

ORIGINAL

Decision No. 41917

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Pacific Electric Railway Company, a corporation, for permission to discontinue rail passenger service on its Long Beach-San Pedro Line, substituting therefor motor coach service, and for an in lieu certificate of public convenience and necessity.

) Application No. 26636
) Supplement to Twenty-
) Second Supplemental

In the matter of the application of Pacific Greyhound Lines, a corporation, for an amendment to its certificate rendered in Decision No. 35241, authorizing operations, in part, between Long Beach and Santa Monica.

) Application No. 29402

APPEARANCES

E. L. H. Bissinger, for Pacific Electric Railway Company, applicant in Application No. 26636 - 22nd Supplemental and protestant in Application No. 29402; Douglas Brookman and R. E. Thomas, for Pacific Greyhound Lines, applicant in Application No. 29402 and protestant in Application No. 26636 - 22nd Supplemental; George M. Stephenson, for San Pedro Motor Bus Company, Robert Landier doing business as La Rambla Bus Line and Harbor Hills Bus Line, and Ralph Curasco doing business as Harbor Transit Company, protestants to both applications; Phil Jacobson and E. A. Shelly for Wilmington Bus Company, protestant to both applications; Willard Lee for Long Beach City Lines, protestant to Application No. 26636 - 22nd Supplemental; Pete Drake for Terminal Island Transit Company, interested party; Irving M. Smith, Joseph E. Lamb and John H. Mixner for the City of Long Beach, interested party; Roger Arnebergh and T. M. Chubb for City of Los Angeles, interested party.

OPINION

By its 22nd Supplemental Application No. 26636, filed on January 5, 1948, and amended by a supplement filed on May 24, 1948, Pacific Electric Railway Company seeks permission to discontinue rail passenger service on its Long Beach-San Pedro Line and to substitute in lieu thereof motor coach service between Long

Beach, Wilmington and San Pedro over the following described route:

Commencing at the intersection of Pacific Avenue and Ocean Boulevard in the City of Long Beach, via Ocean Boulevard, Chestnut Avenue, Third Street, Pacific Avenue, Seventh Street, Pico Avenue, Anaheim Street, Avalon Boulevard (Wilmington), "B" Street, Wilmington & San Pedro Road, Pacific Avenue (San Pedro), Sixth Street, Harbor Boulevard, and Fourth Street to Pacific Avenue.

Also, from intersection of Pacific Avenue and Third Street, Long Beach, via Pacific Avenue to First Street.

Also, from the intersection of Avalon Boulevard and "B" Street, Wilmington, via Avalon Boulevard, Water Street, and Fries Avenue to "B" Street.

By Application No. 29402, filed June 7, 1948, Pacific Greyhound Lines seeks the removal of certain restrictions contained in Decision No. 35241 dated April 14, 1942, on Application No. 23462, by which it was issued a certificate of public convenience and necessity to operate passenger stage service between San Pedro, Wilmington and Long Beach over certain specified routes. The restrictions imposed by the above-numbered decision are as follows:

1. No passengers will be handled locally between points east of Avalon Boulevard, Wilmington and Long Beach.
2. No passengers will be handled locally between points south of Harbor Boulevard in San Pedro and points in the City of Long Beach on through schedules operated via Wilmington-San Pedro Road or in the reverse direction between the same points.

Public hearings in the Pacific Electric application were held before Examiner Ager at Los Angeles on June 2 and June 9, 1948, and the matter was duly submitted on the latter date. Counsel for Pacific Greyhound Lines at the hearing on June 9 requested that any decision in the Pacific Electric application be deferred pending receipt of evidence as to its application.

Public hearing on Application No. 29402 was held in Los Angeles before Examiner Ager on July 12, 1948, at which time the

matter was duly submitted.

Counsel for Pacific Greyhound Lines made a motion that both matters be considered on a consolidated record and that they be consolidated for decision as well. Counsel for Pacific Electric Railway Company indicated that he would offer no objection to the consideration of the two matters on a consolidated record, but did make the statement that, in his judgment, there was no good reason why the matters should be consolidated for decision. The matters are so closely related, however, that it is difficult to divorce them and it therefore appears proper that they should be disposed of by one decision.

PACIFIC ELECTRIC RAILWAY COMPANY'S SUPPLEMENTAL APPLICATION 26636

As part of the justification for its proposal, applicant states that substitution of motor coach service for rail service on the Long Beach-San Pedro Line after 6:00 P.M. on weekdays and all day on Sundays was recommended by Commission engineers in connection with Case No. 4843. The present application goes beyond this recommendation and as justification for this expansion applicant relates that its studies indicate that through complete substitution of motor coaches, an improved service can be provided with material betterment in the financial results of operation.

Verbal testimony by applicant's witness developed the additional fact that complete motor coach substitution as proposed would make possible the abandonment of the wooden-bodied rail cars presently operated in the Long Beach-San Pedro service.

A representative of the San Pedro Chamber of Commerce testified that his organization had taken a position endorsing the application for the reason that the proposed route along Pacific Avenue in San Pedro would be more convenient to local

residents. This witness also testified, however, that he did not know whether the Chamber of Commerce would endorse the proposal if it might in any way jeopardize existing operations by local carriers.

The Board of Public Utilities and Transportation of the City of Los Angeles has approved the proposal of Pacific Electric so far as the changes affect service within the city of Los Angeles.

The Bureau of Franchises and Public Utilities of the City of Long Beach expressed opposition to the application, it being its opinion that the motor coach service should be routed via Ninth Street between Pico and Santa Fe Avenues, rather than along Anaheim Street between these points. A witness for the City of Long Beach indicated that in his opinion the Pacific Electric proposal would be satisfactory provided the above change in route were made and, further, provided that service were restricted so that it would have no adverse effect upon the operations of the Long Beach City Lines within the city of Long Beach.

The application was opposed by Pacific Greyhound Lines, La Rambla Bus Line, Harbor Hills Bus Line, Harbor Transit Company and Wilmington Bus Company. Witnesses for these carriers offered considerable testimony to the effect that the proposed motor coach operation by Pacific Electric Railway Company would seriously reduce traffic on their lines and that in some instances the financial loss might be serious enough to result in the entire abandonment of service.

PACIFIC GREYHOUND LINES' APPLICATION NO. 29402

Pacific Greyhound Lines contends that the motor coach service proposed by Pacific Electric Railway Company will divert traffic in territory now served by it and that the removal of the

two restrictions as proposed is necessary in order to place applicant on a fair competitive basis. A witness for Pacific Greyhound presented evidence as to the volume of traffic that might be so diverted and offered a plan for the establishment of more frequent and direct service between Long Beach and San Pedro, assuming favorable action by the Commission on the proposal that the restrictions be removed.

Pacific Electric in its application does not propose any restriction through the Wilmington area and Pacific Greyhound Lines presented evidence to show that in its service between the intersection of Avalon Boulevard and Anaheim Street and the city of Long Beach there are handled between 400 and 500 passengers daily in both directions. Pacific Electric does not now serve this intersection, but the proposed motor coach line of this operator would duplicate the service of Pacific Greyhound and offer direct competition to the established through service between Wilmington and Long Beach. A restriction might be designed which would reasonably protect the local operators in Wilmington, but no practical restriction could be placed upon the proposed Pacific Electric motor coach service that would protect the through service by Pacific Greyhound Lines.

GENERAL DISCUSSION

Since both applicants have seen fit to refer to the recommendation of the Commission's engineers relative to motor coach substitution for a portion of Pacific Electric's Long Beach-San Pedro rail passenger service, it seems appropriate to herein state that this recommendation was made for the sole purpose of effecting economies in operation during the periods when rail passenger traffic is extremely light. We do not believe it was

the intention of these engineers to suggest expansion of Pacific Electric service in the territory involved, particularly if such expansion were to result in diversion of traffic from other operators. Furthermore, and in substantiation of the engineers' recommendation, we here wish to point out that a motor coach service could be established between Long Beach and San Pedro that would substantially duplicate service on the existing rail line and would in no way affect present conditions, either with respect to Pacific Electric Railway patrons or those of any other operator.

The motor coach route proposed by Pacific Electric Railway is substantially different from that of the existing rail line in that it is along streets more centrally located through the business and shopping districts of Long Beach, Wilmington and San Pedro. It is true that Pacific Electric proposed restrictions against the transportation of passengers locally in Long Beach and San Pedro and it is reasonable to believe that such restrictions could, if properly designed and policed, satisfactorily protect existing carriers now providing local service in these two areas. On the other hand, however, the record shows that much of the traffic which Pacific Electric would originate in the San Pedro area is now handled by local operators and this traffic would be entirely lost to those operators.

At the hearing on July 12, 1948, a witness for Pacific Electric, in response to a question as to whether or not his company would accept a certificate for a motor coach line routed through Wilmington via McFarland Avenue and "D" Street so as to eliminate competition with Pacific Greyhound Lines at the intersection of Anaheim Street and Avalon Boulevard, and the alternate routing suggested by the City of Long Beach via Pico Street and

Ninth Street, indicated that, in his opinion, such a certificate would not be acceptable to Pacific Electric.

CONCLUSIONS

The filing of Application No. 29402 by Pacific Greyhound Lines was prompted by Pacific Electric Railway Company's proposal in 22nd Supplemental Application No. 26636 and was intended to place Pacific Greyhound Lines in a more favorable competitive position if the Pacific Electric application were granted.

There is no evidence in the record which indicates that public convenience and necessity require the operation of two motor coach services between Long Beach, Wilmington and San Pedro, which would be the result if the application of Pacific Electric were granted as prayed for and if the two restrictions of Pacific Greyhound Lines' operations were removed as requested in its application. Neither has Pacific Electric Railway Company convinced us as to the necessity for the issuance of an additional certificate of public convenience and necessity authorizing the expansion of rights it now holds for the performance of a passenger transportation service by rail through the area involved.

Under the circumstances and for the reasons above set forth, we believe that the Pacific Electric Railway Company's application should be denied and that by such action, the justification for the application of Pacific Greyhound Lines is automatically removed.

ORDER

Public hearings having been held and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED that the application of Pacific Electric Railway Company (22nd Supplemental Application No. 26636,

as amended) to discontinue rail passenger service on its Long Beach-San Pedro Line, and to substitute a motor coach service in lieu thereof, be and the same is hereby denied.

IT IS HEREBY FURTHER ORDERED that the application of Pacific Greyhound Lines (Application No. 29402) to remove certain restrictions to its operations between San Pedro, Wilmington and Long Beach, as imposed by Decision No. 35241 dated April 14, 1942, in Application No. 23462, be and the same is hereby denied.

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

Dated at San Francisco, California, this 3rd day of August, 1948.

B. J. Ingram

Joseph H. Powell

Harold P. Kula

Wm. H. Potter
Commissioners