

ORIGINAL

Decision No. 30732

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 its operations.) Application No. 23312

In the Matter of the Application of KEY SYSTEM for Certificates of Public Convenience and Necessity to operate certain Interurban Railway and/or Motor Coach Service in the City and County of San Francisco and Counties of Alameda and Contra Costa.) Application No. 23313

An Investigation on the Commission's own motion into the operations of Interurban Electric Railway Company, Key System, and East Bay Transit Company re rates, service, and facilities.) Case No. 4478

In the Matter of the Application of EAST BAY TRANSIT COMPANY, a corporation, for a Certificate of Public Convenience and Necessity to operate certain motor coach service in the City of Oakland, County of Alameda, State of California.) Supplemental Application No. 19502

In the Matter of the Application of KEY SYSTEM, a corporation, for a certificate of Public Convenience and Necessity to operate certain motor coach routes.) Supplemental Application No. 20582

APPEARANCES

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

DONAHUE, RICHARDS & HAMLIN, by Frank S. Richards, for Key System.

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

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

CHARLES R. SCHWANENBERG, City Manager (also for Alameda Chamber of Commerce), H. ALBERT GEORGE, City Attorney, HENRY WEICHHART, Mayor, and MILTON C. GODFREY, ALBERT C. CARRINGTON, RIX MAURER and BERT W. MORRIS, Councilmen, for the City of Alameda.

JOSEPH J. YOUNG, City Attorney, and E. W. MONDAY, Councilman, for the City of Albany.

DAVID K. GILMORE, City Attorney of San Leandro, substituted for appearances of Albert L. Poe and Paul J. Dempsey, former City Attorneys.

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

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

LEO CUNNINGHAM, M. MITCHELL BOURQUIN, EDWARD P. MURPHY, and the firm of Keyes and Erskine, by HERBERT W. ERSKINE, and FRANK W. CLARK, Secretary, for the Toll Bridge Authority.

N. D. PRITCHETT and CLIFTON HILDEBRAND, for the various Railroad Brotherhoods and Labor Organizations.

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

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

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

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

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

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

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

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

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

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

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

FRANK NEVILLE, for the Alameda Real Estate Board.

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

J. RAGNAR MONTIN, for Alameda Municipal Transportation League.

JAMES J. CHAPMAN, for the California Citizens Research Foundation.

A. B. SWEZEY, for Waterside Terrace Thompson Home Owners Association.

MRS. FRANK CROSSETT, Alameda Woman's Improvement Club.

G. J. RICHARDSON, for Encinal Terminal.

GEORGE P. MILLER, in propria persona.

F. P. KENSINGER, in propria persona.

ROY COVERT, in propria persona.

J. C. PARSONS, in propria persona.

C. C. HOWARD, in propria persona.

FRANK A. GOTTSTEIN, in propria persona.

C. E. MASON, in propria persona.

CHARLES L. TILDON, in propria persona.

JOHN A. FERGUSON, in propria persona.

IRVING H. KAHN, representing Downtown Merchants Association.

THOMAS McGUIRE, in propria persona.

L. N. KNAPP, in propria persona.

GEORGE W. COLBY, in propria persona.

GLENN CHAMBERLAIN, in propria persona.

BERT MAGOON, in propria persona.

W. H. GREB, in propria persona.

RILEY, COMMISSIONER:

SECOND INTERIM OPINION

Except for a brief review of the proceedings involved herein, this Opinion and the following Order are confined to those issues of the above-numbered consolidated matters relating specifically to the subject of discontinuance of Interurban Electric Railway Company's⁽¹⁾ Seventh Street Line operating between the City of San Francisco and the East Bay cities of Oakland and San Leandro, and the substitution therefor of a coordinated interurban and urban passenger service by Key System and its affiliate, East Bay Transit

(1) Hereinafter sometimes referred to as Interurban Electric.

Company.

On February 26, 1940, Interurban Electric requested authority to discontinue all passenger service on its electrified rail lines operating between San Francisco and the East Bay cities.⁽²⁾

On that same date Key System sought authority to expand its transbay rail and motor coach lines⁽³⁾ into the Interurban Electric territory in substitution for the service of that carrier. On January 16, 1940, prior to the filing of the above-mentioned applications, an investigation was instituted upon the Commission's own motion⁽⁴⁾ into all phases of operation of the two transbay operators, Interurban Electric and Key System, and East Bay Transit Company, a Key System affiliate, providing urban rail and motor coach service in the East Bay area.

On August 24, 1940, the Commission authorized Interurban Electric⁽⁵⁾ to discontinue all of its transbay passenger service upon the condition that no part of said abandonment should become effective until some form of substitute service satisfactory to the Commission should be provided to the areas that would otherwise be left without transportation facilities.

By a Second Supplemental Application filed on November 20, 1940, Key System requested authority to inaugurate a transbay motor coach service to Alameda in substitution of that provided by Interurban Electric on its Encinal Avenue and Lincoln Avenue rail lines. On December 17, 1940, Interurban Electric was authorized to discontinue its passenger service on those two lines,⁽⁶⁾ and Key System was granted the right to provide a substitute service which was placed in effect January 18, 1941.

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- (2) Application No. 23312
 - (3) Application No. 23313
 - (4) Case No. 4478
 - (5) Decision No. 33445
 - (6) Decision No. 33732

The Commission's Engineering Staff has for several months past been, and is now actively engaged in studying the transbay passenger transportation problem toward the end of developing a comprehensive plan of substitute service that will satisfactorily fill the gap left by withdrawal of Interurban Electric from the field. Preliminary estimates indicated that the final results of those studies would be available in time to allow for complete abandonment of Interurban Electric operations by January 1, 1941, but unforeseen complications prevented the realization of that objective. Therefore, in the interest of expediency the entire problem has been divided into three parts for separate consideration. The first, dealing with the two rail lines serving Alameda, has already been disposed of; the second and third, devoted to consideration of the Oakland Seventh Street Line and the two Berkeley lines, respectively, are to be concluded in the near future.

By letter dated January 22, 1941, Interurban Electric served notice upon this Commission that "We are not willing to continue the remaining lines of Interurban Electric in operation beyond March 1st, 1941." In justification of its action the company alleged that between August 24, 1940, and January 1, 1941, its losses aggregated about \$239,000, or approximately \$57,000 monthly, and that discontinuance of service to Alameda had not relieved the situation to any material extent. The letter further pointed out that the Interstate Commerce Commission had already authorized, without qualification, complete abandonment of Interurban Electric passenger operations.

On January 30, 1941, Key System filed its third supplemental application requesting authority to install a transbay combination rail and motor coach operation to serve those portions of Oakland and San Leandro now served by the Seventh Street rail line of Interurban Electric. On that same date Key System filed an application(7) seeking authority to extend its transbay motor coach line

(7) Application No. 20582.

"N" easterly from its present terminus at Seminary Avenue and Trenor Street to a terminus at Bancroft Avenue and Estudillo Avenue in San Leandro, the extended route being approximately parallel to and a short distance north of the Interurban Electric's Seventh Street Line to 106th Avenue, thence on the same street as the rail line to its terminus and beyond to Estudillo Avenue.

Authority was also sought in that application to reroute a portion of the Hayward transbay motor coach line in order to provide a more direct route through the business area of San Leandro.

To complete the program of coordinating transbay rail and motor coach lines with local rail and motor coach lines in the area served by the Seventh Street Line of Interurban Electric, East Bay Transit Company filed application⁽⁸⁾ on January 30, 1941, requesting authority to extend and adjust several of its local lines.

Substitute service as proposed by Key System is comprised of two parts, the first involving extension and rerouting of existing transbay motor coach lines, and the second, an extension of its Twelfth Street transbay rail line with a supplemental motor coach operation, said rail service beyond the present terminus of the Twelfth Street rail line to be discontinued after 7:00 p.m. and on Sundays and holidays. It is proposed to coordinate the local operations of East Bay Transit Company with the proposed transbay operations by intersecting routes and inauguration of a free transfer privilege, thereby appreciably extending the transbay service area by local feeders at no increase in fares.

Due to the urgency for prompt action to meet the emergency created by the decision of Interurban Electric to withdraw from the field of service on March 1, 1941, immediate hearings were held in

(8) Supplemental Application No. 19502

Oakland and San Leandro on February 3, 1941, at which the detailed plan of substitute service for the Seventh Street Line was submitted by Key System.

In the interest of preserving some form of passenger transportation in the area now served by Interurban Electric, there is no alternative but for this Commission to grant to Key System the operating rights requested. It should be understood, however, that existence of an emergency impels such action and the hastily designed substitute service, as offered by Key System, is of a transitory nature and accepted on a temporary basis only, pending the development of a more satisfactory plan. Final solution of this transportation problem can only be realized after Key System has taken over all of the area now served by Interurban Electric and the resultant additional revenues and expenses that will accrue by reason thereof become known quantities.

Although during the period of transition between the present service and that proposed by Key System there will inevitably be a degree of inconvenience suffered by some of the traveling public, the record thus far in these proceedings indicates that ultimately a comprehensive plan of service can be designed that will reasonably meet existing transportation requirements of the East Bay area.

Analysis of the record in these consolidated matters impels the conclusion that public interest requires that Interurban Electric discontinue passenger operations on its Seventh Street Line, and that Key System be authorized to supply a substitute service as proposed, in conjunction with the local operations of East Bay Transit Company, and the following order will so provide.

SECOND INTERIM ORDER

Public hearings having been held in these consolidated matters relating to discontinuance of passenger service by Inter-urban Electric Railway Company on its transbay Seventh Street Line, Key System having offered a coordinated substitute service in conjunction with local service of East Bay Transit Company, that phase of these matters having been concluded and the Commission being fully apprised in the premises, and it being found as a fact that public convenience and necessity so require;

I.

IT IS HEREBY ORDERED that a certificate be and it is hereby granted to Key System for the operation of an automotive passenger stage service, as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers between San Francisco and Oakland, and intermediate points, subject to the following conditions:

- (1) Written acceptance of the certificate herein granted shall be filed within a period of not to exceed thirty (30) days from the date hereof.
- (2) Said service shall commence within a period of not to exceed six (6) months from the effective date hereof.
- (3) Said service shall be commenced at such time as to meet the requirements of regular traffic on the morning following the last night schedule of Inter-urban Electric Railway Company on its Seventh Street rail line.
- (4) Said service shall not be commenced prior to the establishment of joint fares that will permit free transfer, in either direction, between the extended Twelfth Street rail and motor coach lines of Key System, herein authorized, and all lines of East Bay Transit Company intersecting therewith.

II.

IT IS HEREBY FURTHER ORDERED that Key System shall operate the passenger stage service authorized under Section I above

in compliance with the following regulations:

- (1) Rates of fare and rules in volume and effect shall be identical with the rates and rules now in effect on the transbay rail lines of Key System except as otherwise provided for herein.
- (2) Subject to the authority of this Commission to change or modify such at any time, Key System shall conduct said passenger stage operation over and along the following described route:

Havenscourt Branch of Twelfth Street Line:

Commencing at Havenscourt Boulevard and Beck Street, thence along Havenscourt Boulevard to Foothill Boulevard, thence along Foothill Boulevard to 55th Avenue, thence along 55th Avenue to Bond Street, thence along Bond Street to 51st Avenue, thence along 51st Avenue to East 14th Street, thence along East 14th Street to 1st Avenue, thence along 1st Avenue to 12th Street, thence along 12th Street to Poplar Street, thence along Poplar Street to 22nd Street, thence along 22nd Street to Cypress Street, thence via Cypress Street and the San Francisco-Oakland Bay Bridge to Essex and Harrison Streets in the City of San Francisco, thence along Essex Street to Folsom Street, Folsom Street to Fremont Street, and Fremont Street to the San Francisco Interurban Terminal; returning via Fremont Street to Mission Street, Mission Street to Main Street, Main Street to Folsom Street, Folsom Street to Essex Street, thence returning via the reverse of the above route.

III.

IT IS HEREBY FURTHER ORDERED that a certificate be and it is hereby granted to Key System for the operation of an auto-motive passenger stage service, as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers between the intersection of Seminary Avenue and Trenor Street, in the City of Oakland, and the intersection of Bancroft Avenue and Estudillo Avenue, in the City of San Leandro, and intermediate points, said service to be operated as an extension of Key System's existing transbay San Francisco-East Oakland Motor Coach Line "N," subject to the following conditions:

- (1) Written acceptance of the certificate herein granted shall be filed within a period of not to exceed thirty (30) days from the date hereof.
- (2) Said service shall commence within a period of not to exceed six (6) months from the effective date hereof.
- (3) Said service shall be commenced at such time as to meet the requirements of regular traffic on the morning following the last night schedule of Interurban Electric Railway Company on its Seventh Street rail line.

IV.

IT IS HEREBY FURTHER ORDERED that Key System shall operate the passenger stage service authorized under Section III above in compliance with the following regulations:

- (1) Rates of fare and rules in volume and effect shall be identical with the rates and rules now in effect on the present San Francisco-East Oakland Motor Coach Line "N."
- (2) Subject to the authority of this Commission to change or modify such at any time, Key System shall conduct said passenger stage operation as an extension of its Line "N" over and along the following described route:

From the intersection of Sominary Avenue and Trenor Street in Oakland, along Trenor Street to Foothill Boulevard, thence along Foothill Boulevard to Hollywood Boulevard, thence along Hollywood Boulevard to 106th Avenue, thence along 106th Avenue to Bancroft Avenue, thence along Bancroft Avenue to a terminus at Estudillo Avenue in San Leandro, returning via the reverse thereof.

V.

IT IS HEREBY FURTHER ORDERED that Key System be and it is hereby authorized to operate an electric railway for the transportation of passengers between the intersection of First Avenue and East 14th Street in the City of Oakland and the intersection of East 14th Street and 105th Avenue in the City of San Leandro, and intermediate points, said service to be operated as an extension of the existing transbay Twelfth Street rail line of Key

System, subject to the following conditions:

- (1) Said service shall commence within a period of not to exceed six (6) months from the effective date hereof.
- (2) Said service shall be commenced at such time as to meet the requirements of regular traffic on the morning following the last night schedule of Interurban Electric Railway Company on its Seventh Street rail line.
- (3) Said service shall not be commenced prior to the establishment of joint fares that will permit free transfer, in either direction, between the extended Twelfth Street rail and motor coach lines of Key System, herein authorized, and all lines of East Bay Transit Company intersecting therewith.
- (4) Rates of fare and rules in volume and effect shall be identical with the rates and rules now in effect on the transbay rail lines of Key System except as otherwise provided for herein.

VI.

IT IS HEREBY FURTHER ORDERED that Key System be and it is hereby authorized to change the routing of that portion of its San Francisco-Hayward transbay motor coach Line "R" from the following:

From the intersection of San Leandro Boulevard and 105th Avenue along San Leandro Boulevard to Peralta Avenue, thence along Peralta Avenue to East 14th Street;

to that described as follows:

From the intersection of San Leandro Boulevard and 105th Avenue, along 105th Avenue to East 14th Street, thence along East 14th Street to Peralta Avenue.

VII.

IT IS HEREBY FURTHER ORDERED that a certificate be and it is hereby granted to East Bay Transit Company for the operation of an automotive passenger stage service, as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers within and between cities of Oakland and San Leandro,

subject to the following conditions:

- (1) Written acceptance of the certificate herein granted shall be filed within a period of not to exceed thirty (30) days from the date hereof.
- (2) Said service shall commence within a period of not to exceed six (6) months from the effective date hereof.
- (3) Said service shall commence at the same time and be operated in conjunction with the service of Key System as authorized herein.

VIII.

IT IS HEREBY FURTHER ORDERED that East Bay Transit Company shall operate the passenger stage service authorized under Section VII above in compliance with the following regulations:

- (1) Rates of fare and rules in volume and effect shall be identical with the rates and rules now in effect on the local rail and motor coach lines of East Bay Transit Company, except as otherwise provided for herein.
- (2) Subject to the authority of this Commission to change or modify such at any time by further order, East Bay Transit Company shall conduct said passenger stage operations over and along the following described routes:

A. NEW LINES

No. 43 - 82nd Avenue Line

From the intersection of East 14th Street and 82nd Avenue in Oakland, along 82nd Avenue to a terminus at Foothill Boulevard in Oakland, returning via the reverse thereof.

No. 44 - Seventh and Union Streets Line

From the intersection of 7th and Clay Streets in Oakland, along 7th Street to Union Street, Union Street to 12th Street, 12th Street to Poplar Street, thence the reverse thereof to the intersection of 7th and Union Streets, thence along 7th Street to a terminus at Pine Street, returning via the reverse thereof.

B. EXTENSIONS AND RE-ROUTINGS

No. 79 - High Street Line

Extend from the intersection of East 14th Street and High Street, in Oakland, along High Street to a terminus at Fernside Boulevard in Alameda, returning via the reverse thereof.

No. 40 - 55th Avenue-Foothill Boulevard Line

Extend from the intersection of Foothill Boulevard and 55th Avenue, in Oakland, along Foothill Boulevard to Hollywood Boulevard, thence along Hollywood Boulevard to Dutton Avenue, Dutton Avenue to Marlow Drive, Marlow Drive to Revere Avenue, Revere Avenue to Foothill Boulevard, thence via Foothill Boulevard to a terminus at Dutton Avenue in Oakland.

No. 83 - Oakland-San Leandro Line

From the intersection of East 14th Street and 98th Avenue in Oakland, reroute along 98th Avenue to Sunnyside Street, Sunnyside Street to 106th Avenue, 106th Avenue to Bancroft Avenue, Bancroft Avenue to Victoria Court, Victoria Court to Bancroft Avenue, Bancroft Avenue to Estudillo Avenue, Estudillo Avenue to Ward Street, thence via Ward Street to a terminus at Washington Street in San Leandro, returning via the reverse thereof.

No. 66 - 8th Street Line

From the intersection of 8th and Washington Streets in Oakland, reroute along 8th Street to Clay Street, Clay Street to 12th Street, 12th Street to Wood Street, Wood Street to 16th Street, thence via 16th Street to a terminus at Southern Pacific Company's 16th Street Station in Oakland, returning via the reverse thereof.

No. 55 - Foothill Boulevard Line

From the intersection of Dutton and Diehl Avenues in San Leandro reroute along Dutton Avenue to Marlow Drive, Marlow Drive to Revere Avenue, Revere Avenue to Foothill Boulevard, thence via Foothill Boulevard to a terminus at Dutton Avenue, Oakland.

No. 14 - East 18th Street Rail Line

From the intersection of Jefferson and 12th Streets in Oakland, reroute north along Jefferson to 13th Street, east on 13th Street to Oak Street,

thence south on Oak Street to a connection with the former route at 12th Street.

IX.

IT IS HEREBY FURTHER ORDERED that East Bay Transit Company be and it is hereby authorized to abandon passenger service, upon not less than five (5) days' notice to this Commission and the public, on those lines and/or portions of lines traversing routes described below, and to cancel, in conformity with the rules of this Commission, all passenger rate tariffs and time schedules applying thereto.

No. 79 - High Street Motor Coach Line

That portion from the intersection of Bond and High Streets in Oakland, along Bond Street to 46th Avenue, 46th Avenue to East 14th Street, thence via East 14th Street to High Street, in Oakland.

No. 83 - Oakland-San Leandro Motor Coach Line

That portion from the intersection of East 14th Street and 98th Avenue in Oakland, along East 14th Street to Blossom Way in San Leandro.

No. 55 - Foothill Boulevard Motor Coach Line

That portion from the intersection of Dutton and Diehl Avenues in San Leandro, along Diehl Avenue to Hollywood Boulevard, Hollywood Boulevard to Foothill Boulevard, thence via Foothill Boulevard to a terminus at 90th Avenue in Oakland.

No. 53 - Fruitvale Avenue Motor Coach Line

That portion from the intersection of Fruitvale Avenue and East 14th Street in Oakland, along Fruitvale Avenue to East 10th Street, thence via East 10th Street to Derby Street.

No. 87 - Oak Street Motor Coach Line

From the intersection of 9th and Franklin Streets in Oakland, along 9th Street to Oak Street, Oak Street to 7th Street, 7th Street to Franklin Street, Franklin Street to 20th Street, 20th Street to Broadway, Broadway to 19th Street, thence via 19th Street to Franklin Street.

No. 14 - East 18th Street Rail Line

That portion eastbound and westbound from the intersection of 12th and Jefferson Streets in Oakland, along 12th Street to Wood Street, Wood Street to 16th Street, thence via 16th Street to a terminus at Southern Pacific Company's 16th Street Station in Oakland; and that portion eastbound from the intersection of Jefferson and 12th Streets to Oak Street.

No. 66 - 8th Street Motor Coach Line

That portion from the intersection of 8th and Washington Streets in Oakland, along Washington Street to San Pablo Avenue, San Pablo Avenue to Broadway, thence via Broadway to 8th Street.

Passenger service abandonments, as authorized above, are subject to the following conditions:

- (1) Applicant shall, within thirty (30) days thereafter notify this Commission, in writing, of the abandonment of said passenger service and of its compliance with the conditions hereof.
- (2) Abandonment of passenger service, as herein authorized, shall be made concurrently with the commencement of passenger service over those routes authorized elsewhere herein.
- (3) The authorization herein granted shall lapse and become void if not exercised within one year from the date hereof, unless further time be granted by subsequent order.

X.

IT IS HEREBY FURTHER ORDERED that upon commencement by Key System and East Bay Transit Company of the automotive passenger stage and rail service herein authorized, Interurban Electric Railway Company be and it is hereby authorized to discontinue its passenger rail service between the cities of San Francisco and San Leandro over its 7th Street Line upon not less than five (5) days' notice to this Commission and to the public, and to cancel in conformity with the rules of this Commission all passenger rate tariffs and time schedules applicable thereto.

XI.

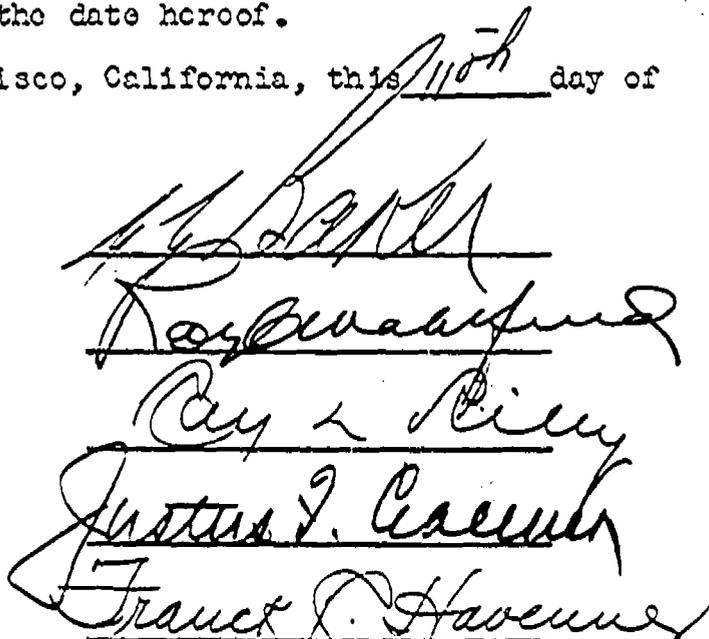
The Commission reserves the right to make such further orders in these proceedings as to it may appear just and reasonable, and to revoke this authority in whole or in part if, in its opinion, public convenience and necessity demand such action.

XII.

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

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

Dated at San Francisco, California, this 11th day of February, 1941.


(COMMISSIONERS).