

Decision No. 40338

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of RIVERSIDE TRANSIT LINES, a )  
corporation, for rerouting of its )  
Riverside-La Sierra Line and re- )  
routing of its Riverside-Canyon )  
Crest Line. )

Application No. 27834

In the Matter of the Application )  
of PACIFIC ELECTRIC RAILWAY )  
COMPANY, a corporation, for an )  
in lieu certificate of public )  
convenience and necessity, to )  
extend Riverside-Arlington local )  
motor coach service to La Sierra. )

Application No. 26636  
6th Supplemental

- WILLIAM GUTHRIE and JOHN B. LONERGAN, for applicant in Application No. 27834 and protestant in Application No. 26636 (6th Suppl.)
- C. W. CORNELL, for applicant in Application No. 26636 (6th Suppl.) and protestant in Application No. 27834.
- DONOVAN K. KLAUS, for Transportation Committee of Chamber of Commerce of Arlington, interested party.
- MRS. J. H. PIPER, for La Sierra Community Club, interested party.
- A. A. CREE, for Citizens of La Sierra Community, interested party.
- DR. WILFRED J. AIREY, for La Sierra College, interested party.

OPINION ON REHEARING

Riverside Transit Company, in Application No. 27834, and Pacific Electric Company, in Application No. 26636 (6th Suppl.), filed applications for certificates of public convenience and necessity authorizing the establishment of passenger service by motor bus between Riverside and La Sierra, via Arlington. The application of Riverside also involves certain proposed abandonments and reroutings. Both La Sierra and Arlington are suburbs of

(1) Hereinafter, Pacific Electric Railway Company will be referred to as Pacific and Riverside Transit Company as Riverside.

Riverside. In effect, each applicant requests authority to operate in the same territory, and at various points the routes proposed would be identical and for the most part parallel one to the other, being separated by approximately two or three blocks.

Pacific requests a certificate to operate between the intersection of Magnolia Avenue and Tyler Street, in Arlington, to Sierra Heights, via Tyler Street, Wells Avenue, Hole Avenue, Pierce Avenue to the intersection of Sierra Vista Avenue. By supplemental application, it requested an extension of this proposed route to La Sierra College, terminating at Raley Drive.

Riverside seeks a certificate to extend its operation into La Sierra Heights district, commencing at the intersection of California and Arlington Avenues, via California Avenue to Van Buren Street, south along Van Buren Street to Magnolia Avenue, southwesterly along Magnolia Avenue to Hole Avenue, westerly along Hole Avenue to Tyler Street, northerly along Tyler Street to Wells Avenue. At this point, it joins with a present existing right along Wells Avenue to Pierce Avenue, from which point a certificate is requested along Pierce Avenue to La Sierra Heights.

It is, therefore, apparent that these two applications request operating rights in essentially the same territory, and, if both were granted, would be highly competitive with each other.

Upon the issues thus joined, a public hearing was held at Arlington on October 23, 1946. The matters were submitted on a consolidated record and on November 16, 1946, the Commission rendered its Decision No. 39664 authorizing operation by Pacific over the route beginning at the intersection of Tyler Street and Magnolia Avenue, via Tyler to Wells Avenue, Hole Avenue and Pierce Avenue to Sierra Vista Street. In the same order, Riverside was

authorized to abandon a portion of its Riverside-Canyon Crest Line, but its application in all other respects was denied. Pacific inaugurated the authorized service on December 16, 1946, and it has been maintained since that date.

Applicant Riverside protested the decision and filed a petition for rehearing alleging, among other things, that the order made by the Commission was not based upon facts found by the Commission in said decision, and that the Commission failed to find upon the material facts at issue. The petition was granted, and a rehearing was held at Riverside on April 3, 1947. At the outset it was stipulated the testimony taken at the former hearing would be considered as included in the record of the rehearing.

Four witnesses were called by Riverside. Richard I. Glasscock, Vice President, testified that the company has continued to lose money and its Profit and Loss Statement shows a net loss for 1947, to February 28, of \$2,382.49<sup>(2)</sup>. He stated that the loss had been continuous since the last hearing until it "ended up finally at a point where the company could not buy its licenses, its motor vehicle licenses, and was not able to pay the cost of repairs on vehicles which it had purchased and still owes money on."

So desperate was the situation of the company that Richard I. Glasscock, its Vice President, on August 28, 1946, wrote to the Passenger Traffic Manager of Pacific that he, Glasscock, had been informed that Pacific was contemplating the filing of an application with the Railroad Commission (now the Public Utilities Commission) for an extension of its Riverside-Arlington line into the town of

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(2) At the original hearing the testimony was that there was a net operating loss of \$2,567.57 for the period January 1 to July 31, 1946. The witness Glasscock attempted to attribute most of this loss to the sale of old busses, but no explanation to that effect was introduced at the prior hearing.

La Sierra, via Tyler and Wells Avenues, and that such action would make it unnecessary for Riverside to supply the service, which had been unprofitable to Riverside in any event, and would constitute a duplication of Riverside's service. The letter went on to state that Riverside would immediately apply to the Commission for authority to abandon the Riverside-Arlington line and, in conclusion, expressed the hope that Pacific would find business in the La Sierra district more profitable than Riverside had found it to be.

The manager of Riverside testified that the service inaugurated by Pacific pursuant to the Commission's order of November 26 interfered with the service of Riverside to such an extent that the daily revenue dropped from \$24.10 to \$3.21 on the Sierra-Riverside run, resulting in a loss of revenue between December 16, 1946, and February 28, 1947, of \$1500.

Only one public witness testified for Riverside. Her testimony was that Pacific service was satisfactory, though sometimes the schedules were 2 or 3 minutes late. Another witness was a driver for Riverside who testified that his instructions were to maintain schedules and that he had done so.

H. O. Marler, Passenger Traffic Manager of Pacific, testified that Pacific handled a total of 1702 passengers, or an average of 304 a day, from March 10 to March 14th, 1947. Relying on the Glassecock letter of August 28, 1946, he did not anticipate any competition as a result of Pacific's extension into the Sierra Heights area. He was given to understand, so he testified, that if Pacific filed an application, Riverside would discontinue their service. He testified further that, in his opinion, if Riverside were granted a certificate, with restrictions proposed in order to protect Pacific in its present Arlington service, it could not be

operated at a profit. If the same number of trips were operated by Riverside as are now operated by Pacific, in the opinion of this witness, "I think they would have a hard time making a go of it."

The petition of Riverside for rehearing alleges several discrepancies in the opinion part of the decision and contends that the Commission committed error in its order granting a certificate to Pacific.

We are unable to agree with the contentions of petitioner. The preponderance of public-witness testimony favors the granting of the application of Pacific. There is no question of the need for additional service into the La Sierra territory. The only question confronting us is which of the applicants is better qualified to satisfy the requirements of public convenience and necessity. The financial condition of Riverside is so critical, according to the testimony of its own witnesses, that the Commission would not feel justified in granting a new certificate to this applicant or in extending its operations. The record is clear that bus riders in this area will refuse to patronize its line or at least will do so only to a limited extent.

The loss of daily revenue to Riverside, which that applicant attempts to lay at the door of Pacific competition, is unquestionably brought about by an overwhelming public desire for better service. Riverside cannot recoup its losses by assuming the additional responsibility of new or extended service. The result of such additional service will naturally be a further shrinking of revenue and consequent deterioration of equipment.

Public service organizations, representing a large majority of the residents of the areas involved, prefer the service proposed

by Pacific. The Arlington Chamber of Commerce, with a membership of 300, passed a resolution subsequent to the effective date of Decision No. 39664, approving that decision without reservation. Likewise, the President of La Sierra Heights Community Club testified that the Club had passed a resolution favoring continuation of the service rendered by Pacific between Arlington and La Sierra since the date of its inauguration on December 16, 1946.

The rehearing produced no new evidence which might have the effect of casting any doubt on the conclusions reached in our former decision. As a matter of fact, the testimony at rehearing only tends to confirm more strongly than ever the fact that Pacific and not Riverside, is best qualified to render service to the La Sierra district. The interests of the public are paramount and the record is replete with testimony favoring the application of Pacific.

We are aware that the denial of Riverside's application to reroute its operation between the intersection of Arlington and California Avenues and the junction of Sierra Vista and Pierce Avenue, and to abandon its service over Tyler Street and Hole Avenue, between Wells and Arlington Avenues, leaves the applicant in a position where it would be compelled to render service over those two streets notwithstanding that the operation is now admittedly being carried on at a loss. To remedy that situation the way is clear for Riverside to file a supplemental application requesting such abandonment, which cannot now be considered due to the fact that the proposal to abandon is linked up with the request for the establishment of a new route from California and Arlington to Wells and Tyler.

We find from the record in this proceeding on rehearing that the order in Decision No. 39664 should be affirmed subject to the amendment filed with the Commission on October 31, 1946, involving the inclusion of Raley Drive as the terminus instead of Sierra Vista Street. Because of the fact that Pacific amended its application to include service to Raley Drive paragraph (1) of the order will be modified accordingly.<sup>(3)</sup>

ORDER ON REHEARING

Application having been made in the above-entitled matter and the Commission being duly advised, and hereby finding that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That Route 5-C as set forth in Appendix "A" in Decision No. 38827, dated April 9, 1946, in Application No. 26636, as amended by Decision No. 39664 is hereby further amended to read as follows:

"Route 5-C

"From Chapman Ave. and Lemon St. (Orange), via Lemon St., Maple Ave., Glassell Ave., Orange-Olive Blvd., Santa Ana Canyon Road (State Highway 18), 6th Street (Corona) Magnolia Ave., (Arlington), and Market St. to 7th St. (Riverside); also, from Tyler St. and Magnolia Ave. (Arlington), via Tyler St., Wells Ave., Hole Ave., and Pierce Ave. to Raley Drive (La Sierra)."

(2) That in all other respects Decision No. 39664, in Application Nos. 26636 (6th Suppl.) and 27834 is hereby affirmed.

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(3) The extension is approximately one-half mile on Pierce Street and is intended to afford transportation to La Sierra College. It will occasion no disruption of the scheduled service nor bring about any increase in fares.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of May, 1947.

Harold Kule  
Justus F. Garrison  
Walter Lawrence  
A. J. ...  
Herbert ...  
COMMISSIONERS