

ORIGINAL

Decision No. 38502

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation by)
 the Commission, on its own motion, into)
 the passenger fares, classifications,) Case No. 4737
 rules, regulations, facilities, and)
 practices of Asbury Rapid Transit System.)

BART F. WADE and DON C. CAMPBELL, for
Asbury Rapid Transit System.

K. CHARLES BEAN, General Manager and Chief
Engineer, Department of Public Utilities
and Transportation, City of Los Angeles;
RAY L. CHESEBRO, City Attorney, WIXON STEVENS,
Deputy City Attorney, ROGER ARNEBERGE,
Assistant City Attorney, for the City of
Los Angeles, interested party.

GIBSON, DUNN & CRUTCHER, by MAX EDDY UTT, for
Los Angeles Transit Lines.

HAROLD P. EULS, City Attorney, and H. BURTON
NOBLE, Assistant City Attorney, for the
City of Pasadena.

C. W. CORNELL and E. O. MARLER, for Pacific
Electric Railway Company.

NEVILLE R. LEWIS, for the City of San Fernando.

JOY A. WINANS and CLARA McDONALD, for the
Peoples Lobby of California.

DON H. SHEETS, General Chairman, Brotherhood
of Railroad Trainmen, Pacific Electric
Lines.

ERCHEL L. WALTERS, City Attorney, HOWARD I. STITES,
City Manager, HORACE THOMPSON, City Council-
man, HARMON BENNETT, City Engineer, for the
City of Burbank.

ERNEST ROTHE, for the Chamber of Commerce and
Civic Transportation Committee in Burbank.

EVERETT L. PARKER, Los Angeles Legislative
Representative of Local 1420, Utility
Workers, CIO.

JAMES L. DAUGHERTY, National Representative for
National Council of Utility Workers, CIO.

CLARK, Commissioner:

SECOND INTERIM OPINION

The original hearing in this case was held in Los Angeles on August 14 and 15, 1944, on a joint record with Case No. 4736, which is an investigation on the Commission's own motion into the fares and service of Pacific Electric Railway Company, Los Angeles Transit Company, and Los Angeles Motor Coach Company. An interim order, Decision No. 37318, was issued on September 5, 1944, requiring the Asbury Rapid Transit System to put into effect certain reductions in cash and commutation fares, and the introduction of script fares. The total effect of these fare reductions was estimated by a witness for the City of Los Angeles to amount to \$155,000 annually.

At the initial hearing the City of Burbank, through its attorney, requested that the Commission study the advisability of inaugurating a direct service between Burbank and Hollywood. Subsequently, after a series of conferences between representatives of Asbury Rapid Transit System, the Cities of Burbank and Los Angeles, and the Commission's staff, a new service was inaugurated on April 9, 1945, along Olive Avenue, Barham and Cahuenga Boulevards, hereinafter referred to as the "short" route. The original route between these two terminals is along Magnolia Avenue, Hollywood Way, Toluca Lake district, Universal City, and Cahuenga Boulevard and will be hereinafter referred to as the "long" route. The "short" route was intended to supply a more direct service between the two communities. Its length is 7.2 miles as compared to 10.0 miles on the original route and shortens the running time by 12 minutes. The one-way cash fare between Burbank and Hollywood on the "short" route was fixed by the company at twenty cents, the same fare as that charged for travel over the longer route. Testimony shows that the "long" route is

necessary to serve the districts through which it operates and that since inauguration of service on the "short" line most of its patronage is local in character.

Pursuant to the expressed wish of the Commission in Decision No. 37318⁽¹⁾ the Commission's staff made a study of the earning position of this carrier which was presented in evidence at a hearing held at Los Angeles on August 2, 1945. At this hearing the Commission's engineer recommended that the interim rates be continued and the terminal to terminal rate on the "short" route between Burbank and Hollywood be reduced from twenty cents to fifteen cents in order to maintain the system average fare of approximately two cents per passenger mile. The Cities of Burbank and Los Angeles contended for terminal to terminal fares of fifteen cents on both routes.

The matter was taken under submission at the conclusion of the hearing held August 2 but was reopened⁽²⁾ at the request of the company on the ground that changed economic conditions following the surrender of Japan and the termination of gasoline rationing had adversely affected its earning position. A further hearing was held at Los Angeles on November 15, 1945. The company introduced evidence showing that its revenue had declined rapidly since July, 1945, without a corresponding decrease in expense.⁽³⁾ During the month of

(1) "With the understanding that the investigation in these proceedings will continue..."

(2) By order of the Commission dated September 25, 1945.

(3) From Company's Exhibit No. 17
Revenue and Expense per Bus Mile

1945		1945			
	Revenue	Expense*		Revenue	Expense*
January	50.113	39.827	June	51.701	42.519
February	51.249	41.088	July	49.370	40.957
March	51.841	42.957	August	43.896	43.217
April	52.370	43.531	September	42.611	43.058
May	51.303	43.584	October	43.353	

* Exclusive of income taxes.

September, 1945, the company suffered an operating loss of \$734,13.⁽⁴⁾ Testimony adduced at the hearing held August 2 was to the effect that reducing the Burbank-Hollywood fare from twenty cents to fifteen cents would reduce the annual revenue approximately \$10,000 for each route or a total of \$20,000.

Objection to the establishment of a different through fare for the two routes between Burbank and Hollywood was made by representatives of the Cities of Burbank and Los Angeles; both contending that it would be inconvenient and a continuing source of annoyance to the traveling public. Service over both routes is presently provided on a forty-five minute headway,⁽⁵⁾ but staggered so as to provide a 22½-minute headway leaving the terminals. It was contended that patrons desiring to travel between Burbank and Hollywood and missing the "short" route bus would be forced to wait an additional twenty-two minutes or be compelled to pay an additional five cents for the longer ride. This contention, however, is based upon the assumption that the same number of schedules will be operated over each line. This situation may well change with the traffic demands on either line and it would appear that the "short" line would soon call for more frequent service. Testimony was offered to the effect that the establishment of a fifteen-cent fare only on the "short" route would divert practically all of the through traffic to this route. Data contained in Exhibit No. 20 shows that if all through traffic were carried on the "short" route, the present travel on this route would be increased by approximately thirty per

(4) Exhibit No. 18

Operating Revenue	\$72,222.36
Operating Expense	72,956.49*
* Exclusive of income taxes	

(5) Prior to inauguration of "short" line, service on the "long" route was on a forty-five minute headway.

cent. Counsel for the company stipulated during the hearing that when increased traffic justified they would provide additional service. Such additional service will reduce headway on the "short" route to such an extent as to eliminate any advantage the "long" route may offer to the through patron as far as time of arrival at destination is concerned.

Based on the foregoing opinion I find as facts:

(1) That a fifteen-cent fare between Burbank and Hollywood on the "short" route is justified and in the public interest.

(2) That the granting of a fifteen-cent fare on the "long" route would lower the basic fare structure and jeopardize the earning position of the company.

SECOND INTERIM ORDER

Based on the evidence of record and upon the conclusions and findings set forth in the preceding interim opinion,

IT IS HEREBY ORDERED that Asbury Rapid Transit System be and hereby is directed and authorized to publish and file, on not less than one (1) day's notice to the Commission and to the public, and to make effective at the earliest possible date, the following revisions of their existing tariffs:

On the route between Hollywood and Burbank via Cahuenga and Barham Boulevards and Olive Avenue:

- (1) Establish three five-cent zones with zone limits at Cahuenga and Barham Boulevards and at Edison Road and Olive Avenue; one-way cash fare between adjacent zones to be ten cents and between terminal zones fifteen cents.
- (2) The above fares to be subject to the existing round trip, commutation, and script reductions now in effect.

All other provisions ordered in Decision No. 37318 are hereby reaffirmed and continued in effect.

IT IS HEREBY FURTHER ORDERED that the Commission shall have and it does hereby retain jurisdiction of these proceedings for the purpose of altering or amending the fares and zoning arrangements and such classifications, rules, regulations, and practices as may be received in this proceeding.

This order shall become effective on the date hereof.

The foregoing interim 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 10th day of December, 1945.

David Anderson

Wm. O. Davis

J. H. Lueders

Commissioners