

Decision No. 31762

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC ELECTRIC RAILWAY COMPANY, a  
corporation, and LOS ANGELES RAILWAY  
CORPORATION, a corporation, for an  
In Lieu Certificate for their jointly  
operated motor coach lines.

24th Supplemental

Application No. 18820

A P P E A R A N C E S

C. W. CORNELL and MAX E. UTT, for applicants,

K. CHARLES BEAN, Chief Engineer and General  
Manager, Board of Public Utilities and  
Transportation of the City of Los Angeles,  
interested party,

HARRY M. BARRETT, 7906 Santa Monica Boulevard,  
Los Angeles for West Metropolitan or West  
Hollywood Chamber of Commerce, protestant,

LOUIS S. PINCK, 724 West Knoll Drive, Los Angeles,  
for various patrons, protestants,

MRS. E. W. GILLMAN, 1003 South Alfred St., Los  
Angeles en propria persona, protestant.

BY THE COMMISSION:

O P I N I O N

In the above numbered proceeding Pacific Electric  
Railway Company and Los Angeles Railway Corporation, operating  
under the name of Los Angeles Motor Coach Company, seek the  
Commission's authority to abandon service on the La Cienega  
Boulevard Motor Coach Line. Public hearing in this matter was  
held before Examiner Ager at Los Angeles on September 17, 1941,  
at which time it was duly submitted and is now ready for  
decision.

Service was commenced on the line in question on January 2, 1941, pursuant to the authority granted by the Commission's Decision No. 33689, dated December 3, 1940, in Twenty-first Supplemental Application No. 18820. Service has been provided daily, except Sundays and holidays, between the approximate hours of 7 o'clock A. M. and 7 o'clock P. M., the frequency being about twenty minutes.

The area tributary to the line in question has developed materially during the past eighteen months and at the time of the hearing on the original application, the evidence indicated that a careful survey had been made of the territory and that there was a possibility of sufficient patronage being attracted to support the operation as proposed. That this anticipated business has failed to develop is clearly shown by Exhibit No. 5 offered in evidence, which shows operating results based on passenger revenue and out-of-pocket costs for the period January to July, inclusive, 1941. This exhibit indicates that the passenger revenue per coach mile was 6.29 cents, whereas the out-of-pocket cost per mile was 11.54 cents, resulting in a net loss for the period of approximately \$4,000.

Efforts were made by applicant to publicize the service from the date of its inception by the distribution of especially prepared circulars in a house-to-house campaign. These circulars, together with newspaper advertising, and the support of various civic organizations disseminated information among residents of the area as to routes, schedules, fares, and other pertinent information relative to the new line. Despite this campaign of publicity the record shows that the volume of business has never approached that which had originally been anticipated.

A six-day traffic check for the week commencing Monday, September 8, 1941, showed an average volume of 229 passengers northbound and 200 passengers southbound, which the record indicates is insufficient to justify continued operation of the line.

A number of persons appearing as individuals and as representatives of civic organizations protested the granting of the application upon the contention that the area would thereby be deprived of a necessary crosstown service. With respect to those few persons who use the service this may be true, yet the record indicates that the revenue received from them is far less than can reasonably support the service. Losses sustained on this operation must of necessity be made up out of revenues derived from more compensatory lines of applicants' system, and continuation of such losses is not justified on this record.

Careful consideration of the entire record in this proceeding leads to the conclusion that applicants' proposal to abandon service on the La Cienega Line is reasonable and should be granted. The following order will so provide.

#### O R D E R

A public hearing having been held and the Commission being fully advised

IT IS HEREBY ORDERED that Pacific Electric Railway Company, a corporation, and Los Angeles Railway Corporation, a corporation, are hereby authorized to abandon service and cancel in conformity with the rules of this Commission all fares, rules, regulations, and schedules on the La Cienega Boulevard motor coach line. This authorization is subject to the following conditions:

- (1) Applicants shall afford the public at least ten (10) days' notice of the abandonment authorized herein by posting notices on all coaches operating on the line involved and at all stations affected.

- (2) Applicants shall, within thirty (30) days thereafter, advise this Commission in writing of the abandonment of the facilities authorized herein and of their compliance with the conditions hereof.

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 21<sup>st</sup> day of November, 1941.

W. Baker  
W. A. Rice  
Justice J. G. Quinn  
Francis X. Havens  
W. H. Ketchum  
Commissioners