

Decision No. 32850.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
PACIFIC ELECTRIC RAILWAY COMPANY, a)
corporation, for permission to make)
certain changes in its rail system,)
including abandonments of certain)
portions of its railway lines and)
discontinuance or reduction in rail)
passenger service on certain other)
portions of its railway system.)

ORIGINAL

Application No. 23053.

(Appearances same as those attached to Decision No. 32599)

BY THE COMMISSION:

INTERIM OPINION

As a part of its above entitled application, filed October 18, 1939, wherein authorization was requested by Pacific Electric Railway Company to make certain changes in its rail system, including the abandonment of certain portions of its railway lines and discontinuance or reduction in rail passenger service on certain other portions, it was requested that authority be granted to discontinue operation of its Long Beach local passenger rail service which includes the Long Beach - Seal Beach line and to cancel all fares, rules and regulations applying thereto.

In justification of its proposed action, applicant contended that the small and rapidly decreasing volume of traffic handled thereon did not warrant continuance of service, and that the area served by the lines referred to is now served and has been for several years past by a network of motor coach lines operated by the Lang Transportation Company. Applicant alleges

that it is informed and believes that said motor coach operation of Lang Transportation Company will be continued and extended when and where traffic warrants.

By an exhibit attached to the application, Pacific Electric Railway Company shows that on an out-of-pocket basis its local operation in Long Beach incurs a loss of \$23,477 annually and that for the following five-year period the deficit would average \$45,108 on that basis. It is further anticipated that during the next five years track and roadway reconstruction costs in amount of \$292,700 will have to be met if rail operation is continued.

In commenting upon the local passenger operations of applicant in Long Beach, Charles A. Bland, a witness in the employ of and appearing on behalf of that city, testified⁽¹⁾ that the matter of abandonment was under consideration by the city and that negotiations were then under way wherein the city hoped for an early conclusion of arrangements for abandonment of all the local lines of applicant within the City of Long Beach, thus relieving the company of continued losses. The witness submitted a series of figures representing the annual loss experienced by Pacific Electric Railway Company's local operation in Long Beach, as follows:

<u>Year</u>	<u>Deficit</u>
1933	\$27,692.80
1934	22,213.34
1935	20,912.10
1936	17,671.63
1937	33,551.81
1938	54,595.10

(1) Application No. 21656. Transcript, Page 2127, June 29, 1939.

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Counsel for the City of Long Beach stated that that city was unopposed to the substitution of motor coach service by the Lang Transportation Company subsidiaries, in lieu of rail service to be abandoned by Pacific Electric Railway Company. (2)

It was the recommendation of the Commission's engineers that the Long Beach local rail service of applicant be abandoned, as set forth in Volume X of their report, contingent (3)

(2) Transcript page 2974:

"MR. LAMB: Mr. Commissioner, on behalf of the City of Long Beach I am pleased to report at this time that we have reached an agreement between the City of Long Beach and the Pacific Electric Railway as to the abandonment of the local lines, and the City, at this time, desires to withdraw its objections to the application for abandonment, and we have also reached an agreement relative to the operation of bus service over the routes to be abandoned by the Lang Company, which is operating local lines in the City of Long Beach at this time. If that matter is of any interest to the Commission we are prepared to show that the service will be continued by other means; if the Commission is not interested in the question of substitution of service, why, we are content to let it stand at that and simply withdraw our objections to the application for abandonment.

"COMMISSIONER RILEY: As I understand you are representing, for the City, that adequate transportation will be substituted for that that is proposed to be abandoned?

"MR. LAMB: That is right. In other words, the City is prepared, under its own supervision, to substitute service for the service to be abandoned."

(3) Exhibit No. 75 Submitted by A. C. Jenkins, Senior Engineer.

"In this study no great amount of consideration has been given to the Long Beach local passenger transportation situation inasmuch as there are under way at the present time, and have been for many months, negotiations involving Pacific Electric Railway Company, Lang Motor Bus Corporation, and the City of Long Beach, the objective of which is to effect a transfer of local operating rights from Pacific Electric Railway Company to the motor coach operator, thereby removing the former company from the field of local transportation in that area.

upon the assurance that satisfactory substitute service would be provided in accordance with the negotiations then under way between the City of Long Beach, the Lang Motor Bus Corporation and Pacific Electric Railway Company.

Long Beach Motor Bus Company filed application (4) with this Commission, requesting that it be granted a certificate of public convenience and necessity to become effective when and if Pacific Electric Railway Company be granted authority to abandon its Long Beach local rail lines, and to extend and enlarge its motor coach service to include the area that would otherwise be left without service by abandonment of the Long Beach - Seal Beach line, the proposed motor coach route being specifically described as follows:

Commencing at the intersection of East Ocean Boulevard and Pine Avenue; thence northerly along Pine Avenue to East Broadway; thence easterly along East Broadway to Redondo Avenue; thence southerly along Redondo Avenue to East Ocean Boulevard; thence easterly along East Ocean Boulevard to Main Street, Seal Beach; thence northerly on Main Street to Central

(3) Continued.

The negotiations have been involved with complications and although the matter has been under consideration for more than a year, final disposition has not yet been reached. Most recent developments will be forthcoming within the near future. Due to the competitive aspect presented in Long Beach, continued local rail operation does not appear to be justified and in anticipation of a disposal of the matter by mutual agreement in accordance with negotiations now under way, no further recommendations will be made."

(4) Application No. 23161, filed December 1, 1939, amended February 10, 1940.

Avenue; thence easterly on Central Avenue to Tenth Street; thence northerly on Tenth Street to Electric Avenue; thence westerly on Electric Avenue to the end of the line at Main Street, returning southerly on Main Street to Ocean Boulevard; thence westerly on East Ocean Boulevard to Redondo Avenue, Long Beach; thence north on Redondo Avenue to East Broadway; thence westerly on East Broadway to American Avenue; thence southerly on American Avenue to East Ocean Boulevard; thence westerly on East Ocean Boulevard to the point of beginning.

In its application above referred to, Long Beach Motor Bus Company stated that its affiliated company, Lang Motor Bus Corporation, wholly-owned by the same owners of Long Beach Motor Bus Company, had entered into an agreement with the City of Long Beach for the inauguration of a motor coach service to be effectuated simultaneously with the abandonment of all local rail service of Pacific Electric Railway Company within the boundaries of the City of Long Beach, if and when such abandonment should be authorized by the Railroad Commission.

The record in this proceeding contains no evidence of opposition to the abandonment of the Long Beach local rail service as proposed by applicant herein, and indicates further that adequate and satisfactory motor coach service will be provided in substitution therefor by the Long Beach Motor Bus Company and the Lang Motor Bus Corporation. Therefore, granting of this application appears to be in the public interest and the following order will so provide.

INTERIM ORDER

Public hearings having been held and the Commission being fully apprised of the facts, in so far as the matters herein decided are concerned;

IT IS HEREBY ORDERED that Pacific Electric Railway Company be and it is hereby authorized to abandon all local rail line passenger service and facilities in the Cities of Long Beach and Seal Beach and to cancel in conformity with the rules of this Commission all fares, rules and regulations applying thereto, said local rail lines being specifically identified as follows:

Pine Avenue Line

Commencing at connection to track in Ocean Boulevard thence northerly on Pine Avenue, a single track to Third Street, thence a double track to 14th Street, thence easterly on 14th Street, a double track to a point easterly of Locust Street, thence single track to a connection with track in American Avenue north of 14th Street, together with crossover tracks.

Pacific Avenue Loop Line

A double track commencing at connection with tracks in Ocean Boulevard, thence northerly on Pacific Avenue to First Street, thence easterly on First Street to a connection with tracks in Pine Avenue.

Seventh Street Line

A double track commencing at connection with tracks in Pine Avenue, thence easterly on 7th Street to a connection with tracks in Redondo Avenue, together with crossover tracks.

Seal Beach Line

A double track commencing at connection with tracks in Pine Avenue, thence easterly on 3rd Street to Olive Avenue, thence southerly on Olive Avenue to Broadway, thence easterly on Broadway to Paloma Avenue, thence southeasterly on private right of way to Belmont Avenue, thence single track easterly on private right of way to Peninsula Place, thence a double track to 65th Place, thence a single track on private right of way and Ocean Boulevard to Main Street, Seal Beach, thence northerly on Main Street to a connection with Newport Beach Line, together with crossovers and spur tracks.

Redondo Avenue Line

A single track commencing at a point in the easterly track (of a double track) 200 feet, more or less, north of the north line of 11th Street, on private right of way, thence southerly on Redondo Avenue to a point 320 feet, more or less, north of the north line of 11th Street, thence double track southerly to a connection with the Seal Beach Line between 1st Street and 2nd Street, together with double track west on Broadway from Redondo Avenue to a connection with the Seal Beach Line at Paloma Avenue.

Alamitos Extension and 2nd Street Line

A double track commencing at connection with Seal Beach Line at 39th Place, thence northeasterly on private right of way to Termino Avenue, thence a single track to 2nd Street, thence easterly on 2nd Street and private right of way to a connection with Newport Beach Line at 2nd Street and Appian Way, together with passing track between Antonio Drive and Tivoli Drive.

provided, however, that said abandonment of passenger rail service herein authorized shall not be effectuated unless, simultaneously therewith, motor coach service shall be inaugurated by Long Beach Motor Bus Company and Lang Motor Bus Corporation in the area which otherwise would be deprived of service by such abandonment.

The authorization herein granted shall become null and void if not exercised within one year.

The Commission reserves the right to make such further Order or Orders in this proceeding as may appear just and reasonable and to revoke this authority if, in its opinion, public convenience and necessity demand such action.

The foregoing Interim Order is hereby approved and ordered filed as the Interim Order of the Railroad Commission of the State of California.

For all other purposes the effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 20th day
of February, 1940.

Frank P. Dwyer
Robert W. Anderson
H. H. Hall
Justin J. Caseman
Commissioners