

ORIGINAL

Decision No. 33445

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
the INTERURBAN ELECTRIC RAILWAY)
COMPANY for authority to discontinue) Application No. 23312
its operations.)

E. J. FOULDS and F. J. GALLAGHER, for the Interurban
Electric Railway Company.

HERBERT W. ERSKINE and EDWARD P. MURPEY, for the
California Toll Bridge Authority.

WILBUR S. PIERCE, for the Amalgamated Association of
Street Railway and Motor Coach Employees of
America, Division 192.

CLIFTON HILDEBRAND, for the various Railroad Brother-
hoods and Labor Organizations.

JOHN F. HASSLER, City Manager, F. B. FERNEOFF, City
Attorney, KERWIN ROONEY, Deputy City Attorney,
and WALTER W. COOPER, Public Utility Statistician,
for the City of Oakland.

HENRY A. WEICHEHART, Mayor, H. ALBERT GEORGE, City
Attorney, and CHARLES SCHWANENBERG, City Manager,
for the City of Alameda.

CHESTER C. FISK, City Manager, FRED C. HUTCHINSON,
City Attorney, JOHN D. PHILLIPS, Assistant City
Attorney, for the City of Berkeley.

JOSEPH J. YOUNG, City Attorney, and B. W. MOWDAY,
Councilman, for the City of Albany.

JOHN J. O'TOOLE, City Attorney, DION R. HOLM,
Utilities Council, and PAUL BECK, for the City
and County of San Francisco.

GEORGE J. LACOSTE, City Attorney, for the Town of
Emeryville.

GEORGE P. MILLER, in propria persona.

ALBERT L. POE, City Attorney, for the City of San
Leandro.

WALTER A. ROEDE, for the Chamber of Commerce of the
City and County of San Francisco.

EDWIN G. WILCOX, for the Oakland Chamber of Commerce.

J. D. SARBER, for the Berkeley Chamber of Commerce.

IRVIN H. KAEN and DUDLEY F. FROST, for the Downtown
Property Owners Association, Oakland.

FRED E. REED, for the East Bay Regional Planning
Association.

JOHN DEADRICE and LESLIE J. FREEMAN, for the San
Leandro Chamber of Commerce.

NORMAN OGILVIE and PORTER GILES, for the Oakland
Real Estate Board.

F. C. STARR and JOHN A. BOHN, for the Central Council
of East Bay Service and Improvement Clubs.

F. P. KENSINGER, in propria persona.

C. B. HUNTER, for the Glenview Improvement Club and
East Bay Central Council of Civic and Improve-
ment Clubs.

ROY COVERT, in propria persona.

J. C. PARSONS, in propria persona.

A. W. BROWN, for the Berkeley View Terrace Association.

FRANK NEVILLE, for the Alameda Real Estate Board.

G. J. RICHARDSON, for Encinal Terminal.

W. K. POWELL, for Fernside Home Owners Association,
and Fernside Marina.

J. RAGNAR MONTIN, for Alameda Municipal Transportation
League.

C. C. HOWARD, in propria persona.

FRANK A. GOTTSTEIN, in propria persona.

C. E. MASON, in propria persona.

PAUL J. DEMPSEY, City Attorney, of San Leandro, sub-
stituted for the former appearance of Albert L.
Poe, for the City of San Leandro.

RILEY, COMMISSIONER:

O P I N I O N

Interurban passenger transportation service is provided between San Francisco and certain East Bay cities in Alameda and Contra Costa counties by Interurban Electric Railway Company (1) and Key System, both incorporated under the laws of the State of California and each operating independently of the other in so far as ownership and control are concerned. The service of Interurban consists entirely of electrified rail lines whereas that of Key System includes both electric rail lines and motor coach lines.

Rail operations of both carriers utilize jointly the state-owned facilities of the Bridge Railway consisting of the San Francisco terminal, together with its elevated track connections to the bridge, the double track on the bridge and through the Yerba Buena Island tunnel, and the service yards and facilities on the eastern approach to the bridge, including the overhead wye at 26th Street in Oakland. From the East Bay yards the lines of the two companies diverge to serve their respective pickup and distribution areas which are contiguous but essentially non-competitive.

Interurban Electric Railway Company has \$200,000 par value of common stock outstanding. It is all owned by Southern Pacific Company. Except for the facilities owned by the State of California, to which reference will hereafter be made, and certain electric substations on the bridge all the railroad properties used by Interurban in its operations are leased from the Southern Pacific Company or from its subsidiaries.

Both Key System and East Bay Transit Company are subsidiaries of Railway Equipment and Realty Company, Ltd. East Bay Transit Company provides local passenger transportation

(1) Sometimes hereafter referred to as Interurban.

in the same general area served by lines of the two interurban carriers on the east side of the bay.

On February 26, 1940, Interurban filed Application No. 23312 with this Commission requesting authority to discontinue passenger service upon all of its several interurban rail lines and to cancel all tariffs and operating schedules applicable thereto, it being alleged that said transbay passenger operations are conducted at a financial loss of such magnitude as to be no longer endurable. Application was also filed with the Interstate Commerce Commission ⁽²⁾ by Interurban for authority to discontinue passenger service and by Southern Pacific Company to abandon certain portions of the track and facilities used by Interurban upon which hearings have already been held.

Application was filed by Key System on February 26, 1940, requesting authority for the expansion of its passenger service to include the area now served by Interurban which would otherwise be left without service should that carrier withdraw from the field. Although no definite plan of routing, service, or facilities was offered, Key System proposed to file an amended or supplemental application submitting in detail a plan of substitute service in the event the application of Interurban should be granted.

Prior to the filing of the instant application and that of Key System, this Commission instituted an investigation upon its own motion designed to embrace a complete and thorough analysis of all phases of operation of both Interurban and Key System, including, in addition thereto, the local passenger transportation facilities of East Bay Transit Company. ⁽³⁾

(2) Finance Docket Nos. 12791 and 12792.

(3) Case No. 4478 filed December 5, 1939.

Due to the close relationship between the elements involved in these three formal proceedings before this Commission they were consolidated for receipt of evidence and preliminary hearings were held in the various East Bay cities. During the course of those hearings statements of policy, testimony, and exhibits were received from applicants herein, from Key System, and from representatives of the several cities involved as well as individual and civic groups, whose interests would be affected by the proposed action. In addition, members of the Commission's staff submitted evidence pertaining to the financial statements of the two carriers.

Further hearings were held in San Francisco on June 27, June 28, and July 1, 1940, at which Interurban completed its showing upon Application No. 23312 for discontinuance of service and evidence was presented also by members of the Commission's staff and by other participating interests. Exhibit No. 25 prepared by the Transportation Research Engineer for the Commission sets forth in considerable detail his analysis of Interurban's past operations and conclusions as to probable future results. (4)

Both Interurban and Key System then urged the Commission not to delay an expression of its judgment relative to the application of Interurban to discontinue service, it being the contention of Interurban that its showing of financial necessity compels the early cessation of operations. Key System pointed out that its participation in the development of any comprehensive

(4) Exhibit No. 25, comprising Volume II of four volumes to be prepared as follows:

Volume I -- General Transportation and Statistical Data
Volume II -- Analysis of Interurban Electric Railway Company
Volume III -- Analysis of Key System and Affiliated Companies
Volume IV -- Basic Considerations and Development of a
Transportation Plan.

plan for the extension of service into the territory which may no longer be served by Interurban cannot well be undertaken until at least a tentative opinion is expressed by the Commission upon this fundamental issue. It appearing to the Commission that it would expedite final decision upon all the matters involved in these several proceedings by giving separate consideration to Interurban's application, that application was taken under submission for consideration and decision and the other matters were adjourned to a date to be set for further hearing.

On July 1, 1940, Application No. 23312 was submitted on briefs, and the other two matters adjourned to a date to be set.

Interurban Electric Railway Company functions as an operating company only under the control of Southern Pacific Company by stock ownership. It owns no railroad property with exception of an interest in two electrical substations constructed to supply electrical energy to the bridge railway facilities, and other minor office fixtures and automotive equipment. Of the 145 rail cars used in the service of Interurban, 58 are owned by the State of California and 87 are owned by Southern Pacific Company and leased to Interurban. That portion of the track and electrical facilities west of the overhead wye is owned by the State of California, with exception of the substations mentioned above, and the remainder east of the wye is owned by Southern Pacific Company or its subsidiaries and leased to Interurban.

Exhibit No. 25 shows the track mileage owned by Southern Pacific Company and used by Interurban as of December 31, 1939, to be:

First main track	40.15 miles
Second main track	41.54 miles
Sidings and Turnouts	3.05 miles
Carhouses, Shops, etc.	<u>15.20 miles</u>
Total Track Miles	99.94 miles

Route miles by lines are shown by that exhibit to be:

<u>Line</u>	<u>Route</u>	<u>Not Joint with Other Track</u>	<u>Bridge Railway</u>	<u>Private R.of W.</u>	<u>Paved Street</u>
Ninth Street	12.98	4.91	7.18	2.40	3.40
Shattuck Avenue	12.70	5.52	7.18	2.70	2.82
Seventh Street	19.03	12.14	7.19	6.40	5.44
Encinal Avenue	19.76	6.50	7.19	5.60	6.97
Lincoln Avenue	18.02	3.46	7.19	5.60	5.23
<u>Total</u>	<u>82.49</u>	<u>32.53</u>	<u>35.93</u>	<u>22.70</u>	<u>23.86</u>

No freight business is conducted by Interurban although Southern Pacific Company operates freight service over portions of the track used by Interurban on the Seventh Street line between Havenscourt and Dowling, and between Fallon Street and Melrose; on the Alameda Lincoln Avenue line between its point of junction with the Seventh Street line and West Alameda; on the Shattuck Avenue line from near the 34th Street junction to Dwight Way; and on the Ninth Street line from its junction with the Shattuck Avenue line to a point near Heinz Avenue.

Key System provides an interurban passenger transportation service between San Francisco and the East Bay cities, in Alameda and Contra Costa counties, similar in character to the type of service provided by Interurban, except that its rail service is supplemented by several interurban motor coach lines also operating over the bridge.

On the Bridge Railway the only appreciable difference in the facilities of the two carriers is that Interurban cars

are supplied with power at 1200 volts and those of Key System at 600 volts, the former collecting current via pantographs from and overhead trolley and the latter via contact shoes from a third rail. Key System cars are of the articulated three-truck type, and those of Interurban are single units.

The East Bay territory is divided between the lines of the two carriers in such a fashion as to afford full coverage, within practical limits, without unnecessary duplication of service and facilities. Existing transbay interurban fares on the lines of the two carriers are identical and commutation tickets are interchangeable.

The San Francisco-Oakland Bay Bridge is a double-decked structure, designed to accommodate six lanes of automotive vehicular traffic on the upper deck, with the lower deck devoted to three lanes for trucks, motor coaches, and other commercial vehicles, and two electrified standard gauge interurban rail tracks, separated from the vehicular lanes.

In addition to the facilities on the bridge and its approaches, a passenger rail terminal was constructed within walking distance of the main financial and commercial districts in San Francisco, and repair, storage, and switching facilities were provided on the Key System Mole near the eastern approach to the bridge. These facilities were constructed and are owned by the State of California and are under the jurisdiction of the California Toll Bridge Authority. By agreement between the carriers and the Toll Bridge Authority each carrier is required to collect for the account of and to pay over to the Toll Bridge Authority a toll of 2½ cents for each passenger carried and in addition thereto to maintain the rail facilities.⁽⁵⁾

(5) The contract between the Toll Bridge Authority and the carriers was approved by the Railroad Commission in its Decision No. 28671 dated March 23, 1936.

The cost of maintenance is shared by the two interurban companies and the Sacramento Northern Railway which also operates into San Francisco. The same fares in effect during ferry boat operation were retained under bridge operation, the 2½-cent toll being absorbed by the carriers. It was agreed by Interurban and Key System that for a period of eighteen months after commencement of rail operations over the bridge no increase in rail fares would be sought.

Prior to the opening of the San Francisco-Oakland Bay Bridge to interurban rail traffic, Key System and Interurban's predecessor, Southern Pacific Company, provided passenger service across the Bay by ferry boat, each carrier operating its own fleet and connecting with its rail systems in the East Bay area. Except for bridge connecting tracks the rail lines serving the East Bay area were unchanged when ferry boat operation was discontinued.

For many years it had been contemplated to construct a bridge across the Bay connecting San Francisco with the East Bay communities and it was not until November 12, 1936, that such a plan finally reached a stage of reality and the bridge was opened to automobile traffic. It was not until January 15, 1939, that the bridge was opened to rail service.

Numerous estimates were made prior to construction of the bridge as to the probable interurban passenger traffic that would flow over the electric lines of the two carriers upon completion of the bridge and the closing of the rail link between the two sides of the Bay. Those estimates indicated that a large increase in interurban rail patronage would follow as a result of replacing the ferry boats with a continuous rail service over the bridge and that an improvement in the financial condition of the

carriers would result. Actual experience has resulted in far less volume than was predicted by the most pessimistic estimates. Interurban passenger traffic on the lines of the two carriers for the first year of operation has been far below that anticipated and correspondingly revenues that were hoped for have not been realized. On the other hand automotive vehicular traffic over the bridge has far surpassed that anticipated.

By reason of the unpredicted expansion of automobile traffic over the bridge the initial automobile fare has been reduced by successive steps from 65 cents for a car and four occupants and 5 cents for each passenger thereafter, to 25 cents one-way with unlimited passengers as of July 1, 1940. (6) As of that date automobile commutation fares were established at \$8.00 for a 40-ride book and \$10.00 for a calendar month excluding Sundays. On the basis of the price of a 40-ride book five passengers in an automobile can commute at a rate of 4 cents per trip, excluding costs incident to fuel and maintenance, as compared to the effective commutation rate per trips on the rail lines of 14.6 cents. On the basis of the full cost of a monthly commutation fare the comparison per person is \$2.00 by automobile and \$6.50 by train.

The average monthly number of automobiles, including auto trailers and light commercial vehicles, crossing the bridge by years is as follows:

(6) Establishment of tolls for transportation over the bridge applying to both interurban passengers and automotive vehicles falls entirely under the jurisdiction of the California Toll Bridge Authority and does not require sanction of the Railroad Commission.

Monthly Average Automobiles Using Bay Bridge
(Exhibit No. 28)

Year	Cash Toll		Commutation		Total	
	Number	% Increase	Number	% Increase	Number	% Increase
1937	652,642	-	61,096	-	713,738	-
1938	576,425	(11.7)	78,295	28.1	654,720	(8.3)
1939	746,415	29.5	83,970	7.2	830,385	26.9
1st 6 mo. 1940	829,392	26.3*	111,614	41.6*	941,006	27.9*

() - Indicates decrease

* Relates to corresponding period of previous year.

Transbay passenger revenue earned by Interurban has experienced a consistent decrease for each year since the bridge was opened to automobile traffic as shown by the following tabulation:

Monthly Average Transbay Passenger Revenue
of Interurban
(Exhibit No. 25)

<u>Year</u>	<u>Amount</u>	<u>% Decrease</u>
1935	\$172,313	-
1936	170,236	1.2
1937	149,259	12.3
1938	130,403	12.6
1939	112,421	13.8
1st 6 mo. 1940	102,503	10.7*

* Relates to corresponding period of previous year.

Exhibit No. 25 indicates that for the first 12-month period of bridge operation passenger revenue received by Interurban amounted to 30.03 cents per car-mile, compared with operating expenses including taxes and depreciation, in amount of 50.56 cents resulting in a deficit of 20.53 cents for each revenue car-mile operated. This deficit represents a cost to Interurban of 8.96 cents for each passenger carried in excess of the average fare paid.

During the preliminary negotiations between the Toll Bridge Authority and the two transbay carriers it was indicated by Southern Pacific Company, one of the carriers at that time, that it did not wish to engage in the operation of interurban service over the bridge, but that it would organize a separate company and purchase all of its capital stock in order to provide a working fund pending establishment of the new enterprise. That plan was carried out and Interurban Electric Railway Company was created with an issue of 20,000 shares of capital stock all of which was purchased by Southern Pacific Company at \$10.00 per share, thereby affording Interurban \$200,000 as a working fund. Anticipated revenue was not realized from the interurban operation over the bridge and from time to time advances were made to Interurban by Southern Pacific Company aggregating \$1,508,528 as of April 30, 1940, exclusive of the original working fund.

The financial results of operation of Interurban over the bridge and its predecessor's ferry operation over a period of years is shown by the record to be as follows:

(Exhibit No. 25)

Year:	OPERATING REVENUE				Total	OPERATING EXPENSE	NET OPERATING REVENUE
	Transbay	Local	Other				
1927	\$2,834,137	\$228,748	\$594,046	\$3,656,931	\$4,123,491	\$(466,560)	
1928	2,895,200	214,561	649,200	3,768,961	4,274,153	(515,192)	
1929	2,937,574	226,683	831,413	3,995,670	4,383,698	(388,028)	
1930	2,765,931	218,242	705,744	3,689,917	3,931,063	(241,146)	
1931	2,530,884	200,966	603,338	3,335,188	3,682,062	(346,874)	
1932	2,229,749	173,693	482,228	2,885,670	3,124,698	(239,028)	
1933	2,090,227	160,465	431,049	2,681,741	2,750,343	(68,602)	
1934	1,982,423	167,093	459,556	2,609,072	2,704,136	(95,064) (1)	
1935	2,067,753	156,687	493,203	2,717,643	2,919,727	(202,084) (2)	
1936	2,042,835	156,383	548,818	2,748,036	3,178,627	(430,591) (3)	
1937	1,791,103	142,607	470,953	2,404,663	3,482,367	(1,077,704)	
1938	1,564,835	125,399	383,425	2,073,659	3,229,260	(1,155,601)	
1939	1,349,059(4)	119,868	99,564	1,568,491	2,476,454	(907,963) (5)	

() - Indicates deficit.

- (1) Excludes \$57,928 revenue accrued per formula resulting from elimination of duplicated lines.
- (2) Includes \$3,789 revenue accrued per formula resulting from elimination of duplicated lines.
- (3) Includes revenue accruals per formula mentioned above.
- (4) Includes \$479 "Water Transfer Revenue."
- (5) Full year of operations over the bridge except for approximately two weeks.

Effective February 26, 1940, a change was made from the long established transbay interurban base headway of 20 minutes, to a frequency more in keeping with traffic requirements, thereby resulting in a reduction of operating costs. The resultant economies, however, were not of sufficient magnitude to offset the deficit.

The analysis made by the Commission's staff indicates that all reasonable economies have been effected, and that substantial overhead costs of management, accounting, and supervision which might legitimately and properly be charged to Interurban's operation are absorbed by the parent company, Southern Pacific. A retrenchment program has been adopted, during at least the past year of operation, in an effort to reduce costs, thereby resulting in considerable deferred maintenance that must be eventually met by substantial expenditures if operations are continued.

Many elements have contributed to the steady decline in transbay interurban patronage and revenue through past years. Transbay passenger revenue declined from \$2,937,574 in 1929, to \$1,349,059 during 1939, a decrease of 54 per cent in ten years, whereas operating expense decreased only 21 per cent. For the year 1935 the operating deficit amounted to \$202,084. On November 12, 1936, the San Francisco-Oakland Bay Bridge was opened to automobile traffic and for that year Interurban's operating deficit more than doubled over 1935. During 1937, the first full calendar year of bridge auto traffic, Interurban's operating deficit again doubled over 1936, and in 1938, a peak deficit of \$1,155,601 was experienced, being five and one-half times the deficit of 1935.

Much evidence was adduced relating to the effect upon Interurban's earning capacity by reason of the wage rates paid in accordance with agreements with the various brotherhoods of rail-

road trainmen and employees. The evidence indicates that the rates of pay provided to Interurban employees under the terms of such agreements are generally higher than those found to exist on other carriers providing similar service and particularly as when compared with the similar operations of Key System. The evidence clearly indicates that the reduction of wage rates to a common level with those of Key System would not place Interurban in a satisfactory earning position. Indeed, even if such reductions in rates were made and in addition thereto all tolls paid the California Toll Bridge Authority for use of the bridge facilities were entirely removed, the operation would still be conducted at a deficit.

Although the various cities now served by lines of Interurban made their positions clear as opposing any action that would result in discontinuance or serious curtailment of passenger service, they were not opposed to the withdrawal of Interurban from the field if some adequate and satisfactory form of substitute service should be provided in lieu thereof. Without exception the official interest of those cities and of civic organizations participating in this issue has been the preservation of a satisfactory passenger transportation system, and to only a minor extent, the identity of the carrier involved. They unanimously opposed the granting of Interurban's plea for discontinuance of service until such time as a satisfactory replacement program should be formulated and placed in effect.

The request for discontinuance of service by Interurban was favored by the Amalgamated Association of Street Railway and Motor Coach Employees of America, Division 192, but, by Petition of Intervention fifteen railroad labor organizations entered a formal protest against the granting of the application as applied for by Interurban and requested that in the event discontinuance

of service should be granted, recognition be given to the alleged rights of employees to protection through provision of a dismissal wage allowance.

No lengthy treatment is warranted herein of the contention urged by the several labor organizations that provision for dismissal wages be a condition of this Commission's order in the event Interurban's application be granted. This Commission is not empowered by the Public Utilities Act of the State of California to adjudicate matters pertaining to the existence or non-existence of rights of employees of a common carrier to dismissal wages upon discontinuance of the employing carrier's operations.

The California Toll Bridge Authority filed its objections to the granting of Interurban's request to discontinue service contending that said Authority had entered into an agreement with Interurban wherein that carrier had contractually obligated itself to continue operations over the Bridge Railway as long as revenue bonds as referred to in the agreement remained unpaid and that discontinuance of service as proposed would result in repudiation and violation of the contract and in disarrangement of the existing toll charges and financial arrangements made by the Authority in reliance upon said contract and that such repudiation would be contrary to the best interest of the public. Further objection was filed to the granting of Key System's application on the grounds that such action would be contrary to the agreement between the carriers and the Toll Bridge Authority as referred to above, and that the terms of the agreement provided that in the event of a default by Interurban in the performance of any of the terms and conditions of the agreement, the California Toll Bridge Authority is given the right to take possession and maintain and operate the transportation facilities of that carrier. The Authority contended that in the event Key System's application should be granted it would interfere with

the right of the Authority, if it so desires, to exercise its option and privilege to take over Interurban's transportation facilities.

This Commission fully recognizes that the California Toll Bridge Authority thus has a very direct interest in any proposed change in the form of public carrier service conducted over the bridge. Nevertheless because it is not the function of this body to determine either the right of the Toll Bridge Authority to take over such transportation systems or the expediency of such action we feel compelled to proceed with the hearing and consideration of the matters which the utility carriers properly have submitted for determination. Decision at this time upon the application of Interurban for permission to discontinue operations need not interfere with any contemplated publicly operated rail or motor coach service over the bridge whether conducted by the State or by the municipalities affected.

Considering now the merits of the showing made by Interurban in support of its application the record indicates clearly that within the limits of action placed upon a private enterprise whose services are dedicated to the public convenience and necessity, Interurban has exploited all avenues of financial relief within the bounds of sound operating practices and prudent management in an attempt to develop a profitable operation. Sufficient time has elapsed since routing of rail service over the Bay Bridge to indicate the futility of further effort, and without hope for substantial improvement in rail traffic volume in the future, the large financial losses now being incurred are no longer justified.

Despite the urgency for immediate relief, sight must not be lost of the fact that the interests of thousands of patrons, daily commuters and occasional riders are involved. Although the

convenient and rapid mode of transportation made available by the Bay Bridge to private travel by automobile has met the need of many erstwhile mass carrier patrons, there will always be a need for mass transportation facilities and service across the Bay. Whether the provision of such facilities and service will be met by private enterprise or by publicly constituted bodies remains to be seen but the necessity for some satisfactory solution to the problem is inescapable.

The record indicates definitely in certain instances that consideration is being given to the provision of transbay passenger service by other than private enterprise, particularly by the City of Alameda. Although the record indicates that the weighted average running time between San Francisco and Alameda has been reduced by all-rail service over the bridge, the circuitous route followed by the rail lines due to the location at the eastern end of the island of the only rail crossing over the estuary, has increased the running time to the western section of Alameda which formerly enjoyed the minimum time in transit under ferry boat operation. Primarily as an outgrowth of this condition an active movement has developed in Alameda favoring municipal ownership and operation of a transbay transportation system. The formal objection submitted by the California Toll Bridge Authority definitely states its position as possessing an option to enter into the field of passenger transportation in the event existing carriers go into default.

The evidence of record compels the conclusion that Interurban can not continue its existing interurban passenger services over any of its East Bay lines without suffering such substantial net operating deficits as soon to force it into bankruptcy unless Southern Pacific Company chooses to absorb such losses.

This the Southern Pacific Company has declared it will not do beyond a reasonable period. Yet, the record to date does not justify the conclusion that no private nor public enterprise is able to provide satisfactory transportation service should Interurban be permitted to withdraw. The Commission must conclude, therefore, that an order granting Interurban's application should rightfully be made, provided such discontinuance of service shall not be made effective before substitute service commensurate with traffic requirements becomes assured.

It might well be observed also that inasmuch as Southern Pacific Company is now seeking authorization from the Interstate Commerce Commission to completely abandon a large part of the trackage over which Interurban's operations are now conducted, it would appear both essential and proper for this Commission to condition its final order authorizing discontinuance of service upon Interurban's obtaining from Southern Pacific Company a commitment not to remove any such track facilities within the public streets which the affected cities might elect to utilize or permit to be utilized for passenger rail operations after Interurban's service shall have been discontinued.

O R D E R

Public hearings having been held upon the application of Interurban Electric Railway Company for discontinuance of service, the matter submitted and fully considered by the Commission, and findings of fact and conclusions thereon having been set forth in the foregoing opinion, therefore;

IT IS ORDERED that Interurban Electric Railway Company be and hereby is authorized to discontinue all of its interurban passenger transportation service between San Francisco and points in the East Bay communities of Alameda County, and to cancel its tariffs and time schedules after notice given in conformity with the rules of the Commission; provided, however, that the authorization hereby given shall not become effective until a date to be fixed by the Commission, by further order supplemental hereto, when the proposed inauguration of substitute passenger transportation service or services may appear to justify such action.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 24th day of August, 1940.

Ray & Kelley
James P. Sullivan
Paul W. Mahoney
W. B. Hall
Justus F. Cramer
Commissioners