

Decision No. 39099**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 ALTON H. PUTNAM and CHARLES E. WARREN,
 dba CALIFORNIA SOUTHERN BUS CO. to sell
 and SAN DIEGO ELECTRIC RAILWAY COMPANY
 to purchase automobile passenger lines
 operated in and near National City,
 San Diego County, California, and the
 Application of said SAN DIEGO ELECTRIC
 RAILWAY COMPANY to make certain service
 changes, abandonments, and extensions,
 in connection therewith.) Application No. 27283

Alton H. Putnam and Charles E. Warren for California Southern Bus Co.; Morrison, Hohfeld, Foerster, Shuman & Clark, by Forrest A. Cobb, for San Diego Electric Railway Company; Meredith L. Campbell and E. M. Campbell for City of National City; Robert B. Coyner for Chamber of Commerce of National City; Geo. O. Gunther for East Eighteenth Street Improvement Association; N. B. Larson for Paradise Hills Civic Organization; Dorothy L. Ahrens for Lincoln Acres Civic Club; Mrs. T. W. Lean for Sweetwater Road Community.

O P I N I O N

By this application Alton H. Putnam and Charles E. Warren, doing business as California Southern Bus Co., propose to sell, and applicant San Diego Electric Railway Company, a corporation, propose to purchase, the operative right and certain operating equipment and other property used by the former in the business of transporting passengers in and near the City of National City in San Diego County. (1) In the event that the

(1) Decisions creating the operative right proposed to be transferred are No. 36375, dated May 25, 1943, and No. 38135, dated August 14, 1945.

San Diego Electric Railway Company is now operating as a "passenger stage corporation" in the City of San Diego and surrounding territory, including the City of National City, under various certificates heretofore granted by this Commission.

proposed sale and transfer is authorized, San Diego Electric Railway Company also requests permission to substitute a new route in lieu of the route now operated.

A public hearing was held at National City on May 10, 1946, at which time evidence, oral and documentary, having been adduced, the matter was submitted for decision.

The property being sold consists principally of two new Ford transit type 27-passenger buses, two used buses, and other equipment, material and supplies, all having an estimated value of \$15,169; operative rights valued at \$100; and other intangible assets valued at \$2,459. San Diego Electric Railway Company has agreed to pay therefor \$6,477 in cash, payable upon receipt of authority from this Commission to consummate the sale, and assume equipment obligations in the sum of \$11,251.

The proposed new route would result in the discontinuance of present bus service in two areas, (a) on Eighteenth Street between "L" and Granger Avenues, and (b) along the Ridgeway Drive, Sweetwater Road and Roe Drive loop. The new route will also inaugurate service along the following streets not now served by the present operator:

Commencing at the intersection of National Avenue and Fourth Street, thence along Fourth Street and "J" Avenue to its intersection with Eighth Street.

Several witnesses, representing many of the persons present at the hearing, testified in protest to the proposed abandonment or discontinuance of service along Eighteenth Street and along Ridgeway Drive and Sweetwater Road. Objections were also voiced against the proposed rerouting in the Paradise Hills area.

The evidence shows that Eighteenth Street, between Highland and Granger Avenues, a distance of approximately 1-1/4 miles, is a fairly well developed residential street. Except between Palm Avenue and Newell Street, a distance of 1/4 mile, there are many homes situated on both sides of said street within reasonable walking distance of the present bus line. The proposed discontinuance of bus service along this street would, the evidence shows, inconvenience many persons who now use this bus line or would use it if the service were dependable and otherwise satisfactory.

The record also shows that the continuation of service along Ridgeway Drive and Sweetwater Road, as far as Orange Street, would be in the public interest. There are several hundred homes located within reasonable walking distance of the present route between the intersection of Granger Avenue and Ridgeway Drive and the intersection of Sweetwater Road and Orange Street. Although this portion of the present route is over somewhat narrow roads, with grades and sharp curves, we believe that service should be continued at least until such time as it can be definitely shown that lack of patronage would justify a discontinuance. No reliable evidence of revenues or operating costs was introduced and the record discloses that the service has been so poor that it is almost impossible to determine what an efficiently operated bus line along this route would return. The evidence is convincing that a well-operated bus service would create considerably more interest on the part of the riding public and result in increased patronage. Some evidence was introduced that the Sweetwater Road area could more easily be served by San Diego Electric Railway

Company's operating one of its Highland Avenue lines easterly along Thirtieth Street. The carrier has not proposed such service. We are of the opinion that the public interest requires that it operate along the present route for the time being.

The record also justifies the continuation of service along the present route in the Paradise Hills area. Admittedly, this is the fastest-growing residential community east of the city. The proposed shortening of the route in this section is not justified as walking distances for many persons would be increased to an inconvenient extent.

The proposed rerouting along Fourth Street and "J" Avenue, the discontinuance of operations along Reo Drive and Sweetwater Road, and also along Thirty-second Street and Granger Avenue appear to be justified. The abandonments will eliminate two definitely unprofitable loop operations through an unpopulated area containing many heavy grades and sharp curves. The rerouting along Fourth Street and "J" Avenue is proposed in order to avoid a duplication of service along Eighth Street between National and Highland Avenues.

Having fully considered this matter, we are of the opinion and find that the proposed sale and transfer of said operative right, rerouting, and discontinuance of service over and along certain portions of the present route, as hereinafter set forth, are in the public interest and, therefore, the application will be granted as provided in the order.

As required by law, \$100 in filing fees have been paid for filing applications in connection with the operative right involved herein. If San Diego Electric Railway Company acquires

this operative right it may charge to account 545, Franchises a sum not in excess of \$100 and shall charge to account 317, Miscellaneous Debits the sum of \$2,459, representing intangible assets.

The action taken herein shall not be construed to be a finding of value for the properties herein authorized to be transferred.

ORDER

Public hearing having been held in the above-entitled proceeding, the matter having been submitted, the Commission being fully advised, and good cause appearing,

IT IS ORDERED as follows:

(1) That Alton H. Putnam and Charles E. Warren, a partnership, doing business as California Southern Bus Co., be, and they hereby are, authorized to sell and transfer to San Diego Electric Railway Company the operative rights created under authority of Decisions Nos. 36375 and 38135, and the automotive equipment and business referred to in the foregoing opinion, and that San Diego Electric Railway Company be, and it hereby is, authorized to purchase and acquire said rights, equipment and business and thereafter to operate same, subject to the following conditions:

- (a) That within thirty (30) days after the transfer of the properties authorized herein, said co-partnership shall file with this Commission a copy of the Bill of Sale executed under the authority herein granted.
- (b) That if the purchasers acquire the operative right and property they may charge to Intangible Capital Account not more than \$100 of the purchase price of the operative right; the remainder of the payment for such operative right and alleged good will is to be charged to Surplus.

(c) Applicant shall, within sixty (60) days from the effective date hereof and upon not less than one (1) day's notice to the Commission and the public, establish the service herein authorized and comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.

(d) That the authorization herein granted shall lapse and become void if not exercised within six (6) months from the date hereof unless further time is granted by subsequent order.

(2) That a certificate of public convenience and necessity be, and it hereby is, granted to San Diego Electric Railway Company, a corporation, authorizing the establishment and operation of service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers between the City of National City and the intersection of Sweetwater Road and Orange Street, in the County of San Diego, and intermediate points, as an extension and enlargement of its present operative rights, and in lieu of the operative rights heretofore created by the Commission's Decision No. 36375, rendered May 25, 1943, and Decision No. 38135, rendered August 14, 1945, which operative rights are hereby revoked and annulled, subject to the following condition:

(a) That Paragraph (2) of this order shall not become effective for any purpose unless and until San Diego Electric Railway Company shall have first acquired the operative right as authorized in Paragraph (1) hereof.

(3) That in the operation of said passenger stage service pursuant to the foregoing certificate, San Diego Electric Railway Company, a corporation, shall comply with and observe the following service regulations:

- (a) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
- (b) Applicant shall, within sixty (60) days from the effective date hereof and upon not less than one (1) day's notice to the Commission and the public, establish the service herein authorized and comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify such at any time, San Diego Electric Railway Company shall conduct said passenger stage operation over and along the following described route:

Beginning at the intersection of Fourth Street and National Avenue, in the City of National City, thence along Fourth Street, "J" Avenue, Eighth Street, Harbison Avenue, Sixteenth Street, Allegheny Street, Reo Drive, Albermarle Street, Flintridge Drive, Potomac Street, Eighteenth Street to its intersection with Highland Avenue. Also, beginning at the intersection of Eighteenth Street and Granger Avenue, thence along Granger Avenue, Ridgeway Drive, Sweetwater Road to its intersection with Orange Street.

Applicant is authorized to turn its motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersection, or in accordance with local traffic rules.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 18th day of June, 1946.

Harold Rudman
Justin F. Cramer
Frank C. ...
James D. ...
Harold P. ...

COMMISSIONERS