<u>\$19,388</u> RED

It may be noted that the estimated amount of out-of-pocket expenses for the year 1938 exceeds that for 1937 by \$3,655. This increased cost results from the fact that the company has been required to increase the rate of pay of its employees for the 1938 period. It may be seen from this exhibit that, for the eight months' period of 1937, the company failed to earn the out-of-pocket costs of providing service by \$13,704 and that the estimated return for the eight months' period in 1938 will fail to meet out-of-pocket costs by \$17,359.

TRAFFIC.

Exhibit "C," attached to the application, shows the results of an on and off traffic check taken on the Walker line for the three-day period August 21st, 22nd and 23rd, 1937, as follows:

	Saturday	Sunday	Monday
	August 21, 1937	August 22, 1937	August 23, 1937
	Inbound	Outbound	Inbound
	38	40	22
	38	33	19
	85	87	38
	38	38	38
	698	613	268
	274	800	786
	18	16	8
	8	21	21

Range in number of passengers carried on each trip	1 - 38	2 - 40	2 - 22	3 - 19	1 - 85	4 - 87
Number of trips	38	38	33	33	38	38
Total number of passengers carried during the day	698	613	268	274	800	786
Average number of passengers carried per trip	18	16	8	8	21	21

SERVICE.

Service on the Walker line varies from 20 to 40-minute

headways during week days, <sup>(1)</sup> with a 30-minute headway on Sundays.

FARES.

The fare structure on this line consists of 5-cent zones with a maximum charge of 10 cents, with free transfer to connecting local lines in Los Angeles.

OTHER PUBLIC TRANSPORTATION.

The record shows that the district along that portion of the Walker line, between the downtown Los Angeles terminal and Slauson Junction, is afforded service by applicant's Watts local line. The district between Slauson Junction and the end of the line at Walker Station is provided service by the "J" and "W" lines of the Los Angeles Railway Corporation, as well as its motor coach lines. <sup>(2)</sup> There is, in fact, no point on applicant's Walker line where the distance is greater than 2,000 feet from a line of transportation of Los Angeles Railway Corporation.

It also was shown that Los Angeles Railway Corporation's operations provide a much more frequent headway than is provided on the Walker line. In general, Los Angeles Railway Corporation maintains headways on its rail and motor coach lines in this district varying from three to twenty minutes throughout the day. In traveling on the motor coach lines, however, it is necessary to transfer to a rail line to reach the downtown area of Los Angeles. The fare on Los Angeles Railway's system is 7 cents cash or a token

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(1) Week Days

20-minute service between 6:40 A.M. and 9:20 A.M. and  
3:50 P.M. and 6:20 P.M.  
30-minute service between 9:20 A.M. and 3:50 P.M. and  
6:10 P.M. and 7:20 P.M.  
40-minute service between 7:20 P.M. and 11:20 P.M.

(2) No. 50 - Florence-Soto motor coach line;  
No. 55 - Maywood-Bell motor coach line;  
No. 58 - Slauson Avenue motor coach line.

rate of 6½ cents, which includes a transfer to other local lines of this carrier.

OPPOSITION.

The opposition which developed to the granting of this application centers largely around the question of service. It was the contention of the opponents that Pacific Electric Railway Company affords a more convenient and direct service between Los Angeles and the Huntington Park-Maywood-Bell section than the Los Angeles Railway system, particularly in view of the fact that, in the case of the Los Angeles Railway, it is necessary to transfer to reach a downtown point. Pacific Electric Railway Company's service, although less frequent, has a shorter running time than is offered by Los Angeles Railway Corporation by some seven minutes, due to the fact that a considerable portion of its operation is over private right of way.

CONCLUSIONS.

In determining what action should be taken upon this application, due consideration has been given to the various questions which have been raised by the opposition, in the light of the affirmative showing by applicant. With respect to service, the record clearly shows that with the elimination of applicant's Walker line, the Huntington Park-Maywood-Bell district will have available the transportation service offered by Los Angeles Railway Corporation's rail and motor coach lines which are referred to above. Admittedly this service is inferior to that of Pacific Electric Railway Company in two respects - (1) it requires a transfer if the passenger originates from or is destined to a point on the motor coach lines; and (2) the running time to the downtown area is greater by some seven minutes in the case of the Los Angeles Railway service. On the other hand, the headway between cars and busses operated by Los Angeles Railway Corporation is much less than that of Pacific

Electric Railway Company. When we consider the fact that passengers may transfer from the Huntington Park-Maywood-Bell area to other downtown lines of Los Angeles Railway Corporation at a token fare of 6½ cents, or a cash fare of 7 cents, as opposed to a 10-cent fare on Pacific Electric Railway Company's Walker line, it can be understood why the major portion of the public transportation business from and to this section is enjoyed by Los Angeles Railway Corporation. In view of the fact that the line herein sought to be abandoned has been operated at an out-of-pocket loss since its inception and there appears to be little indication of an improvement in the future, with the additional fact that service is provided to the district by Los Angeles Railway Corporation, we are forced to conclude that this application should be granted. The following Order will so provide:

O R D E R

Public hearings having been held in the above entitled proceeding and the matter being now under submission and ready for decision;

IT IS HEREBY ORDERED that Pacific Electric Railway Company be and it is hereby authorized to discontinue local passenger service on its Whittier Line between Los Angeles and Walker, subject, however, to the following conditions:

- (1) The public shall be given not less than ten (10) days' advance notice of the proposed discontinuance of passenger service, by the posting of notices in all cars operating over the line and at all stations affected.
- (2) Applicant shall advise the Commission, in writing, within thirty (30) days thereafter, of the discontinuance of the passenger service authorized herein.
- (3) Applicant shall make any necessary changes in its tariffs and station lists, on not less than five (5) days' notice to the Commission and the public.

- (4) Applicant shall, within thirty (30) days thereafter, notify this Commission, in writing, of its compliance with the conditions of the Order.
- (5) The authorization herein granted shall lapse and become void if not exercised within one year from the date hereof, unless further time is granted by subsequent Order.

For all other purposes, the effective date of this Order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 21<sup>st</sup> day of February, 1933.

William L. ...  
John ...  
James R. ...  
Ray ...  
Ray L. Ciley  
Commissioners.