Decision No 37598

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Electric Railway Company for authority to construct certain railroad tracks at grade across streets and railroad tracks in double tracking the Long Beach-Wilmington Line, in constructing a double track connection between that line and the San Pedro main line at Wilmington, and in constructing an extension from the Long Beach-Wilmington Line at Henry Ford Avenue to Terminal Island; and for authority to construct such extension, all of which tracks are to be constructed for and owned by the United States of America.

ORIGINAL

Application No. 25157
(1st Supplemental)

C. W. Cornell and E. D. Yeomans for Applicant, Pacific Electric Railway Company
Malcom Davis for Union Pacific Railroad Company and Protestant
Gerald Brown for A. T. & S. F. Railway Company
Mr. T. Montgomery for United States Maritime Commission and for the Applicant

BY THE COMMISSION:

SECOND SUPPLEMENTAL OPINION & ORDER

On June 28, 1944, the Pacific Electric Railway Company, joined by the United States of America, represented by the United States Maritime Commission, filed a supplemental application in the instant matter stating that the parties concerned had been unable to agree upon the terms of an agreement as prescribed by Condition (1) of Paragraph VI of Decision No. 35940, relating particularly to the allocation of costs of operation and maintenance of the Ford Avenue interlocking plant. This interlocking plant was constructed for the protection of and to facilitate movements over rail grade crossings effected incident to the construction of a rail line between a connection with Pacific Electric Railway Company tracks and Terminal Island to serve the war industries located on the Island. The construction of the line was financed by the United States Maritime Commission, operation over which is performed by Pacific Electric

Company under contract with that Commission.

A public hearing was held in Los Angeles before Examiner Hunter on December 8, 1944. The matter was submitted and is ready for determination.

A proposed form of agreement was filed by the applicants and entered as Exhibit No. 1. This agreement allocates the maintenance and operation expenses between the four carriers involved in accordance with a plan of apportioning such expense as developed by the Association of American Railroads Signal Section.(1) Under this plan of apportioning the maintenance expense of the interlocking plant various functions are given assigned weight. No objection was offered to the proposed agreement by any of the participating carriers with the exception of the Union Pacific Railroad Company, and that objection was limited to the proposed allocation of any operating and maintenance costs of the plant to the Union Pacific Railroad Company.

Witness Jackson of the Union Pacific Railroad Company testified that the standard practice of apportioning maintenance expense of interlocking plants between carriers as adopted by the Association of American Railroad Signal Section had developed over a period of

---

(1) Section 12 of Article VII

"The Pacific Electric shall keep an accurate record of the expense of maintaining, operating and renewing said interlocking plant or switch and signal system, and all such expense shall be divided between and borne by the parties hereto in the proportion that the number of interlocking units controlling operations on their respective lines shall from time to time bear to the total number of interlocking units comprising said interlocking plant or switch and signal system; the table of units prepared by the American Railway Association Signal Sections to be the standard used in dividing such maintenance expense, the proportions being, as the interlocking plant or switch and signal system is now constructed, as follows:

The Pacific Electric	305 units	74%
The Southern Company	46 units	11%
The City-Santa Fe	20 units	5%
The Union Pacific	44 units	10%
Total	415 units	100% "

years and was based on the theory that any inequities in any particular case would be compensated for over a period of time when carriers would assume different positions as between senior and junior parties to such an agreement. In this case it was contended by the Union Pacific Company that the total expense of construction and maintenance of this interlocking plant should be borne by the Maritime Commission since the line was of a temporary nature and built at the request of the Maritime Commission which is not a carrier and could not be expected to participate in divisions of maintenance expense of interlocking plants at other locations.

In summing up the evidence in this proceeding we find that three of the four carriers involved have agreed to assume 90% of the maintenance cost of the interlocking plant under consideration. On the other hand the Union Pacific Company has not shown that the proposed assessment against it of 10% is unreasonable. In fact, it was acknowledged by witness for the protestant that the Union Pacific Railroad Company received some benefits from this interlocking plant in the way of expediting switching movements and enhancing the safety of operations as compared to a grade crossing without interlocking protection. Furthermore, it offered no substitute plan of apportioning maintenance expense which would give recognition to such benefits.

A review of this record leads to the conclusion that the proposed plan of apportioning the maintenance expense between the four carriers as outlined in the supplemental application should be approved.

The Commission being fully advised in the matter:

IT IS HEREBY ORDERED that the expense of operating and maintaining the Ford Avenue interlocking plant is hereby apportioned between the Southern Pacific Company, Pacific Electric Railway Company, Union Pacific Railroad Company, and The Atchison, Topeka and Santa Fe

Railway Company in accordance with the provisions contained in and filed as Exhibit No. 1 in this proceeding and referred to as footnote (1) in the foregoing opinion.

A copy of any signed agreement shall be filed with the Commission when executed.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 3rd day of January, 1945.

Richard Jackson

Justin F. Gaffney

Commissioners.