

ORIGINAL

Decision No. 35399

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)	Application No. 18820
CORPORATION, a corporation, for an)	25th Supplemental
in lieu certificate for their jointly)	
operated motor coach line.)	

FRANK KARR and C. W. CORNELL, BY
C. W. CORNELL for Pacific Electric
Railway Company and Los Angeles
Motor Coach Company, applicants.

GIBSON DUNN & CRUTCHER, by MAX EDDY
UTT, for Los Angeles Motor Coach
Company and Los Angeles Railway
Company, applicants.

K. CHARLES BEAN and HERBERT S. PAYNE
for the Board of Public Utilities
and Transportation of the City of
Los Angeles.

S. E. VICKERS for the City of Long
Beach.

BY THE COMMISSION:

O P I N I O N

Pacific Electric Railway Company and Los Angeles
Railway Corporation, joint owners and operators of Los Angeles
Motor Coach Company, have filed an application with the
Commission for authority to abandon service on the Hollywood-
Wilmington-Long Beach Line.

A public hearing was held before Examiner Cannon at Los
Angeles on March 26, 1942 and the matter was submitted.

Service on the line sought to be abandoned was
authorized by the Commission's Decision No. 24046, dated September
21, 1931, on Application No. 16607 and operation was commenced on
November 1, 1931.

Three round trips are scheduled daily, leaving Hollywood at 8:30 A.M., 1:45 P.M. and 4:45 P.M. and in the opposite direction leaving Long Beach at 10:05 A.M., 3:15 P.M. and 6:10 P.M. The 8:30 A.M. trip from Hollywood and the 6:10 P.M. trip from Long Beach are operated via the Catalina docks, Wilmington.

Exhibits were introduced in evidence indicating that while operating revenues increased from \$7272.28 for the year ending February 28, 1941, to \$9225.05 during the same period of 1942, an increase of \$1952.77, that for the same two periods the out-of-pocket operating expense increased from \$10256.73 to \$11627.64, or an increase of \$1370.91. This left a net betterment for the latter period of \$581.86, but the line still showed an out-of-pocket loss from operating of \$2402.59. The net carrier operating loss, computed on a full cost basis, for the year ending February 28, 1942, was shown to be \$4697.29. The testimony shows that the earnings for January of this year were only 8.39 cents per mile which is approximately three-fifths of the amount necessary to pay the out-of-pocket cost of operation.

A traffic check submitted by applicants for the year 1941 shows a daily average of 35.4 passengers southbound and 28.2 passengers northbound. For the first three months of 1942 the southbound daily average of passengers was 29.9 and the northbound 21.4. It appears clear from the record that the continued operation of the line is not justified, from an economical standpoint, on that traffic volume.

The record further shows that from its inception the operation of this line has not been financially profitable. Applicants have, from time to time, endeavored to effect economies in its operation but these apparently did not have the effect of

attracting sufficient traffic to provide an operating profit, nor in fact to appreciably reduce the out-of-pocket operating loss. Operation over portions of the route have been suspended, upon a proper showing to the Commission, but with the same result.

The Passenger Traffic Manager of Pacific Electric Company testified that this line had handled considerable business to and from Catalina Terminal in connection with Catalina Island traffic, but that the boat service to the Island has been discontinued, temporarily at least, on account of war conditions. That source of business cannot be relied on, he stated, but should it be revived there are other carriers capable of handling the business so that the area would not be without service. The witness stated that there did not appear to be any new source of business which might be relied on to bolster the declining revenues of the line.

No one appeared at the hearing to protest the granting of the application. A representative of the Board of Public Utilities and Transportation of the City of Los Angeles entered an appearance, but subsequently filed a letter with the Commission with the advice that his Board had considered the matter at a regular meeting and had gone on record as not opposing the proposed abandonment.

The record herein amply sustains applicant's proposal to abandon service on the Hollywood-Wilmington-Long Beach Line. The application will be granted.

O R D E R

A public hearing having been held in the above-entitled matter, and the Commission being fully advised,

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

- (1) Applicants shall give 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 after the expiration of the ten day period hereinabove referred to, advise the Commission in writing of the abandonment herein authorized and of compliance with the conditions thereof.

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 26th day of May, 1942.

Justus F. Casper
Com. & Rice

Richard H. Baker
COMMISSIONERS