

Decision No. 31280.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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

35th Supplemental
Application No. 17984.

C. W. Cornell, for applicant.

J. B. Ogg, City Attorney, and O. S. Roen, City
Manager, for the City of Alhambra, Protestant.

Nye Wilson, for Alhambra Chamber of Commerce,
Protestant.

Edward T. Dillon, for Ramona Convent, Protestant.

RILEY, COMMISSIONER:

O P I N I O N

In this application Pacific Electric Railway Company seeks authority to abandon service on its South Marengo, Atlantic and Ramona Boulevard Motor Coach Line - Alhambra City Line No. 1. The line involved was established on rebruary 1st, 1923, pursuant to the authority granted by the Commission's Decision No. 24854, dated June 13th, 1932, on Application No. 17984. Daily service is provided on a thirty-minute headway between the hours of 7:30 A.M. and 6:00 P.M., with no service on Sundays or holidays. Prior to the interim order on Application No. 21656, the one-way fares on the line were five cents, with a forty-ride school ticket selling for \$1.00. Since the interim order above referred to, these fares have been increased to six cents one way with a proportionate increase in the school tickets.

At the hearing, which was held in Alhambra on April 21st, 1938, witnesses for the applicant testified that for some time past the operation of this coach line had been conducted at a material out-of-pocket loss. Tabulated below is a summary of Exhibit No. 1, introduced at the hearing.

ORIGINAL

ESTIMATED RESULTS FROM OPERATIONS BASED ON REVENUE
AND OUT OF POCKET EXPENSES - YEARS 1937 and 1938

A/C	Operating Income	<u>1937</u>	<u>1938</u>
	500 Passenger Revenue	\$4,548	\$4,548
	520 Advertising in cars	<u>67</u>	<u>67</u>
	Total Operating Revenues	4,615	4,615
	Approximate out-of-pocket expenses	<u>6,889</u>	<u>7,523</u>
	Operating Loss	\$2,274-RED	\$2,908-RED

✓ Testimony showed that the actual revenue for the month of April, 1938, had declined 11.8 per cent from the revenue shown for the same month in the year 1937. Further than this, there has been an increase in labor costs of approximately 24 per cent for the year 1938, as compared to the year 1937. The increase in fare authorized by the interim order on Application No. 21656 would result in an estimated increase in revenue for this line of approximately \$600 per year. Reference to the tabulation above will readily show that, even with this increase, the line still would be operated at an out-of-pocket loss. Local taxicab service in the City of Alhambra at low rates of fare probably contributes more to the failure of this motor coach line to earn its out-of-pocket operating expenses than any other single factor.

In the application it is alleged that, if the company's petition to abandon this service is granted, a local operator proposes to purchase a motor coach and perform a substantially identical service to that now being provided by Pacific Electric Railway Company.

Many witnesses appeared in opposition to the granting of the application and, in spite of the allegation that a comparable service will be provided by another operator, stated that the new service would in no wise compare to that provided by Pacific Electric Railway Company, for the principal reason that no transfer privileges would be available. Testimony of company witnesses, however, shows little or no use of the existing transfer privileges, the line being used principally by school children and persons desiring to travel between the residential district

and the business district of Alhambra for shopping purposes.

Reviewing the record of this proceeding, I find that Pacific Electric Railway Company has been operating its South Marengo, Atlantic and Ramona Boulevard Motor Coach Line, a purely local service in the city of Alhambra, at an out-of-pocket loss of approximately \$2900 for the period ending April 20, 1938; that because of the failure of said line to at least maintain its out-of-pocket operating expenses it is clearly unwise to continue its operation, the abandonment of which should be authorized.

Based on the record herein, I am of the opinion that the application of Pacific Electric Railway Company to abandon its South Marengo, Atlantic and Ramona Boulevard Motor Coach Line should be granted.

O R D E R

Public hearing having been held and the Commission being fully advised;

IT IS HEREBY ORDERED that Pacific Electric Railway Company is hereby authorized to abandon service on its South Marengo, Atlantic and Ramona Boulevard Motor Coach Line, in the City of Alhambra, County of Los Angeles, and to cancel, in conformity with the rules of this Commission, all passenger rate tariffs and time schedules pertaining thereto. A description of the line to be abandoned is as follows:

From Garfield and Main (Alhambra) west on Main Street, south on Marengo Avenue, east on Valley Boulevard, south on Sixth Street, West on Ramona Boulevard, north on Atlantic Boulevard (formerly Wilson Avenue) to Valley Boulevard, thence via Valley Boulevard, Marengo Avenue and Main Street to Garfield and Main.

This authorization is subject to the following conditions:

- (1) The public shall be given not less than ten (10) days' notice prior to the abandonment, by posting notices in all coaches operating on the line and at all stations affected.
- (2) Applicant shall, within thirty (30) days thereafter, notify this Commission, in writing, of the abandonment of the passenger service herein authorized and of its compliance with the conditions of this order.

- (3) 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.

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, this 19th day of September, 1938.

Robert A. ...
Samuel ...
Frederick ...
Richard ...

