

Decision No. 33088.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of:

PACIFIC ELECTRIC RAILWAY COMPANY,  
a corporation, for an order granting  
permission to increase and adjust  
passenger rates and fares for the  
transportation of persons between  
points in the State of California;

MOTOR TRANSIT COMPANY, a corpora-  
tion, for an order granting permission  
to increase and adjust passenger rates  
and fares for the transportation of  
persons between points in the State of  
California;

LOS ANGELES MOTOR COACH COMPANY for  
an order granting permission to  
increase and adjust certain passenger  
rates and fares for the transportation  
of persons between points in the State  
of California, to conform to any in-  
creases that may be granted to Pacific  
Electric Railway Company, so that the  
parallel rates affected may be equalized  
and in harmony.

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In the Matter of the Application  
of:

PACIFIC ELECTRIC RAILWAY COMPANY, a  
corporation, for permission to make  
certain changes in its rail system, in-  
cluding abandonments of certain portions  
of its railway lines and discontinuance  
or reduction in rail passenger service  
on certain other portions of its railway  
system;

PACIFIC ELECTRIC RAILWAY COMPANY, a  
corporation, for an in lieu certificate  
of public convenience and necessity.

ORIGINAL

APPLICATION  
NO. 21656.

APPLICATION  
NO. 23053.

FORTIETH SUPPLEMENT-  
AL APPLICATION  
NO. 17984.



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ALBERT E. WELLER, Chief Deputy District Attorney, for the Board of Supervisors of San Bernardino County

CARL BUSH, for the Hollywood Chamber of Commerce

T. D. PLUMMER, Commissioner of Finance, for the City of Santa Monica

LLOYD H. MYERS, for the Glendale Chamber of Commerce

CHAS. A. BLAND, for the City of Long Beach

JOSEPH H. TUMBACH, for West Altadena Improvement Association

MRS. H. P. SHERIDAN, EMMA L. MAMKE, BENJAMIN BROWDY, MRS. C. G. THOMPSON, MRS. L. B. VAUBROT, and MRS. J. PHAIR, for West Hollywood Improvement Association

GEORGE L. KELLEY, for East Pasadena

SYLVESTER HOFFMANN, for the Rossmoyne Property Owners Association

HARRY BARRATT, for West Metropolitan Chamber of Commerce

ROY HAMPTON and MARSHALL STIMSON, for the Improvement  
Associations of Echo Park District

CHARLES E. COOK, JR., for the United Chambers of Commerce  
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ROBERT MOFFITT, Special Counsel, for the City of Lynwood

CARL P. STAHL, for the Civic Union of Playa del Rey

HARRY SEE, C. T. NOLAN and T. G. PELLETT, for the  
Brotherhood of Railroad Trainmen, Order of Railroad  
Telegraphers and Brotherhood of Railway Signal Men

W. P. NUTTER and H. W. WILKINS, for Railroad Brother-  
hoods in lieu of C. T. Nolan

EVERT L. PARKER, for Utility Local No. 1420, United  
Electrical and Radio Workers of America

VERNE D. KENNEDY, National Representative of United  
Electrical and Radio Workers of America, represent-  
ing the Power Employees of the Pacific Electric  
Railway Company

A. O. ANDERSON, General Chairman, Brotherhood of Railway  
Carmen

WILLIAM N. COBURN, for Workers on the Project

JOHN GRANT, representing the Average Commuter

MRS. LOUISE R. HOOKER, for the Pasadena Central Labor  
Council

FRANK PELLETT, for the Brotherhood of Railroad Trainmen

R. LESLIE SPARKS, for Title Guarantee & Trust Company

FREDERICK G. STOEHR, for the Mar Vista Users

HELEN OZMAN, in propria persona

D. S. CLEMENTS, in propria persona

GEORGE G. BROWN, in propria persona

MARSHALL STIMSON, in propria persona

LOUIS A. DUNI, in propria persona

MRS. JOSEPHINE WOODARD, in propria persona

RILEY, Commissioner:

O P I N I O N

All matters involved in the above-entitled applications of Pacific Electric Railway Company, Los Angeles Motor Coach Company<sup>(1)</sup> and Motor Transit Company,<sup>(2)</sup> dealing with the matter of fares, service, and facilities have now been submitted and are ready for decision. Those matters not already decided by prior interim orders in this consolidated proceeding, will be disposed of by this Opinion and Order with the exception of the issues involving transportation of freight by truck between Los Angeles and the areas known as San Fernando Valley and the Redondo Beach-Inglewood district. For the purpose of brevity, hereinafter Pacific Electric Railway Company will be referred to as either applicant or Pacific Electric.

I. PROCEDURE PRIOR TO SUBMISSION

Since the filing of the above-entitled Application No. 21656 on December 17, 1937, the several other applications, also entitled above, and Application No. 18820 (18th Supplement), were filed, dealing with the same general problem, all of which were consolidated for hearing and decision.<sup>(3)</sup> Also included among these several consolidated matters was Application No. 17984 (26th Supplement), which dealt with service and facilities of Pacific Electric Railway Company's Los Angeles-Glendale-Burbank suburban passenger operation. This latter matter was disposed of by a separate Order (Decision No. 32588, dated November 28, 1939).

During the proceedings in these various applications,

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(1) Los Angeles Motor Coach Company is an unincorporated joint agency of Los Angeles Railway Corporation and Pacific Electric Railway Company.

(2) Motor Transit Company has subsequently been consolidated with Pacific Electric Railway Company under authority granted by Decision No. 32167, dated July 18, 1939.

(3) Application No. 23053, filed October 18, 1939.  
" " 17984 (40th Supplement), filed October 18, 1939.  
" " 18820 (18th Supplement), " October 18, 1939.  
" " 18820 (19th Supplement), " November 8, 1939.

interim orders <sup>(4)</sup> have been issued from time to time, disposing of those elements of the entire matter upon which evidence had been concluded.

In the original application (No. 21656), applicant contended that an immediate increase in revenues was necessary in order

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- (4) Decision No. 30783, dated April 11, 1938, in Application No. 21656, granted Pacific Electric Railway Company and Motor Transit Company interim increases on interurban and suburban lines in one-way, round-trip and commutation fares, and passes, amounting to 10 cents or over, by 10 per cent, with a minimum of 6 cents, excepting certain lines, and an increase in fares on the local lines from 5 cents to 6 cents; together with minor increases on certain of Los Angeles Motor Coach Company's lines.

Decision No. 32599, dated December 5, 1939, in Applications Nos. 21656, 23053, 17984 (40th Supplement) and 18820 (18th and 19th Supplements), established a fare structure for application to the system of Pacific Electric Railway Company and Motor Transit Company in substitution for the interim fares previously authorized; authorized abandonment of passenger rail service on certain lines; authorized abandonment of rail service and facilities on certain lines; and granted certificates of public convenience and necessity for motor coach operation in substitution for passenger rail service on certain rail lines.

Decision No. 32703, dated January 2, 1940, in Applications Nos. 21656, 23053, 17984 (40th Supplement) and 18820 (18th and 19th Supplements), authorized further minor adjustments in the prescribed fare structure.

Decision No. 32830, dated February 20, 1940, in Application No. 23053, authorized the abandonment of local passenger rail service in the City of Long Beach.

Decision No. 32858, dated March 5, 1940, in Applications Nos. 23053, 17984 (40th Supplement) and 18820 (18th Supplement), authorized substitution of motor coach operation in lieu of rail passenger service between Los Angeles, Santa Monica and Venice on the so-called Santa Monica via Beverly Hills line; denied application for substitution of motor coach service for passenger rail operation between Los Angeles and Santa Monica via Venice over the so-called Venice Short Line; denied application of Los Angeles Motor Coach Company for operation of an alternate of its Wilshire Boulevard Motor Coach Line between Los Angeles and Santa Monica, in substitution for rail passenger service over the so-called Santa Monica via Beverly Hills line, the order therein being contingent upon the acquisition of twenty new P.C.C. type rail cars to be used in the Hollywood-Vineyard local service and on the Venice Short Line.

to offset increasing costs of operation brought about by increases in wage rates, taxes and operating expenses generally, that a financial emergency existed and that immediate relief should be provided by authorizing the establishment of increased fares on an interim basis, pending further study of the matter by the Commission's staff.

On the basis of the evidence adduced at the preliminary hearings dealing with the question of financial emergency, an interim increase in fares was granted <sup>(5)</sup> and a comprehensive survey was launched immediately thereafter by the Commission's staff, embracing the entire operations of Pacific Electric and its subsidiary, Motor Transit Company. As various phases of the analysis were completed, the findings and conclusions were submitted in report form, the entire report consisting of ten volumes. <sup>(6)</sup> Included in this report are many recommendations relating to the various phases of operations, fares, service, facilities, organization, management and finance, all looking toward providing the public with the best transportation service that can be reasonably justified and relief of the stressed financial condition of the companies involved.

Twenty-five days of hearing were consumed in the taking of evidence, during which time 162 exhibits were submitted, 101 witnesses were called and a record was developed consisting of 3,222 pages of transcript. Out of the total, there were many technical witnesses, including those from the Board of Public Utilities and Transportation of the City of Los Angeles, applicant's representatives and the Commission's staff.

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(5) See footnote (4) herein.

(6) See footnote (4) of Decision No. 32599, dated December 5, 1939, for dates of presentation and exhibit numbers.

It seems appropriate at this point to make reference to the text of the Interim Opinion and Order in Decision No. 32599, wherein a complete discussion of the entire matters involved is set forth. Attached to that order and made a part thereof is a list of recommendations as made by the Commission's engineering staff and a copy of the statement of concurrence and additional recommendations as made by Mr. O. A. Smith, President of Pacific Electric.

## II. OBLIGATIONS OF APPLICANT

Although the principal applicant herein, Pacific Electric, has agreed in a large measure with the recommendations made by the Commission's engineers and has filed an application to carry out the suggestions made, there are numerous other phases of the company's operations which were recommended for change to which the company has taken exception, but which have not been refuted by conclusive evidence. The importance of giving further careful and considerate study to the several recommendations which have not been complied with is hereby impressed upon the company and the final disposition of the matters now pending by this Order should not be interpreted as definitely and finally closing the door on these matters. Such study should be carried on by the company in close cooperation with public bodies and the Commission's engineering staff and, if satisfactory disposition cannot be arrived at informally after all of the facts have been reconsidered, this proceeding should be reopened for further formal consideration of those elements.

## III. FARES, SERVICE AND FACILITIES

The necessary lack of permanence in the fare structure as already established by previous order in these matters should not be lost sight of and, looking toward the future, a very close scrutiny should be made of the results obtained by reason of the



adjustment in fares, as referred to, particularly when the effects of those fare adjustments can be correlated with the public reaction to the improvement in rail equipment and the substitution of modern motor coaches for unjustified rail service. There is no definite formula upon which a fare determination can be based. Many elements are involved in deriving a satisfactory and equitable rate of fare to be charged for passenger transportation service and the best criterion upon which to rely is the experience gained in the actual adjustment of fares.

Generally, reductions were effected by the fare structure established in connection with these proceedings but, on the other hand, in certain isolated instances some increases resulted. Almost without exception the areas subjected to the increases are those which were formerly served by certain lines of the Motor Transit Company, which company has subsequently been consolidated with and made a part of Pacific Electric operations. In determining a proper fare structure for the various lines of the present operating company, uniformity and consistency were of necessity resorted to, in order that large differentials in fares for common units of service might be eliminated. Experience may indicate in the future that the point of maximum return can be reached by further reduction in fares and if such proves to be the case, the fare question will again be revived for consideration.

The desirability and ultimate advantage of providing new rail and motor coach equipment, together with improved track and station facilities, is recognized as an element of paramount importance in competing with the private automobile, for the stimulation of new patronage and the retention of that patronage now enjoyed. There is a limit, however, to which such improvements can be afforded by a private enterprise which is financially responsible to its security holders and in which there are practically no

unencumbered assets. The traveling public, to whom the operator has dedicated its services, must be given primary consideration in regulating the activities of mass transportation carriers, and if adequate and satisfactory service cannot be provided because of restrictions and obligations imposed upon the carrier by agencies beyond its control, the field must be searched for some other means of providing that necessary service.

#### IV. THE TRANSPORTATION PROBLEM

The passenger transportation problem of the Los Angeles metropolitan area, including the rail and motor coach lines of Pacific Electric and other common carriers in the field, is one of such proportions that a complete and permanent solution may never be reached. Its many intricacies involve, in addition to the concrete elements which can readily be isolated for consideration, many factors of an abstract nature which cannot be disassociated for individual and scientific analysis. The future of any metropolitan area is definitely dependent upon mass transportation of passengers and, in designing a plan to adequately and satisfactorily provide the necessary service, taking into consideration changing conditions, requirements and human desires, there inevitably will result unsatisfactory conditions as affecting some individuals involved, but an attempt must be made to arrive at a solution wherein the maximum good to the greatest number will be provided.

We must be guided by conditions as they exist today in attempting to develop some measure of solution for the transportation problem and, in doing that, we must first base the analysis upon the premise that the existing carriers are to continue providing a necessary and adequate service to the traveling public. The only alternative is for the transportation facilities to be supplied by public bodies or revert entirely to individual transportation by means of the private automobile or otherwise.

Back through the history of mechanized mass transportation, that industry has required subsidy. It is true that in certain isolated branches transportation has stood on its own feet but, on the whole, taking into consideration all of the economic elements involved, the many benefits that have been dependent upon mass transportation could not have been realized without assistance from outside the corporate limits of the organizations themselves. The natural course of events that follows the trend of scientific progress very often reacts to the disadvantage of some persons involved, both in the field of transportation and the much larger field of general industry, the many and varied parts of which go to make up our complicated economic structure.

One of the most appalling and unfortunate consequences of the changes which have taken place in the transportation industry is the effect upon labor. It is unfortunate that the transition in transportation development has eliminated employment of individuals, many of whom have devoted years of faithful service to the transportation companies and to the public. We must recognize the fact, however, that the state of flux through which the mass transportation industry has passed during the past two decades, and is now undergoing, has resulted in the creation of much more employment in the greater field of national industry than it has destroyed in the specific scope of transportation.

Most elementary dictates of good business require that an industry stand on its own feet and earn sufficient compensation for the service rendered to offset the cost incurred in providing such service. Over a period of many years Pacific Electric has not been operated on such a basis. It has been fortunate in having available the resources of its owner, Southern Pacific Company, in making up its deficit but, during recent years, the parent company

has found itself in dire financial circumstances which have increasingly become more severe, until now it is no longer able to absorb the deficits of its subsidiary. Collapse of the financial structure of Pacific Electric is inevitable without outside financial assistance, if operations are continued on the basis as experienced during past years. In order to perpetuate its operation, therefore, and ensure to the public the continuance of a necessary transportation medium, drastic steps had to be taken in an attempt to bring about a closer balance between costs and revenues. The extent to which costs of operation can be reduced is limited, as is the field of increasing revenues. One of the logical sources of reduced costs is substitution of motor coach service for rail lines which were constructed at large investments and designed to carry traffic far in excess of that which now presents itself. In this rehabilitation program, not only has the need for reduced cost of operation been recognized, but also the necessity for improved facilities and the establishment of an equitable fare structure in such proportions as to produce the maximum stimulation in business and the greatest benefit to the public.

The problem is one which involves not only the carriers but also the political subdivisions in which reside the public which demands mass transportation. The various cities in the Los Angeles metropolitan area can play an important and helpful part in solving the transportation problem by cooperation between themselves and the carriers and in attempting to control damaging competitive agencies, the operation of which, although providing a benefit to a few, results in harm to greater numbers. The various cities that have participated in these proceedings are to be highly commended for the cooperative spirit in which they offered their support and the reasonable attitude they have assumed in regard to the problems confronting the carriers. Considerable expenditures of man power

and funds have been made by certain of the municipalities in aiding the Commission's staff in its activities.

The helpful assistance that has been afforded by these municipalities could be extended, by concerted effort on their behalf, to relieve the carriers of unreasonable obligations to which they are bound by franchises, agreements and operating rights laid down far in the past in an era when the financial status of the companies involved justified such demands. A public service corporation should rightfully be expected to pay a premium for the privilege of conducting its business in a political subdivision wherein it is afforded a measure of protection from competition, if that public service agency is able to realize a profit from such operations. On the other hand, however, if such public service is being provided at a financial loss and there appears to be no reasonable course that will convert the loss into a profit, then it no longer appears equitable to continue to charge the enterprise a premium for being allowed to provide the public with such service.

V. ELEMENTS COVERED BY ORDER HEREIN

In the course of the proceedings, various phases of the matters involved were taken under submission, upon the completion of the evidence in the respective fields, and the remaining issues were submitted January 24, 1940. The remaining undecided issues which are to be disposed of in this Order will be dealt with hereinafter in the following order:

A. Matters Not Heretofore Disposed Of

1. Pasadena Local System  
Fares, service, routing and facilities
2. Los Angeles-Pasadena Suburban Lines  
Future in re rail vs. motor coach
3. Brentwood Line (Santa Monica)  
Substitution of motor coach for rail  
passenger service

4. Hollywood-Beverly Hills-Venice Motor Coach Line  
Proposal to establish motor coach operation  
from Hollywood to Venice via Santa Monica
5. Los Angeles-San Bernardino-Riverside Lines  
Adjustment in rail passenger service and  
establishment of motor coach route
6. Venice Freight Branch  
Proposed for abandonment
7. Proration of Expense and Revenue  
Revision of proration formula used to allo-  
cate revenue and expenses between passenger  
and freight and between local and inter-  
urban operations

B. Amendments to Prior Interim Orders

1. Los Angeles Local Lines  
Echo Park Avenue Line  
Edendale Line
2. Glendale Local Lines  
Adjustments in routing and zones
3. Los Angeles-Newport Beach-Balboa Line  
Establishment of alternate route
4. Los Angeles-Santa Monica via Beverly Hills Line  
Establishment of local restrictions
5. Los Angeles-Redondo Beach via Playa del Rey Line  
Establishment of local restrictions

Pasadena Local Lines

Applicant's local rail and motor coach operations serv-  
ing the City of Pasadena and surrounding areas were analyzed by the  
Commission's engineers, as a part of the general system-wide study  
referred to heretofore, and their conclusions and recommendations  
applying to said local system were set forth as Volume VI<sup>(7)</sup> of  
the general report.

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(7) Exhibit No. 54, submitted November 29, 1938.

Pasadena is situated approximately twelve miles to the northeast of the central business district of Los Angeles, laid out on the gently receding alluvial slopes of the San Gabriel Mountains and San Rafael Hills, at an average elevation of about eight hundred and fifty feet. Located to the north on the steeper slopes of the hills and immediately adjacent to Pasadena is the well-developed residential area of Altadena, situated in the unincorporated portion of Los Angeles County. There is no discernable physical separation between Pasadena and Altadena. The street system of the former extends into Altadena and the characteristics of residential development and population are similar, except for the area to the extreme north. Adjoining Pasadena on the southeast are the Cities of San Marino and South Pasadena and on the east a rapidly developing area in unincorporated county territory.

Pasadena, with an area of about twenty square miles, has a population in excess of 82,500 which, when added to the estimated population of 19,300 for Altadena and approximately 7,500 for the adjoining unincorporated county territory, gives a total estimated population of something in excess of 109,000 for the local transportation area. The population is rather evenly distributed over that portion of the city east of the Arroyo Seco, with particularly heavy concentration in the area north of Colorado Street between the east rim of the Arroyo and Los Robles Avenue. To the west of the Arroyo Seco the area is more sparsely settled, with a decided uptrend, however, in residential development, particularly in the Flintridge district. A considerable portion of the population consists of wealthy retired people, owners of large retail firms in Pasadena, owners and executives of firms in Los Angeles and many middle-classed family heads employed either in Pasadena or in Los Angeles. In fact the

record shows that 53 per cent of the families in this district each have an income in excess of \$2,000 per year.

In general, the city is residential in character, the larger portion being devoted to medium-classed residences, with smaller exclusive residential areas located in the Arroyo Seco and Oak Knoll sections and in the southwest section along Orange Grove Avenue. Located within the city are thirty public schools, including the California Institute of Technology, twenty-one private schools, twelve theatres, and one hundred and seventeen churches. There are also seven public parks, in addition to much undesignated recreational area along the Arroyo Seco and the foothills of the Flintridge district.

Located along Colorado Street is the major business district, extending from Pasadena Avenue on the west to Wilson Avenue on the east, a distance of approximately one and one-half miles, with a smaller business district extending easterly to and beyond the city boundary. Several secondary business districts are located north of the main downtown area at certain intersections of Washington Street with north and south arteries.

Local service is provided by two rail lines, nine motor coach lines and by the two suburban Los Angeles lines where they operate in the local territory. In the local transportation plan the system of rail and motor coach routes was designed so as to provide a uniform coverage of the residential area by parallel spacing of north and south lines, with one cross-town line paralleling Colorado Street to the north and a modified cross-town line to the south of Colorado Street. It has been the objective of the carrier, in laying out the routing plan, to reduce the necessity for transfer between lines to a minimum and provide through service from the residential districts directly into the business area along Colorado Street. Although this type of routing plan provides a maximum of



service and convenience to the patrons, it aggravates the serious vehicular traffic congestion already existing in the downtown section and also is a costly service to provide.

In general, the more densely populated residential area north of Colorado Street is served by a network of parallel rail and motor coach lines running north and south and spaced at intervals of approximately one-half mile. There are, however, two lines that are outstanding exceptions to this general routing plan. The Mar Vista line, operating between Topeka and Colorado Streets, and that portion of the Marengo Avenue-Washington Street line between Washington and California Streets are each located approximately midway between the adjacent parallel lines. These two lines could be eliminated and still maintain one-half mile spacing between the remaining lines.

Based upon operations for the year 1937, the record shows the average total cost of providing motor coach service in Pasadena to be 21 cents per coach mile. Excluding taxes and depreciation from that amount, the expense per coach mile is 17.3 cents. Compared to this cost of providing service, the average revenue earned by the motor coach lines is 13 cents. Obviously, if the service is to be continued on an enduring basis, all unnecessary operations must be discontinued. Although it is unreasonable to expect that each and every line of the system should be operated on a profitable basis, all unprofitable lines should be eliminated where this can be done without the sacrifice of reasonable service under prevailing conditions. The Pasadena motor coach operations, as a whole, are conducted at a cost far in excess of earnings and on those lines or portions of lines which have been recommended for abandonment the earnings are far below the average.

The proposed abandonments of motor coach service are as follows:

Line A - North Los Robles-North Orange Grove

Between Prospect Street and Marengo Avenue, along North Orange Grove Avenue and the alternate loops at the northern end of the line along Atchison Street, Marengo Avenue, Montana Street, Woodbury Road and Madison Avenue.

Line B - North and South Marengo-East Washington

Between Washington and California Streets on Marengo Avenue, thence east on California Street to Los Robles Avenue, south to Glenarm Street, west to Pasadena Avenue, south to Columbia Street, east to Fair Oaks Avenue and north to Glenarm Street.

Line C - Mar Vista Avenue

The entire line between Topeka and Colorado Streets on Mar Vista Avenue, including turning loops.

Line D - California Street

Between Catalina and Sierra Bonita Avenues on California Street, thence north to Oakdale Street, east to Allen Avenue, north to Blanche Street, west to Hill Avenue and south to San Pasqual Street.

Line L - Mendocino Loop

On Mendocino Street between Lake and Allen Avenues, thence south on Allen Avenue to New York Avenue, west to Catalina Avenue, south to Woodbury Road, west to Lake Avenue and north to Mendocino Street.

Of those lines and portions of lines above referred to, only three (Lines "B," "C" and "L"), involve major abandonments, the remainder consisting of necessary changes in order to carry out the suggested plan of general rerouting of the local lines. The Orange Grove Avenue end of Line "A" provides service to an area that is already adequately served by other existing lines and therefore provides unnecessary duplication of service.

Revenues earned on the Mar Vista Avenue line and the Mendocino Loop for the year 1937 amounted to only 9 cents per coach.

mile, as compared to the average of 13 cents for the system motor coach operations. On the entire Marengo-Avenue Washington Street line the earnings per coach mile were only 12 cents and, from the loading characteristics of the line, it can be assumed that the portion to be abandoned would be considerably less than 12 cents.

These earnings must be compared with the cost of operations above referred to, wherein the average total cost per coach mile for Pasadena motor coach lines was 21 cents. The record indicates that the Pasadena average cost of operation is higher than certain other operations, but compared with the Glendale local system average, which is lowest of the group studied, wherein a cost of 17½ cents per coach mile was experienced, the revenues earned on the lines considered for abandonment fall far short of being sufficient to meet even the Glendale costs. Excluding depreciation and taxes on the Glendale operation, the cost was 14½ cents per coach mile.

In addition to the abandonment of lines as described heretofore, certain other changes in routing were suggested by both the applicant and the Commission's engineers, the two plans being at variance only in relatively unimportant instances. Both plans contemplated discontinuance of local rail lines, extension of service north on Lincoln and Olive Avenues to Palm Street, extension of the Los Robles Avenue motor coach line north on Santa Anita Avenue to Mariposa Street, extension of the Lake Avenue service north to approximately Alta Vista Avenue, extension of the Hill Avenue line north to Morada Place, extension of the Allen Avenue line north to Meadowbrook Road, extension of through service on Colorado Street beyond Lamanda Park Junction, extension of a through line on Craig Avenue, and other less important changes in downtown routing. In all instances the changes, as outlined above, will result in an improved service to the areas affected and will provide substitute

service in lieu of certain service to be taken away by the proposed abandonments.

It was proposed by applicant that the Allen Avenue line be routed along Colorado Street through the downtown area and that the Craig Avenue line be connected with the California Street line as a through route. Under the present routing plan, the Allen Avenue line does not operate into the business area and passengers destined thereto are required to transfer at Colorado Street. The record indicates that there is already a surplus of service along Colorado Street and it would appear more desirable to connect the Allen Avenue line with the California Street line, terminating the Craig Avenue line at Colorado Street.

The Pasadena local transportation area is now divided into three concentric zones, the inner zone embracing the central business section and the more thickly populated residential area of the city, the second zone including virtually all of the remaining residential territory, and the third zone taking in the area outside the city boundaries. A local basic fare of 6 cents is now in effect, having been increased from 5 cents by a prior interim order in this proceeding. The basic fare applies between points within any one zone, with a cash fare of 10 cents or a ticket fare of  $6\frac{1}{2}$  cents (four for 25 cents), between points in Zone 1 and points in Zone 2, or between points in Zone 2 involving passage through Zone 1. No reduced rate ticket is available for passage into Zone 3 from either of the other zones, a cash fare of 10 cents applying in all instances between points in Zone 3 and points in the other two zones.

It was recommended by the Commission's engineers that the three-zone plan referred to above be replaced by a single zone, with minor exceptions, and that a 7-cent cash fare, in combination with reduced rate fares of  $6\frac{1}{2}$  cents (four for 25 cents), be applied to this zone. This fare plan was subscribed to by applicant, and the

City of Pasadena was agreeable to its installation provided the entire plan as proposed by the Commission's engineers be carried out, which includes electric trolley coach installation and the establishment of a basic headway of fifteen minutes in lieu of the present headway of twenty minutes.

Recommendation made by the Commission's engineers - that certain of the local motor coach lines be abandoned and changes made in the routings of others - was based upon the results of detailed traffic checks and a study of earnings and service by individual lines wherein the facts were presented in this record. Although the recommended abandonments were opposed by the city as well as individuals residing in the areas affected, the evidence of record indicates conclusively that said lines carry insufficient patronage to justify their continuation. In the interest of preserving to the populace as a whole a mass transportation system upon which the continued growth and prosperity of Pasadena is largely dependent, the unjustified expense of providing excess service should be eliminated by carrying out the abandonments as recommended.

At present, local service is provided by three types of equipment - motor coaches, Birney rail cars and the large inter-urban rail cars where they operate within the local area. The Birney rail cars were conceded by all parties concerned to be obsolete and unsuited for further operation, and the desirability of immediate replacement by some other type of vehicle was agreed upon. Applicant originally proposed to abandon only one of the local rail lines and to substitute motor coaches in replacement of rail cars on that line. On the other line it was proposed to substitute Class-100 rail cars to be released from the Long Beach local lines upon abandonment of service in that city. Subsequently, however, applicant proposed to replace both local rail lines with motor coach service.

Based upon a detailed survey of the traffic characteristics

and other elements involved in the determination of proper transportation service for Pasadena, the Commission's engineers urged that a larger measure of benefit would be derived on behalf of the company, in the way of increased revenues, and on behalf of the public, in the way of superior service and facilities, by the installation of electric trolley coaches in replacement of the existing Birney rail cars. With the exception of Hill Avenue and the north end of the Lincoln Avenue line, the trolley coach installation was proposed only on the two existing local rail lines, where electrical overhead facilities are already provided and which could be converted to trolley coach operation at a cost appreciably less than for new construction. This plan was vigorously opposed by applicant, based upon the contention, among others, that the cost involved was greatly in excess of that which would be necessary for motor coach substitution. The City of Pasadena took a stand strongly endorsing the trolley coach installation and was opposed to any change in service, routing and fares unless, concurrently therewith, trolley coach substitution should be made.

A comparison of the existing characteristics of the local rail and motor coach operation in Pasadena for the year 1937 is presented below:

	<u>Rail Lines</u>	<u>Motor Coach Lines</u>
Number of Lines	2	10
Route Miles	13	46
Units of Equipment	18	29
Per Cent of Total Traffic Handled	51.4	48.6
Weekly Passengers Carried	78,591	74,308
Annual Operating Revenue	\$202,630	\$176,735
Operating Expense	\$127,778	\$226,184
Depreciation and Rental	\$ 12,024	\$ 37,307
Taxes	\$ 37,622	\$ 10,837
Net Operating Income	\$ 25,207	\$(97,594)
Vehicle Miles	872,407	1,305,209

( ) Red Figure

The above tabulation indicates the substantial character of the traffic-carrying and earning ability of the two local rail

lines but at the same time indicates the heavy loss incurred by the local system as a whole.

The importance and permanence of the two rail lines are established beyond a doubt and the need for flexibility of routing does not exist on those lines where it has been proposed to use trolley coaches. Thickly populated and well developed areas of Pasadena and Altadena are served by the rail lines, for which trolley coaches were proposed to be substituted, whereas in most instances the motor coach routes serve less populous districts where patronage is light.

These two rail lines constitute the backbone of the local system, sustaining and providing support to the less profitable motor coach lines. They are firmly entrenched in the most highly developed residential and business sections of the city and its surrounding communities. Future shifting of population or expansion of the residential areas will not require the modification of their routing and, except for possible extensions, no demands for change can be reasonably expected.

The record indicates conclusively that the trolley coach installation, as recommended, would provide a superior type of service to that which would be possible by use of motor coaches; however, the immediate financial requirements for the trolley coach installation, to cover cost of additional electrical distribution facilities, track removal and paving costs, would be substantially greater than for motor coach substitution, assuming that the most economical program of track removal and paving should be followed. Applicant also contends that motor coaches can be purchased on more liberal terms than trolley coaches, the down payment required in purchasing the former being considerably less than for the latter.

The City of Pasadena has taken the position that if applicant installs motor coaches in replacement of the two local rail lines, the franchise terms will be enforced and the company required to completely remove its abandoned tracks and to repave the streets. On the other hand, the city expressed its willingness to allow the rails to remain in the streets with a covering of pavement, provided electric trolley coaches be installed.

The cost of trolley coach installation, including equipment, electrical distribution facilities, track removal and paving, was estimated by the Commission's witness at \$470,000, including Hill Avenue which is not now electrified, and \$435,000, excluding Hill Avenue. These costs include paving over the existing rails which would be left in place to serve as negative feeders.

Applicant estimated the trolley coach installation cost to be \$650,000. This figure, however, anticipates the installation of insulated negative feeders, part to be installed overhead and part underground. Applicant submitted no evidence to indicate its estimate of the cost of trolley coach installation based upon the use of rails for negative feeders, although company witnesses admitted that such an installation would be workable providing the rail joints were welded to prevent the possibility of bonding failure. It was contended by the Commission's engineers that the additional cost of welding, in the amount of \$33,000, was not necessary providing the existing rail bonds are checked carefully and all defects repaired prior to paving over.

Compared to the above estimates for trolley coach installation, applicant estimated the cost for motor coach facilities to be \$346,000, including equipment, removal of electrical facilities and track, and repaving. This estimate was based upon the assumption that generally the pavement would be slotted, the rails removed and the slot repaved. Basing the cost upon full enforcement of the city franchise provisions, wherein applicant would be required



to completely remove all track abandoned and repave, the necessary expenditure for motor coach substitution would amount to \$520,000, which is \$50,000 in excess of the trolley coach installation, including Hill Avenue, and \$85,000 if Hill Avenue is excluded, as estimated by the Commission's engineers.

When comparing total investment costs, including franchise requirements, under the two plans, one of motor coach substitution and the other of electric trolley coach substitution, the former involves a larger expenditure than the latter. If the terms of the franchises were not enforced to the point of requiring complete removal of tracks and paving, but should be modified to allow removing the rails by slotting the pavement, or leaving the rails in place and paving over them under the plan proposed by the company for motor coach substitution, then the first cost would be less for motor coach than for trolley coach operation. This Commission, however, has no jurisdiction over the enforcement of city franchises and the matter of track removal and paving is one that must be worked out between applicant and the city authorities.

It appears that this equipment problem should be disposed of by an alternative provision in the order. The record indicates that for the two lines in question, standing by themselves, trolley coach substitution would provide a larger measure of benefit to both the public, in the way of superior service and facilities, and to the company, in the way of greater net earnings. Weight must be given, however, to the local system as a whole, which is currently being operated at substantial losses, and to the financial ability of this carrier to renew its transportation facilities.

Applicant should be authorized to substitute, in lieu of presently operated local rail cars, either electric trolley coaches, in conformity with the recommended plan submitted by the Commission's engineers, in whole or excluding installation on Hill Avenue, or motor coaches in accordance with the installation as

outlined by applicant and portrayed specifically by Exhibit No. 134 in this proceeding. In that exhibit, applicant sets forth a practical plan of track removal and paving that will satisfactorily meet the transportation requirements under a plan of motor coach substitution.

It has been the express intent of the Commission throughout these proceedings, as exemplified by the several interim orders previously issued, to follow a policy of rehabilitation of the facilities, service, fares and operations of Pacific Electric that would effectuate to a maximum degree a closer fit of those elements to the present-day requirements, in an attempt to preserve to the public the ultimate in transportation consistent with the limitations imposed upon a privately owned enterprise. Serious consideration must be given to the attitude of applicant, as expressed by its reluctance to enter into the field of operating a new type of vehicle with which it has had no experience and the apprehensive cautiousness with which it approaches the Pasadena local problem, wherein large losses are currently being experienced; but, however, if applicant desires to continue providing service in the area, then it should look toward that means of rehabilitation that will provide a maximum of benefit to its financial status.

Operating directly in competition with the local rail lines is a system of taxicabs providing a personalized pick-up and delivery service at very low rates and representing an important factor responsible for the large deficits experienced by the local carrier. Such taxi operations are confined to no definite routes, do not follow fixed time schedules and are not required to file tariffs containing rates, rules and regulations such as the local mass transportation carrier is subjected to by law. Two of the local cab companies are providing service at fares of ten cents per mile for one person, five cents per mile for each additional

person and twenty cents per mile for one or more persons from points inside to points outside the Pasadena city limits. The record also shows that within this service area, in addition to the fifty-seven cabs operated by these two companies, eighteen cabs are operated by another company. The latter company hires its vehicles to drivers at the rate of \$2.50 per day, the driver being obliged to furnish the necessary fuel and oil for operation and to collect varying amounts from his patrons, there being no uniform rate of fare. Although no records were obtainable that would show the results of operation for the smaller operator, Exhibit No. 54 shows that the financial statements of the two larger companies indicated their operations as having been conducted at a loss for the year 1937.

The convenience, personal solicitation and individual service of the taxicab gives it a decided advantage over the mass transportation facilities of the local carrier in bidding for public patronage, but perpetuation and protection of such competitive enterprises do not subserve the public interest as a whole. The local mass carrier, operating under franchise requirements, regulations and restrictions much more stringent than those imposed upon the cab operators, provides transportation to the major portion of the traveling public. The existence of low-rate cabs to some extent may be due to the failure of the local carrier in the past to provide adequate and satisfactory service and facilities in keeping with the desires and needs of the public, but if that carrier is now required or is ready, willing and able to launch a plan of rehabilitation of its local operations in Pasadena, it would appear that some greater measure of protection against taxicab competition would be in the public interest. Establishment of a cab fare on a basis that would be compensatory to the operators would afford the local carrier a greater opportunity to provide the degree of service to which the general public is entitled.

### Los Angeles-Pasadena Suburban Lines

Pacific Electric provides suburban service between Los Angeles and Pasadena by two rail lines (Short Line and Oak Knoll Line), operated over common track between the Sixth and Main Street Station in Los Angeles and Oneonta Station in South Pasadena, the Short Line branching off at that point and traversing Fair Oaks Avenue northerly to California Street, thence easterly on California Street to Raymond, thence northerly on Raymond Avenue, crossing Colorado Street and terminating at the car house located between Fair Oaks Avenue and Raymond Avenue near Walnut Street. The Oak Knoll Line proceeds easterly from Oneonta Station along Huntington Drive to El Molino Station, thence over private right of way northerly to Oak Knoll Avenue, along Oak Knoll Avenue to private right of way connecting with Lake Avenue, thence northerly on Lake Avenue to Colorado Street, and west on Colorado Street to Raymond Avenue, thence north to a joint terminal with the Short Line at the car house.

Considerable testimony is contained in the record dealing with the ultimate disposition of the suburban service between Los Angeles and Pasadena, revolving generally about the relative merits of rail vs. motor coach service.

It was contended by the Commission's engineers that unnecessary duplication of service and facilities resulted from operation of two rail lines, particularly during off-peak periods, and that economies could be effected by combining the two. Due to the uncertainty of future developments, particularly with respect to construction of the Arroyo Seco Parkway, a portion of which is already completed and which, when finally constructed, will provide a high-speed, non-stop highway between Los Angeles and the central business district of Pasadena, the Commission's staff made no speci-

fic recommendation. It was indicated that satisfactory suburban motor coach service could be operated over the Parkway, provided suitable radiating streets for the distribution of traffic on the Los Angeles end be constructed to relieve the bottle-neck congestion that otherwise would prevail at that point. It was further pointed out that in comparing motor coach operation over the Arroyo Seco Parkway with rail service, the latter possessed greater potentialities in the way of comfort, speed and satisfactory operation, if developed to the ultimate degree of refinement as to new, modern equipment operating over high-speed, congestion-free rights of way, but that construction of such facilities would require the expenditure of funds far in excess of the financial limitations of a private enterprise.

Existing rail facilities, however, are not capable of providing superior service to that possible by motor coach operation over the proposed Arroyo Seco Parkway, due primarily to street traffic congestion in Los Angeles. On the Pasadena Short Line 53.3 per cent of the total running time is consumed in traversing that portion of the route over congested streets between the Main Street Station and private right of way at Mission Road, whereas only 16.6 per cent of the total route miles are covered, and on the Oak Knoll Line 28.3 per cent of the running time is consumed in traversing 13.7 per cent of the total route miles. The advantage of private right of way operation on these two lines is largely nullified by the congestion through which the lines operate over city streets.

During the progress of these proceedings, applicant has taken varying positions with respect to the suburban operation between Los Angeles and Pasadena. Prior to the adoption of the so-called two-man car ordinance in the City of Los Angeles, the company was disposed to continue suburban rail service to Pasadena, pending completion of the Arroyo Seco Parkway about July, 1941,

utilizing one-man operations. With the passage of that ordinance a position favoring immediate substitution of motor coach operation for rail service was taken. Subsequent to the expression of that view, a statement was submitted by Mr. O. A. Smith, President of Pacific Electric (Exhibit No. 102), in which the company's intention was indicated as favoring continuation of rail operation as at present, until such time as the Arroyo Seco Parkway should be completed, when it proposed to discontinue rail service and substitute motor coach operation. Both plans were predicated upon the assumption that operating rights would be granted to applicant by this Commission.

A colloquy arose between counsel for Asbury Rapid Transit Lines and applicant, participated in by counsel for the City of Pasadena, wherein it was urged by the former that, inasmuch as his client, Asbury Rapid Transit Lines, and Pacific Electric had separately filed prior applications with this Commission,<sup>(8)</sup> requesting authority to operate over the Arroyo Seco Parkway, when completed, the matter could not properly be considered as a part of these proceedings, nor could the Commission's Order herein be in any way contingent upon subsequent orders in that matter. Both the City of Pasadena and the City of South Pasadena opposed the use of the Arroyo Seco Parkway by any form of mass transportation vehicle. Final decision as to the most desirable form and character of suburban passenger transportation between Los Angeles and Pasadena should be deferred until such time as those applications above referred to have been heard and a record developed thereon. This action should not be interpreted, however, as relieving the company of its responsibility of improving the existing rail operation

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(8) Appl. No. 21102, filed March 25, 1937, by Pasadena-Ocean Park Stage Lines, Inc. (now operating as Asbury Rapid Transit System).  
Appl. No. 17984 (33rd Supplement), filed June 23, 1937, by Pacific Electric.

during the interim, in order that the people of Pasadena may be provided with a standard of service in keeping with that provided to other communities wherein no such controversy exists. The program of equipment rehabilitation offered by the company should include the equipment used in the Pasadena service, and an increased standard of maintenance and janitorial service should be carried out.

Brentwood Line

Applicant requests authority to abandon its rail service over the Brentwood Branch of its Santa Monica via Beverly Hills Line and to substitute in lieu thereof an alternate motor coach route of the Los Angeles Motor Coach Company's Wilshire Boulevard Line, thereby providing a through motor coach service from downtown Los Angeles to Santa Monica, paralleling the existing rail line over the Brentwood Branch. The record indicates no opposition to this proposal and, inasmuch as authority to abandon rail passenger service between Los Angeles and Santa Monica over the Santa Monica via Beverly Hills Line has already been granted, rail passenger service on the Brentwood Branch, if continued, would be isolated from the remainder of the passenger rail operations. It therefore appears that this request should be granted.

Hollywood-Beverly Hills-Venice Motor Coach Line

At present applicant operates a rail passenger service between Los Angeles and Venice via Hollywood and Beverly Hills. That portion of the route between Beverly Hills and Venice via Santa Monica and Ocean Park makes use of common track with the Los Angeles-Santa Monica via Beverly Hills Line. Applicant proposes to continue said rail line between Los Angeles and Beverly Hills via Hollywood as a local service and to discontinue that portion beyond Beverly Hills, establishing a through motor coach line to the ocean from the intersection of Vermont Avenue and Hollywood Boulevard in Hollywood and terminating at Windward Avenue in Venice.

Applicant contends that present rail operations on the Los Angeles-Venice via Hollywood and Beverly Hills line result in an annual out-of-pocket profit of \$6,833, and that under the proposed motor coach plan an annual out-of-pocket profit of \$8,032 would be realized. Inasmuch as this operation, as proposed, would terminate in Hollywood and parallel existing local rail operations between Hollywood and Beverly Hills, there appears to be nothing of record indicating a present need for the service. For traffic moving from Hollywood to the beach cities a convenient transfer will be available at Beverly Hills and, inasmuch as the traffic on the Santa Monica via Beverly Hills line is light beyond Beverly Hills, ample capacity will be afforded by that line between Beverly Hills and Santa Monica.

Although no opposition was offered to the proposed plan of motor coach service, that fact should not be given undue weight, as it is commonly recognized that any addition in service is welcomed by the public, even though it may not be justified. The economic operation of this system as a whole is an important feature that must be considered and the unnecessary cost that would be involved as a result of this proposed duplication is unjustified. This portion of the application, therefore, should be denied.

Los Angeles-Pomona-San Bernardino-Riverside Line

Pacific Electric now provides interurban rail passenger service between Los Angeles, Pomona, San Bernardino, Riverside and intermediate points by eight daily schedules in each direction, including Sundays, with an approximate running time of one hour and forty-five minutes between Los Angeles and San Bernardino. Four schedules daily are operated to Riverside via the Crestmore Line which branches off from the main San Bernardino Line at Rialto Junction. Service is provided to El Monte, Covina, Pomona and intermediate points on regular through schedules, augmented by further



service in accordance with traffic demands. Over the entire length of the line from Los Angeles to San Bernardino and to Riverside, freight service is provided in addition to passenger operation, this being one of the company's most important freight routes.

Applicant proposes to continue rail passenger service between Los Angeles and Pomona and intermediate points as at present, but to curtail rail service beyond Pomona to four round trips daily. Applicant proposes to establish a through motor coach line between Los Angeles and San Bernardino, which will also supplement the rail service between Los Angeles and Pomona. Between Los Angeles and Pomona the proposed motor coach route will be parallel to but an appreciable distance from the present rail line and will follow it more closely between Pomona and San Bernardino. From Los Angeles the proposed route will proceed via Ramona Boulevard, Garvey Avenue and Foothill Boulevard to San Bernardino, with alternate routes in the Cities of Pomona and Upland.

Included in the proposed adjustments in service and facilities along the Los Angeles-San Bernardino line is the Pomona-Claremont motor coach line which at present operates between Pomona, North Pomona and Claremont. Applicant proposed to replace that service by the through motor coach line. The shuttle rail service now provided between Rialto and Riverside over track leased from the Union Pacific Railroad Company is proposed for abandonment, it being contended that sufficient and adequate motor coach service to and from Riverside will be provided under the proposed plan. Passengers originating at or destined to points west of Pomona on the Los Angeles-San Bernardino rail line will be provided with transfer privileges at Pomona to the former Motor Transit Company line operating to and from Riverside and passing through Pomona.

There now exists a through motor coach operation between Los Angeles and Riverside over a Motor Transit line, providing a

direct route between Pomona and Riverside, whereas that portion of the existing line between Los Angeles and Pomona follows a somewhat devious route. The combination of the new motor coach line, as proposed, over a direct route between Los Angeles and Pomona, and the existing line between Pomona and Riverside, will therefore provide a more direct motor coach service than is now available and will adequately take care of the needs of the traffic destined to Riverside. Existing Motor Transit service between Riverside and San Bernardino through Colton provides adequate facilities for the patronage handled.

In addition to the proposed adjustments in rail and motor coach operation, the company proposes to abandon its Motor Transit Depot in the City of Pomona and to reestablish and consolidate station facilities at or with those of Southern Pacific Company in that city.

The Commission's engineers recommended that passenger rail service be discontinued beyond Pomona, inasmuch as their studies indicated that traffic requirements beyond that point were relatively light and adequate and satisfactory service could be provided by motor coaches. It was shown that a higher standard of track and overhead maintenance was necessary for passenger operation than for freight operation and that, by devoting that portion of the rail line between Pomona and San Bernardino to freight service, only, considerable economy could be effected. The recommendation that motor coach service be substituted for rail service was closely correlated with the further recommendation that all electrical distribution facilities beyond Pomona, as well as all rail passenger service, including the local operation in San Bernardino, Colton and Riverside, be abandoned. Under that plan, it was proposed that freight operations be abandoned on the line of Pacific Electric between Corona and Riverside and between Riverside and San Bernardino,

utilizing tracks of Southern Pacific Company between the latter two points, and complete abandonment of the Rialto-Riverside operation.

It was indicated that freight service could be satisfactorily conducted by use of either steam or diesel electric locomotives in substitution for the electric locomotives now used in that operation. There is no evidence of record to refute the contention that appreciable economies could be effected by this plan, through reduction in cost of maintaining electrical overhead distribution trolleys and feeders, electrical substations and track, and the elimination of electric power losses. Applicant contends that, inasmuch as freight service must be continued on the San Bernardino line, rail passenger service, at least on a reduced schedule basis, is justified.

The combination rail and motor coach service, as proposed by applicant, will not involve the expenditure of money for equipment that may later be rendered unnecessary through development of the plan proposed by the Commission's engineers. Although the company's plan does involve a duplication of facilities and thereby falls short of the maximum economies that could be realized, it is a step in the right direction and should be granted as a partial solution to the problem, pending further study.

Granting of this portion of the application should not be interpreted as reflecting this Commission's satisfaction with the plan as a whole, and the company is urged to proceed with a detailed and comprehensive analysis of the total motor coach program and abandonments suggested in this record, in order that an ultimate disposition of the matter may be made. These studies should be conducted by applicant and participated in by representatives of the Commission's staff. Upon this basis, it appears that the changes in service, routing and facilities, as proposed by applicant, should be granted.

### Venice Freight Branch

Applicant proposes to abandon that portion of its Inglewood Freight Line located in Venice, known as the Venice Freight Branch, extending from Windward Avenue to a connection with the Inglewood line near Mildred Avenue. No passenger service is conducted over this track and for several years past it has been used only for occasional storage of cars. No revenue has been derived from its use in recent years and it serves no public convenience and necessity. Abandonment of the line, as proposed, will not interfere with continued adequate passenger and freight operations, and the proposal should be granted.

### Los Angeles Local Lines

Although in the general proceeding embraced herein the entire operation of Pacific Electric was involved, as regards service, fares, and facilities, including the Los Angeles Local Lines, the fare question has been disposed of temporarily by a prior interim order herein and the question of service and facilities has already been touched upon to a minor extent. During the progress of these proceedings an investigation was instituted upon the Commission's own motion under Case No. 4461, wherein all local passenger transportation in the Los Angeles metropolitan area was to be given joint study by the Commission's engineering staff. That survey was commenced prior to final submission of the matters herein and is now in progress; therefore, final consideration of the Los Angeles Local Lines of Pacific Electric has been deferred for inclusion under that study. There are, however, certain elements which are directly involved in this proceeding, one of which has thus far not been disposed of.

Under Applications Nos. 23053 and 17984 (40th Supplement), applicant proposed to establish a through motor coach service over

and along substantially the same route as that of the present rail operation on the Echo Park Avenue local lines, and a certificate of public convenience and necessity was requested therefor. Subsequent to the filing of that application, an agreement was arrived at by a committee composed of representatives of the Board of Public Utilities and Transportation of the City of Los Angeles, Pacific Electric and this Commission's engineering staff, wherein joint consideration was given to the disposition of the Venice Short Line, the Santa Monica via Beverly Hills Line, the Hollywood-Vineyard Line, and the Echo Park Avenue local line. In the plan that was agreed upon by the committee, the proposal of applicant to substitute motor coach operation for rail service on the Venice Short Line was to be rescinded, motor coach substitution was to be inaugurated for the rail service on the Santa Monica via Beverly Hills Line and the Echo Park Avenue local line was to remain basically a rail line. Application of the company for motor coach substitution therefore should be denied.

Service on the Edendale Line of Los Angeles local system should be considered at this point, by reason of its association with the Glendale-Burbank suburban operation. By Decision No. 32599 on Application No. 17984 (26th Supplement), Pacific Electric was authorized to reestablish all-rail service on its Los Angeles-Glendale-Burbank Line in lieu of the dual rail and motor coach operation which had been established sometime prior thereto. The Edendale local rail operation utilizes the same tracks and facilities as the Glendale-Burbank suburban line from Monte Sano to the intersection of Second Street and Glendale Boulevard, where the two lines branch. The suburban line operates into the Subway and the local line proceeds along Second, Figueroa, and Sixth Streets through the central business district to a termination at Central Avenue and Ceres Street.

In accordance with negotiations between the company and the City of Los Angeles, applicant herein requests authority to reroute the Edendale local service into the Subway Terminal, abandoning passenger service between the intersection of Second Street and Glendale Boulevard and the intersection of Ceres and Central Avenue, and to abandon tracks and facilities between San Pedro Street and Central Avenue.

Rerouting the Edendale line into the Subway is in accordance with the recommendations of Mr. Ready, Consulting Engineer employed by the City of Glendale, and with engineers of the Board of Public Utilities and Transportation of the City of Los Angeles, but contrary to those of the Commission's engineers, who favored the existing routing through the downtown area.

A substantial use is made of the existing route through the business area and considerable inconvenience will be caused those persons destined to points south of and along Sixth Street; however, inasmuch as the city franchise for operation on Sixth Street expires early in 1940, and city representatives have indicated that no renewal thereof will be granted, there appears to be no alternative but to grant the application for the rerouting as described. Applicant proposes to retain the tracks in Sixth, Figueroa, and Second Streets between San Pedro Street and Glendale Boulevard for operation of box motor service and as a physical connection between the eastern and western portions of the system, which otherwise would be entirely disconnected.

#### Glendale Local Lines

Disposition of the general Glendale local passenger transportation problem has been made by prior interim order and there remains at this time only minor adjustments to be made in the routing of motor coach lines as prescribed therein, and the establish-

ment of an overlapping zone on the Burbank local line. The changes that appear to be desirable are in accordance with the desires of the Cities of Glendale and Burbank and applicant. Inasmuch as there is no opposition and the adjustments will be in the public interest, they should be placed in effect.

Los Angeles-Newport Beach-Balboa Line

Substitution of motor coach operation for passenger rail service to the area served by this line has been authorized by prior interim order and there remains for disposal herein only the matter of providing an alternate route for the motor coach service. This alternate route is in accordance with the desire of interested parties and involves operating the line through a portion of the local area of Long Beach on the southern edge of the city, thereby providing a more accessible interurban service to Los Angeles for those persons residing adjacent thereto.

Santa Monica via Beverly Hills Line

Authorization for substitution of motor coach service in lieu of passenger rail operation on this line was granted by prior interim order and there remains for disposal herein only the imposition of certain restrictions and the clarification of routing.

Redondo Beach via Playa del Rey Line

Substitution of motor coach operation for rail passenger service on this line has been authorized by prior interim order and there remains for consideration herein only the placing of a restriction upon the handling of local passengers.

Operating Expense Proration Formula

For the purpose of analyzing the various phases of operation, particularly distinguishing between passenger and freight service, it is necessary to have some method of allocating expenses between those operations. Particularly is this true when consider-

ation is being given to adjustments in rates, whether they be passenger or freight.

Applicant has developed a formula designed to perform this function, and by use thereof expenses that are common to the various phases of operation are prorated on various bases. The formula was developed as an outgrowth of the proceedings in connection with Application No. 5806, and has been in use since about 1924. Subsequent to that time there have been major changes in the physical properties, operations, and service of this company. Lines over which combined freight and passenger service was provided have been converted in a number of instances to exclusive freight operations and other rail lines have been abandoned. Since 1923, motor coach operations have increasingly become an important supplement to the rail operation and with it have developed peculiarities of accounting and records which were not of important magnitude when the formula was created.

It was urged by the Commission's witnesses that analysis of the proration formula indicates a need for revision so as to make possible a more equitable allocation of operating costs between freight and passenger operations, primarily, between motor coach and rail operations and between local and interurban passenger rail service. Informally the matter of revision has been discussed with representatives of the engineering staff of the Board of Public Utilities and Transportation of the City of Los Angeles, the accounting and research departments of the company and the accounting and engineering staffs of the Railroad Commission, and it has been agreed that modification of the formula is desirable.

Due to the many changes in applicant's service, operations and facilities that will result as an outgrowth of these proceedings, numerous of which will not be culminated in the normal rehabilitation



program until sometime in the future, all of the elements necessary to the development of the proper formula are not now available; however, at the earliest possible date the matter should be studied by applicant.

NOTICE

Pacific Electric Railway Company and Los Angeles Motor Coach Company, through its owners Pacific Electric Railway Company and Los Angeles Railway Corporation, are 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

Pacific Electric Railway Company having applied to the Commission for an order authorizing increases in certain passenger fares; certain changes in its rail system, or portions thereof, in the nature of abandonment of rail lines and facilities, discontinuance of rail passenger service, discontinuance of rail freight service, and substitution of motor coach service for passenger rail service; rerouting of motor coach lines; and adjustments in passenger service; and

Los Angeles Motor Coach Company having applied to the

Commission for an order authorizing adjustments in certain passenger fares and the extension of its motor coach lines into areas that would otherwise be deprived of passenger transportation upon abandonment of rail service as proposed by Pacific Electric Railway Company; and

Public hearings having been held in those consolidated matters, prior interim orders having been issued disposing of certain portions thereof heretofore submitted, those phases not decided heretofore by said interim orders now having been submitted in their entirety, and the Commission being fully apprised in the premises;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation of automotive passenger stage service, as that term is defined in Section 2 $\frac{1}{4}$  of the Public Utilities Act, for the transportation of passengers and baggage over the following described routes, to be consolidated with the remainder of the operating rights of the carriers indicated:

I. PACIFIC ELECTRIC RAILWAY COMPANY

A. Los Angeles-San Bernardino Line

Commencing at the Union Bus Depot located at Fifth and Los Angeles Streets in Los Angeles, thence via Los Angeles Street, Aliso Street, Ramona Boulevard, Garvey Avenue, Holt Avenue (City of Pomona), Alexander Avenue, Arrow Highway, College Avenue (City of Claremont), Sixth Street, West Arrow Highway, East Arrow Highway (City of Upland), San Bernardino Road, Foothill Boulevard, Mt. Vernon Avenue and Third Street to Pacific Electric Station, between "E" and "F" Streets in San Bernardino, and return via the reverse thereof.

Also an alternate route in the City of Pomona via Holt Avenue, Main Street, private right of way through Southern Pacific Company's station grounds (or via Commercial Street), Garvey Avenue, thence connecting with the through route described above at Holt Avenue, and return via the reverse thereof.

Also alternate route in the City of Upland via East Arrow Highway, Second Avenue, private right of way in front of Pacific Electric Station, Third Avenue, thence connecting with the through route described above at East Arrow Highway, and return via the reverse thereof.

B. Pasadena Local Lines

Line "A" - Lincoln Avenue-Lamanda Park  
(Trolley coaches or motor coaches to be optional).

From Palm Street and Olive Avenue via Olive Avenue, Ventura Street, Lincoln Avenue, Fair Oaks Avenue and Colorado Street to:

- (1) Daisy Avenue if trolley coaches are installed.
- (2) Rosemead Boulevard if motor coaches are installed.

Line "B" - Los Robles Avenue-North Orange Grove Avenue

From Mariposa Street and Santa Anita Avenue via Santa Anita Avenue, Woodbury Road, Los Robles Avenue, Colorado Street to Fair Oaks Avenue; thence via alternate routes:

- (1) From Fair Oaks Avenue and Colorado Street via Fair Oaks Avenue, California Street, and Arroyo Boulevard to La Loma Road.
- (2) From Fair Oaks Avenue and Colorado Street via Colorado Street and Orange Grove Avenue to Prospect Street.

Return via reverse thereof.

Line "C" - Hill Avenue-Colorado Street  
(Trolley coaches or motor coaches to be optional).

From Morada Place and Hill Avenue via Hill Avenue, Colorado Street, Fair Oaks Avenue and Green Street to Delacy Street. Return via Delacy Street and Colorado Street, thence via the reverse of the remainder of the above route.

Line "D" - Allen Avenue-California Street

From Meadowbrook Road and Allen Avenue via Allen Avenue, San Pasqual Street, Catalina Avenue, California Street, Los Robles Avenue, Green Street, Fair Oaks Avenue to Colorado Street. Return via Colorado Street and Los Robles Avenue, thence via the reverse of the remainder of the above route.

Line "E" - Craig Avenue-Washington Street

From Washington Street and Fair Oaks Avenue via Washington Street, Foothill Boulevard, Cooley Place and Craig Avenue to Colorado Street. Return via the reverse thereof.

Line "F" - Lake Avenue-Fair Oaks Avenue  
(Trolley coaches or motor coaches to be optional).

From Mariposa Street and Fair Oaks Avenue via Fair Oaks Avenue, Colorado Street, Lake Avenue, Palm Avenue, Maiden Lane, Mt. Curve Avenue and Alta Vista Drive to Lake Avenue. Return via Lake Avenue, thence via the reverse of the remainder of the above route.

Line "G" - Avenue 64-Highland Park

From Los Nobles Avenue and Colorado Street via Colorado Street, Melrose Avenue, Avenue 64, Pasadena Avenue and North Figueroa Street to Avenue 57. Return via the reverse thereof.

Line "H" - Daisy Avenue-Rosemead Boulevard  
(To be established in the event trolley coaches are installed on Line "A.")

From Estado Street and Daisy Avenue via Daisy Avenue, Colorado Street, Madre Street and Blanche Street to Rosemead Boulevard. Return via the reverse thereof.

C. Los Angeles-Newport Beach-Balboa Line

From the Union Bus Depot at Fifth and Los Angeles Streets in Los Angeles, via Los Angeles Street, Sixth Street, Boyle Avenue, Eighth Street, Olympia Boulevard, Ninth Street, Anaheim-Telegraph Road, Lakewood Boulevard; thence State Highway 101 through Huntington Beach to Newport Beach Junction; thence via Coast Boulevard (Newport Beach); thence through Balboa via Central Avenue, Ocean Boulevard and "I" Street to Central Avenue. Return via Central Avenue and the reverse of the remainder of the above route.

Also an alternate route from the intersection of Hathaway and Ximeno Avenues in Long Beach, via Ximeno Avenue, Livingston Drive, Second Street, and Coast Highway to State Highway 101 in Seal Beach. Return via the reverse thereof.

II. LOS ANGELES MOTOR COACH COMPANY

An alternate routing of the Wilshire Boulevard Line from the intersection of San Vicente Boulevard and Wilshire Boulevard in West Los Angeles, via San Vicente Boulevard and Ocean Avenue to Broadway in Santa Monica. Return via the reverse thereof.

IT IS HEREBY ORDERED:

I.

That a certificate of public convenience and necessity be and it is hereby granted to Pacific Electric Railway Company for automotive passenger stage service for the transportation of passengers and baggage over the routes hereinbefore described, subject to the following conditions:

- (1) Pacific Electric Railway Company shall file its written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the date hereof.
- (2) Pacific Electric Railway Company shall commence the service herein authorized within a period of not to exceed six (6) months from the effective date hereof, and shall file in triplicate and concurrently make effective, on not less than ten (10) 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, rules and regulations which, in volume and effect, shall be identical with the proposed rates, rules and regulations shown in the exhibits attached to the applications (No. 23053 and No. 17984, 40th Supplement), in so far as they conform to the certificate herein granted, or rates, rules and regulations satisfactory to the Railroad Commission.
- (3) Pacific Electric Railway Company shall file in duplicate, and make effective within a period of not to exceed six (6) months from the effective date of this order, on not less than ten (10) days' notice to the Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (4) 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.
- (5) No vehicle may be operated by Pacific Electric Railway Company under the certificate granted herein, unless such vehicle is owned by said company or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Pacific Electric Railway Company may turn its motor vehicles at termini or intermediate points, 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 political subdivisions affected may require.

- (7) To the extent that the automotive passenger stage service authorized herein is to be established in lieu of rail passenger service to be abandoned, the two shall be effectuated concurrently.
- (8) Pacific Electric Railway Company shall notify this Commission, in writing, within a period not to exceed sixty (60) days from the date hereof, as to its final decision on the option granted herein to install either motor coaches or trolley coaches in replacement of existing Birney rail cars on the two local rail lines in Pasadena.

## II.

That a certificate of public convenience and necessity be and it is hereby granted to Pacific Electric Railway Company and Los Angeles Railway Corporation, operating as Los Angeles Motor Coach Company, for automotive passenger stage service for the transportation of passengers and baggage over the route hereinbefore described, subject to the following conditions:

- (1) Los Angeles Motor Coach Company shall file its written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the date hereof.
- (2) Los Angeles Motor Coach Company shall commence the service herein authorized within a period not to exceed six (6) months from the effective date hereof, and shall file in triplicate and concurrently make effective, on not less than ten (10) 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, rules and regulations which, in volume and effect, shall be identical with the proposed rates, rules and regulations shown in the exhibits attached to the applications (No. 23053 and No. 17984, 40th Supplement), in so far as they conform to the certificate herein granted, or rates, rules and regulations satisfactory to the Railroad Commission.
- (3) Los Angeles Motor Coach Company shall file in duplicate and make effective, within a period of not to exceed six (6) months from the effective date of this order, on not less than ten (10) days' notice to the Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.

- (4) 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.
- (5) No vehicle may be operated by Los Angeles Motor Coach Company under the certificate granted herein unless such vehicle is owned by said company or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Los Angeles Motor Coach Company may turn its motor vehicles at Termini or intermediate points, 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 political subdivisions affected may require.
- (7) The service herein authorized shall be established concurrently with the abandonment of rail passenger service on the Brentwood line of Pacific Electric Railway Company

### III.

That Pacific Electric Railway Company be and it is hereby authorized to discontinue passenger service on certain portions of its system, described as follows:

A - Brentwood Rail Line

From Santa Monica Boulevard in West Los Angeles, via private right of way to Wilshire Boulevard, thence via San Vicente Boulevard and Ocean Avenue to Santa Monica.

B - Los Angeles-Santa Monica via Hollywood Rail Line

From Beverly Hills to Santa Monica.

C - Pomona-Claremont Motor Coach Line

From Third Street and Garvey Avenue in Pomona via North Pomona to First Street and College Avenue in Claremont.

D - Rialto-Riverside Rail Line

From Rialto to Riverside.

E - Pasadena Local Lines

- (1) Lincoln Avenue-Lamanda Park rail line in its entirety.

E - Pasadena Local Lines (Cont'd)

- (2) North Fair Oaks-North Lake Avenue rail line in its entirety.
- (3) Mar Vista Avenue motor coach line in its entirety.
- (4) Mendocino-New York Avenue motor coach line in its entirety.
- (5) North and South Marengo-East Washington line from Washington Street and Marengo Avenue, south on Marengo Avenue, thence via California Street, Los Robles Avenue, Glenarm Street, Pasadena Avenue, Columbia Street, and Fair Oaks Avenue.
- (6) North Los Robles-North Orange Grove Avenue motor coach line along North Orange Grove Avenue from Prospect Street to Marengo Avenue and on Atchison Street between Marengo Avenue and Madison Avenue, thence via Madison Avenue and Woodbury Road to Los Robles Avenue, and on Marengo Avenue from Atchison Street to Montana Street, thence via Montana Street to Los Robles Avenue.
- (7) California Street motor coach line on California Street from Catalina Avenue to Sierra Bonita Avenue, thence on Sierra Bonita Avenue to Oakdale Street, Oakdale Street to Allen Avenue, Allen Avenue to Blanche Street, Blanche Street to Hill Avenue, thence on Hill Avenue to San Pasqual Street, on Raymond Avenue between Colorado Street and California Street, and on California Street between Raymond Avenue and Fair Oaks Avenue.
- (8) Allen Avenue motor coach line on Casa Grande Street between Allen Avenue and Craig Avenue, on Craig Avenue between Casa Grande Street and Cecloy Place, and on Villa Street between Craig Avenue and Allen Avenue.
- (9) Oak Tree-Flintridge motor coach line on Delacy Street, Union Street and Fair Oaks Avenue.

F - Los Angeles-Edendale Local Rail Line

From Second Street and Glendale Boulevard, along Second Street, Figueroa Street, Sixth Street, and Cores Street to Central Avenue.

G - Los Angeles-Pasadena Suburban Rail Lines

On North Lake Avenue north of Colorado Street and on North Fair Oaks Avenue north of Walnut Street.



Discontinuance of passenger service over and along the routes as described above shall be subject 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 or coaches operating over the lines and at all stations affected.
- (2) Pacific Electric Railway Company shall advise the Commission, in writing, within thirty (30) days thereafter, of the discontinuance of the passenger service authorized herein.
- (3) Pacific Electric Railway Company 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) Pacific Electric Railway Company shall, within thirty (30) days thereafter, notify this Commission, in writing, of its compliance with the conditions of this order.
- (5) The authorization herein granted shall lapse and become void if not exercised within one (1) year from the date hereof, unless further time is granted by subsequent order.

#### IV.

That Pacific Electric Railway Company be and it is hereby authorized to abandon certain portions of its tracks and facilities described as follows:

##### A - Brentwood Line

A single track commencing at connection to track in Santa Monica Boulevard (West Los Angeles), thence northerly on private right of way to a point 175 feet, more or less, north of north line of Santa Monica Boulevard, thence a double track continuing westerly over private right of way to San Vicente Boulevard and Ocean Avenue, thence southerly to Santa Monica Boulevard in Santa Monica, together with cross-overs and spur tracks.

##### B - Venico Freight Branch

A double track commencing at a connection with the present tracks in Pacific Avenue near Windward Avenue (Venico), thence easterly over private right of way to the end of double track

near the north roadway of Venice Boulevard, thence single track easterly over the Venice Short Line to a connection with the Inglewood Line near Washington Boulevard, together with spur tracks, cross-overs and tracks connecting with the Venice Short Line.

C - Rialto-Riverside Line

A single track in Market Street commencing at a point 190 feet, more or less, north of north line of Houghton Avenue, to a point 200 feet, more or less, south of south line of First Street, all in Riverside.

D - Motor Transit Depot at Pomona

Located at 295 South Main Street in the City of Pomona.

E - Pasadena Local Lines

- (1) Altadena Line - A double track commencing at Walnut Street and Fair Oaks Avenue, thence northerly on Fair Oaks Avenue to Mariposa Street, thence easterly on Mariposa Street to a connection with the double track on Lake Avenue at Mariposa Street in Altadena, together with cross-over tracks.
- (2) Lincoln Avenue Line - A double track commencing at a connection with tracks in Fair Oaks Avenue at Lincoln Avenue, thence westerly and northerly on Lincoln Avenue to end of line at Montana Street, together with cross-over tracks.
- (3) East Colorado Street Line - A double track commencing at the double track turnout to track in Lake Avenue at Colorado Street and Lake Avenue, thence easterly on Colorado Street to a connection with the Sierra Madre Line, thence a single track easterly from a point just west of Huntington Drive to the end of line at Daisy Avenue, together with cross-over tracks.
- (4) Lake Avenue Line - A double track commencing at connection in South Lake Avenue to curve connection to Colorado Street at Colorado Street and Lake Avenue, thence northerly on Lake Avenue to Woodbury Road, thence a single track to Beverly Way, thence a double track to connection with Altadena Line at Mariposa Street and Lake Avenue, together with cross-over tracks, spur tracks and connecting curves at Lake Avenue and Colorado Street.

F - Los Angeles-Edendale Local Line

A double track line commencing at a point in Sixth Street, near the westerly side of San Pedro Street; thence easterly on Sixth Street to Ceres Street, thence northeasterly and northerly on Ceres Street and Central Avenue to a point 275 feet, more or less, from the center of Fifth Street, thence single track northerly and easterly to end of line just south of Fourth Street and easterly from Central Avenue, together with all cross-overs and spur tracks and the connecting curves from San Pedro Street easterly to Sixth Street.

V.

That Pacific Electric Railway Company be and it is hereby authorized to make certain changes in its motor coach routes as established by prior interim order in this proceeding, to conform with the routing hereinafter described.

A - Glendale Local Lines

Line No. 2 - Westbound; that portion of the routing between the intersection of Allen Avenue and Bel Aire Drive and the end of the line, as established by Decision No. 32599, be rerouted northwesterly on Bel Aire Drive to Elm Avenue, northeasterly to Mountain Street and northwesterly to Alameda Avenue.

Line No. 3 - Eastbound; that portion of the routing between the intersection of Adams Street and Palmer Avenue and the end of the line, as established by Decision No. 32599, be rerouted as follows: West on Palmer Avenue to Glendale Avenue, south to Los Feliz Boulevard, west to Brand Boulevard, north to Chevy Chase Drive, east to Boynton Street, south to Palmer Avenue, thence westbound via the reverse of the eastbound route.

Line No. 4 - Westbound; that portion of the routing between the intersection of Kenneth Road and Alameda Avenue and the end of the line at San Fernando Road in Burbank, as established by Decision No. 32599, be rerouted as follows: Northeast on Alameda Avenue to Tenth Street, northwest to Harvard Road, southwesterly to Kenneth Road, southeasterly to Olive Avenue, thence southwest to the end of line at San Fernando

Road, with an optional routing on Cypress Avenue between Kenneth Road and Tenth Street, in the event insufficient time is available to maintain schedules over the above described route.

B - Los Angeles-Santa Monica Motor Coach Line

Expand the route as authorized by Decision No. 32858 as follows: From an off-street terminal at Temple and Hill Streets, south on Hill Street to Olympic Boulevard, thence west to San Vicente Boulevard, west to Burton Way, west to Canon Drive, north to Santa Monica Boulevard, west to Ocean Avenue, south to Pico Street, west to Main Street and south to Pier Avenue in Ocean Park, returning via the reverse thereof.

VI.

That Pacific Electric Railway Company's passenger rail and motor coach operations be subjected to certain restrictions as follows:

A - Los Angeles-Santa Monica via Beverly Hills Motor Coach Line

- (1) No passengers shall be handled locally between terminal of line at Temple and Hill Streets and the intersection of Fairfax Avenue and Olympic Boulevard and intermediate points, inclusive of both limits, all within the City of Los Angeles. This restriction does not prohibit the transportation of passengers to and from points within the restricted area from and to points outside the restricted area.
- (2) Along that portion of the route between the intersection of Pier Avenue and Main Street, and the intersection of Santa Monica Boulevard and Westwood Boulevard, local transportation of passengers between points located therein, inclusive of both limiting points, shall be confined to through interurban schedules.

B - Los Angeles-Redondo Beach Motor Coach Line

Along that portion of the route between the Subway Terminal and the intersection of La Brea Avenue and Slauson Avenue, both inclusive, and intermediate points, all within the City of Los Angeles, no passengers shall be carried locally. This restriction does not prohibit the transportation of passengers to and from points within the restricted area from and to points outside.

C - Los Angeles-Newport Beach-Balboa Motor Coach Line

No passengers shall be handled locally between points intermediate to the intersection of Hathaway and Ximeno Avenues and the intersection of Second Street and San Gabriel River, all within the City of Long Beach. This restriction shall not prohibit the transportation of passengers to and from points within the restricted area from and to points beyond.

VII.

That Pacific Electric Railway Company shall within one year from the date hereof:

- A - Replace all passenger motor coaches used in regular service that shall have attained an age in excess of ten (10) years and shall thereafter, except in emergencies, retain in regular service no passenger motor coaches in excess of ten (10) years of age.
- B - Permanently abandon from passenger service all Class-300 Birney rail cars now used in Pasadena local service and replace with new motor coaches or electric trolley coaches,
- C - Permanently abandon from regular passenger service all wooden bodied rail cars except for a sufficient number to be reserved for service on special occasions.
- D - In special instances, upon written request, exemptions may be granted by this Commission to items A and C above.

The age limits specified above are not to be construed as specifying the proper age of motor coaches in passenger service for depreciation purposes or for any purpose other than that of this Order.

VIII.

That Pacific Electric Railway Company submit to the Commission, in writing, within a period not to exceed six (6) months from the effective date hereof, a program of rehabilitation of

its properties including:

- A - The number, type, manufacturer, capacity and actual or anticipated unit cost of new motor coaches, rail cars and trolley coaches, if any, the date on which purchase orders were placed or will be placed, the anticipated date of delivery and the lines on which they are to be or have been installed.
- B - The number and class of presently operated rail cars to be rehabilitated, the unit cost thereof, the dates of commencement and completion and the lines on which such equipment is to be installed.
- C - The number and class of present rail cars to be abandoned from regular passenger service, the number to be permanently abandoned, and the number of wooden bodied cars to be retained for use on special occasions.
- D - The anticipated reconstruction and rehabilitation of track and roadway and other facilities, setting forth the estimated dates of commencement and completion of work, and cost.

#### IX.

That Pacific Electric Railway Company establish, within sixty (60) days from the effective date hereof, upon not less than five (5) days' notice to the Commission and the public, tariffs containing the following fares, in addition to and supplementing the fares ordered in prior interim orders in this proceeding, said fares as prescribed herein to supersede and render null and void all fares ordered in the aforementioned interim orders, wherein the provisions of those orders are in conflict with the fares provided for herein:

A - Pasadena Local Lines

- (1) Establish a Pasadena local fare zone to include all local lines, except that the zone limit on the Avenue 64-Highland Park line shall be located at Burleigh Drive; on the Los Angeles-Pasadena Oak Knoll Line at Monterey Road; and on the Los Angeles-Pasadena Short Line at Columbia Street.

- (2) Establish a South Pasadena local fare zone on Fair Oaks Avenue between Columbia and Mission Streets.
- (3) Establish a fare of 7 cents, with four tickets or tokens for 25¢, including transfer, to apply between all points in the Pasadena local zone as described above.
- (4) Establish a fare of 7 cents, with four tickets or tokens for 25¢ between points in the South Pasadena zone along Fair Oaks Avenue to Union Street, with transfer privilege restricted to lines on Colorado Street between Fair Oaks and Lake Avenues.
- (5) On the Avenue 64-Highland Park line establish a fare of 7 cents, with four tickets or tokens for 25¢, between Adelaide Place and Annandale Road, and a fare of 10 cents from Adelaide Place to Los Robles Avenue and Colorado Street, with transfer privilege restricted to lines on Colorado Street between Los Robles and Lake Avenues.

B - Glendale Local Lines

Extend the Burbank local zone on Line No. 4 from its present limit at Alameda Street easterly to Grandview Avenue.

C - Los Angeles-Pomona-San Bernardino Motor Coach Line

- (1) Establish a 7-cent fare between Lytle Creek and San Bernardino.
- (2) Amend the proposed fare schedule, attached to Application No. 17984 (40th Supplement), as Exhibit XIX-D (Pages 1 and 2), by eliminating side line fare point indicated as "Mt. Vernon and Foothill" and inserting in lieu thereof "Lytle Creek and Foothill."

X.

That Application No. 18820 (18th Supplement), be and it is hereby denied.

XI.

That Section X of Applications Nos. 23053 and 17984 (40th Supplement), relating to substitution of motor coach service for rail service on the Echo Park Line in Los Angeles, be and it is hereby denied.

XII.

That prior interim orders in these proceedings, in so far as they are not in conflict with the provisions of this Order, shall be made a part hereof.

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 Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

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 14<sup>th</sup> day of May, 1940.

Ray L. Riley  
David A. Smith  
Robert A. Smith  
H. J. Smith

Commissioners