ORIGINAL

Decision No. 49922

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Dean, William K. and David M. Carson, individuals, doa copartners under the name of CROSS TOWN BUS LINES, to transfer certain portions of its routes to SOUTHERN CITIES TRANSIT, INC., and to abandon certain portions of its routes; and SOUTHERN CITIES TRANSIT, INC., a corporation, to acquire certain routes from CROSS TOWN BUS LINES, to extend certain existing routes and to abandon certain portions of existing routes.

Application No. 34897

In the Matter of the Application of LOS ANGELES TRANSIT LINES, for authority to discontinue and abandon service on part of Hollydale Motor Coach Line No. 51.

Application No. 34954

Charles Boohm, for Southern Cities Transit, Inc., and Cross Town Bus Lines, applicants in Application No. 34897.

Gibson, Dunn and Crutcher, by Richard L. Wells, for Los Angeles Transit Lines, applicants in Application No. 34954, and protestants in Application No. 34897.

Clyde Woodworth, City Attorney of the City of South Gate, and F. W. Turcotte, for the City of South Gate, protestant in both applications.

Turcotte and Goldsmith, by F. W. Turcotte, for South Gate Chamber of Commerce, Hollydale Businessmen's Association, East Hollydale Businessmen's Association, Hollydale Civic Council, and McKinley Property Owners' Association, protestants in both applications.

Turcotte and Goldsmith, by F. W. Turcotte, and Morris Christensen, for South Gate Chamber of Commerce, protestants in both applications.

Passengers shall not be transported locally between the intersection of Main Street and Paramount Boulevard and the intersection of Imperial Highway and Rives Avenue, both points inclusive. (Hollydale-Downey Line).

Southern Cities now collects fifteen cents for all transportation west of Carfield Avenue, and five cents additional for points east of Garfield Avenue. The minimum fare is fifteen cents. School tickets are sold at the rate of \$2.25 for thirty rides in one zone, or \$3.50 for thirty rides in two zones.

There are no transfer privileges botween the Southern Cities and Cross Town services.

Route No. 51 of the Los Angeles Transit Lines (hereinafter referred to as L.A.T.L.) runs from Palm Place and Seville
Avenue in the city of South Gate via Seville, Long Beach
Boulevard, Firestone Boulevard, Santa Fe Avenue, Truba Avenue,

⁵ Southern Cities Local Passenger Tariff No. 8, Cal. P.U.C. No. 8.

(d) Hollywood Race Track Route -

Along any of the hereinabove described streets and, in addition, Prairie Avenue between Imperial Highway and any entrance to Hollywood Park Race Track.

(e) School Bus Operations conducted within the following boundaries:

The area to be served is bounded on the north by Michigan Avenue and the extensions thereof, on the west by Alameda Street, on the east by the Los Angeles River, on the south by Tucker Street and McMillan Street and the extensions thereof to the east.

- (2) Southern Cities requests authority to extend the hereafter listed routes as follows:
 - (a) East Rosecrans-Sears-Lynton Manor Line -

Temple Street between Compton Boulevard and Rosecrans Avenue; Pine Avenue between Bullis Road and Bradfield Avenue; Wright Road between McMillan Street and Josephine Street; Josephine Street between Wright Road and Atlantic Avenue; Atlantic Avenue between Josephine Street and Fernwood Avenue; Oaks Avenue between Santa Fe Avenue and Long Beach Boulevard, and Long Beach Boulevard between Oaks Avenue and Pine Avenue.

(b) Willowbrook Line -

Wilmington Avenue between 124th Street and Imperial Highway.

(c) Imperial Highway Route -

Imperial Highway between Atlantic Avenue and Horton Lane.

Also, from the intersection of Main Street and Garfield Avenue, along Garfield Avenue to its intersection with McKinley Avenue, with turnaround privileges.

(d) Lynwood Local Line -

Century Boulevard between San Carlos Street and Bullis Road.

(d) Lynwood Local Line (Continued) -

Also, Fernwood Avenue between Bullis Road and Long Beach Boulevard.

Also, State Street from Imperial Highway to Santa Fe Avenue, Santa Fe Avenue to El Segundo Boulevard, and El Segundo Boulevard to Wilmington Avenue.

(3) The following portions of routes are proposed to be abandoned:

(a) Cross Town's Compton Line -

From the intersection of Oleander Street and Myrrh Street, along Myrrh Street, Tamarind Street and Rosecrans Avenue to its intersection with Chester Avenue.

Also, Laurel Street between Tamarind Street and Oleander Street, and Oleander Street to Myrrh Street.

Also, Chester Avenue between Rosecrans Avenue and Santa Fe Avenue.

Also, Bullis Road between Century Boulevard and Fernwood Avenue.

(b) Cross Town's Imperial Highway Line -

Fernwood Avenue between Imperial Highway and Alameda Street, Alameda Street between Fernwood Avenue and Imperial Highway.

(c) Cross Town's Lynwood Local Line -

Orchard Avenue between Long Beach Boulevard and Bullis Road, Bullis Road to Agnes Avenue, Agnes Avenue to Broadway, Broadway to Atlantic Avenue, and Atlantic Avenue to Josephine Street.

Also, Atlantic Avenue between Imperial Highway and Abbott Road and Abbott Road to its intersection with Century Boulevard (at San Carlos Avenue).

(d) Southern Cities' East Rosecrans-Sears-Lynton Manor Line -

Rosecrans Avenue between Santa Fe Avenue and Temple Street.

Also, from the intersection of Bullis Road and Pine Avenue along Bullis Road, Orchard Avenue, Olanda Street, Cookacre Street, Carlin Avenue, El Segundo Boulevard, Millrace Street, Clark Street, Edgebrook Avenue and McMillan Street to its intersection with Wright Road.

Also, Bradfield Avenue (extension of Temple Street) between Pine Avenue and Orchard Avenue.

(4) By Application No. 34954, Los Angeles Transit Lines seeks authority to abandon service on the following portion of Line No. 51: between the intersection of Atlantic Avenue and Imperial Highway, on the one hand, and the intersection of Horton Lane and Imperial Highway, on the other hand.

The applications were consolidated for hearing and public hearings were held before Examiner Rogers on January 19 and 20, 1954 in Lynwood, and January 28, 1954 in Los Angeles. Prior to the first hearing, notices thereof were posted and published by all applicants, as required by this Commission. The notices posted and published by the applicants Southern Cities and Cross Town advised the readers thereof that if the application were granted certain fare increases would result.

O Mr. Turcotte, the attorney for numerous protestants, objected to any action being taken which would increase the fares of those using Cross Town's services on the ground that the application fails to meet the requirements of this Commission relative to rate increase applications (Rule 23, P.U.C. Rules of Practice and Procedure). This objection is not well taken for the reason that the increase of rates is but a resulting incident of the authority herein requested. The application primarily involved the transfer of operating authority.

The two applications are interdependent to this extent: L.A.T.L. favors the granting of the Cross Town-Southern Cities application provided L.A.T.L. is permitted to abandon as here-inbefore stated. If L.A.T.L. is not permitted to abandon, it requests that the proposed extension of service by Southern Cities along Imperial Highway between Atlantic Avenue and Horton Lane be denied, and also that no consolidation of service by Southern Cities and Cross Town be permitted. Protestants other than L.A.T.L. desire that the L.A.T.L. service be continued as at present and that any change in Southern Cities-Cross Town service which would jeopardize the continuance of the L.A.T.L. service be prohibited.

Disregarding Southern Cities proposed extension along Imperial Highway east from Atlantic Avenue and L.A.T.L.'s request for authority to abandon service east of Atlantic Avenue, there are four items to be considered: (1) the request of Cross Town to transfer its Lynwood-Compton-Imperial Highway-school-race track rights to Southern Cities; (2) the requests of Southern Cities and Cross Town for authority to abandon portions of lines; (3) the request of Southern Cities for authority to operate over certain additional routes; and (4) the request of Southern Cities to increase rates on the lines it may be authorized to acquire from Cross Town.

Southern Cities is an experienced, well-financed, 8 and adequately equipped operator. The proposed transfer is

⁷ Exhibit No. 7.
8 Cross Town's buses will be transferred to Southern Cities without consideration.

not adverse to the public interest. There is no consideration for the proposed transfer other than an agreement giving Dean Carson, one of the owners of Cross Town, the option to purchase all outstanding stock of Southern Cities.

Concerning the request of Cross Town to abandon certain portions of lines, the record shows that those portions, with three exceptions, are duplications of Southern Cities' lines or have been operated only once per day for eight or nine months. Where the lines are duplications of Southern Cities' lines the service will be continued if the transfer is permitted. The once-a-day service is equivalent to no service, is an unwarranted financial drain, and should obviously be discontinued. Three portions of Cross Town's lines now being served will lose service: (1) on the Imperial Highway Line an alternate route via Fernwood Avenue and Alameda Street; (2) on the Compton-Lynwood Line, Chester Avenue between Rosecrans Avenue and Santa Fe Avenue; and (3) on the Compton-Lynwood Line the loop at the Compton end thereof from Tamarind Street via Laurel Street, Oleander Street and Myrrh Street to its intersection with Tamarind Street.

It is approximately 900 feet from the intersection of Alameda Street and Fernwood Avenue via Alameda Street to its intersection with Imperial Highway. This is a reasonable walking distance and this abandonment should be permitted to facilitate operations. It is less than 300 feet from Chester Avenue to Santa Fe Avenue where service will be continued. This abandonment will be permitted. The Laurel Street-Oleander Street-Myrrh Street loop is a terminal operation. As a rule, one-way

⁹ Exhibit No. 9.

loop operations are unsatisfactory. It is less than one-quarter mile from the Oleander Street end of this loop to Tamarind Street where service will be continued. This abandonment should be permitted. None of Cross Town's abandonments are adverse to the public interest.

Concerning Southern Cities proposed abandonments, the record shows that the purpose thereof is to avoid duplication of routes in the event the application is granted. There is very little traffic originating at any intersection where service is 10 to be discontinued. Most of these intersections will be within reasonable walking distance from Southern Cities remaining services. There were no protests. The evidence shows that Southern Cities proposed abandonments are not adverse to the public interest.

Southern Cities has proposed extensions on Temple
Street between Compton Boulevard and Rosecrans Avenue, on Pine
Avenue between Temple Street and Bradfield Avenue, on Wright
Road between McMillan Street and Josephine Street, on Josephine
Street between Wright Road and Atlantic Avenue, on Fernwood Avenue
between Bullis Road and Long Beach Boulevard, on Atlantic Avenue
between Josephine Street and Fernwood Avenue, on Century Boulevard
between San Carlos Street and Bullis Road, on Oaks Avenue between
Santa Fe Avenue and Long Beach Boulevard, and on Long Beach
Boulevard between Caks Avenue and Pine Avenue. These extensions
are for the purpose of providing a single carrier service by
Southern Cities between Compton and Lynwood, cities now served
by Southern Cities and Cross Town, with in some instances a
duplication of service. The proposal will give a broader

¹⁰ Exhibit No. 4.

coverage and passengers will be able to travel to any point in the service area without changing lines and paying extra fares as they do at present in order to travel from a point on a Southern Cities route to a point on a Cross Town route. There was no opposition to these proposed reroutings. We find that public convenience and necessity require that applicant Southern Cities be authorized to serve the above listed routes.

The requested authority to serve from the intersection of Wilmington Avenue and El Segundo Boulevard via El Segundo Boulevard, Santa Fe Avenue and State Street to its intersection with Imperial Highway will be denied at this time. The sole reason for this request was that "in the future" Southern Cities will locate its terminal at the intersection of Alameda Street and El Segundo Boulevard. When and if that event happens, the matter can be handled through an appropriate application.

The request for authority to extend service along Wilmington Avenue between 124th Street and Imperial Highway will be denied. Atkinson Transportation Company serves via Wilmington Avenue between these points. Applicant presented no evidence of need for an additional service.

As heretofore stated, Southern Cities local fares are 15 cents and Cross Town fares are 10 cents. If Cross Town lines are acquired by Southern Cities the fares necessarily must be equalized. Cross Town attempted to justify an increase to equalize the fares of Cross Town with those of Southern Cities by presenting a forecast based on the experience for the eight months ending August 31, 1953. The comparison between past

ll Exhibit No. 8.

experience at Cross Town's existing rates and the forecast based on the requested rates is as follows:

	Present Fares	Increased Fares
Total Income	\$ 36,360.00	\$ 50,600.00
Expenses		,
Equipment, maintenance and garage expense	6,220.00	6,220.00
Transportation expenses	24,180.00	26,598.00
Insurance and safety expense	2,690.00	3,685.00
Administrative expense	2,400.00	2,400.00
Depreciation expense	5,380.00	5,380.00
Taxes and licenses	3,980.00	4,405.00
Total expense	\$ 44,850.00	\$ 48,688.00
Net profit from operation	\$(<u>8,490.00</u>)	\$ 1,912.00
Operating ratio	102.3%	96.22%
Rate base	\$ 42,500.00	\$ 42,500.00
Rate of return		4-149%

(rod figure)

The only evidence in the record concerning the results of operations of Cross Town shows that that company is operating at a loss. We are of the opinion that the Cross Town-Southern Cities estimates fairly reflect the results that may be expected from the revised fare schedule as set forth in and authorized by the order of this decision, which fares we find have been justified and will be authorized.

In addition to the foregoing matters, Southern Cities seeks authority to extend its services from the intersection of Imperial Highway and Atlantic Avenue via Imperial Highway to Horton Lane, thence via Horton Lane, Eucalyptus Street, Consuelo Avenue. County Farm Drive, Paramount Boulevard, Main Street and Garfield Avenue to its intersection with McKinley Avenue. This extension is allegedly for the purpose of permitting Southern Cities to render a direct service between Lynwood, the Hollydale section of South Gate (located on Main Street and Paramount Boulevard) and Downey without routing passengers through 12 Compton.

Los Angeles Transit Lines serves via its No. 51 line from the intersection of Palm Place and Seville Avenue in the city of South Gate (at which point it connects with other L.A.T.L. buses running into the city of Los Angeles) via Seville Avenue, Long Beach Boulevard, Firestone Boulevard, Santa Fe Avenue, Truba Avenue, Tweedy Boulevard, Atlantic Avenue, Imperial Highway, Garfield Avenue, Main Street, Paramount Boulevard, and the route to be followed by Southern

Dean Carson, who has the option to purchase all of the outstanding stock of Southern Cities (Exhibit No. 9), now holds authority to serve along Imperial Highway between its intersections with Rives Avenue on the east (about 600 feet east of Horton Lane), and its intersection with Atlantic Avenue on the west (Decision No. 44208, dated May 23, 1950, on Application No. 31102; Decision No. 49493, dated January 5, 1954, on Application No. 34967). He may not carry passengers having both origin and destination between the intersection of Atlantic Avenue and Imperial Highway and the intersection of Garfield Avenue and Imperial Highway, both points inclusive.

Cities to the intersections of Horton Lane and Imperial 13 Highway.

Southern Cities proposed schedules are about the same as the existing schedules of L.A.T.L. from the intersection of Atlantic Avenue and Imperial Highway, and include Sunday and holiday service.

Southern Cities presented no convincing evidence that public convenience and necessity require that it be given authority to extend service along Imperial Highway east of Atlantic Avenue. Its request for authority to serve via Imperial Highway between its intersections with Atlantic Avenue and Horton Lane will, therefore, be denied.

Avenue about 300 feet north of Imperial Highway. (Beak Avenue is about half way between Horton Lane and Garfield Avenue where the L.A.T.L. service turns off of Imperial Highway). These women now go into both South Gate and the Lynwood-Compton area to shop or for medical services and must walk 900 to 1200 feet on Imperial Highway for services. The Commission will take judicial notice of the fact that Holbrook Transit Company renders a service which will enable these witnesses to secure transportation from the intersection of Beak Avenue and Imperial Highway to the intersection of Atlantic Avenue and Imperial Highway.

¹³ Southern Cities now has authority to serve all but Imperial Highway between its intersections with Atlantic Avenue and Horton Lane (Decision No. 48493, dated April 14, 1953, on Application No. 34074.)
14 Exhibit No. 5.

In support of its request for authority to discontinue service on its No. 51 line, L.A.T.L. presented evidence intended to show that the number of passengers using the portion of the line sought to be abandoned had declined since 15 1948. While this evidence shows that the traffic declined in 1950 and 1951 from 1948 and 1949, it also shows that the number of passengers carried increased in 1952 and remained about constant in 1953. L.A.T.L. also presented evidence showing that it is operating the portion of the line sought to be abandoned 16 at a loss.

Several interested individuals, groups and civic organizations appeared in opposition to the abandonment of any portion of Line No. 51. The consensus of their testimony is that Hollydale is a portion of the city of South Gate, that the main travel from Hollydale is to the city of South Gate or beyond to Los Angeles and vicinity, and that they want the existing service continued.

We note that the record shows that L.A.T.L.

Line No. 51 is approximately eight miles in length one way,
and that the portion sought to be abandoned is approximately
three miles in length. The evidence presented by L.A.T.L.

dealt with the traffic carried and the results of operation
of the three-mile portion of the eight-mile run. Line No. 51
is but a small portion of the extensive services of L.A.T.L.

¹⁵ Exhibit F.
16 Column A, Exhibit G. The Commission is denying the application of Southern Cities to extend service on Imperial Highway, so Column B, Exhibit G, is disregarded.

A. 34897, 34954 - MP (a) Rosecrans Avenue between Santa Fe Avenue and Temple Street. (b) From the intersection of Bullis Road and Pine Avenue along Bullis Road, Orchard Avenue, Olanda Street, Cookacre Street, Carlin Avenue, El Segundo Boulevard, Millrace Street, Clark Street, Edgebrook Avenue and McMillan Street to 1ts intersection with Wright Road. (c) Along Bradfield Avenue between its intersections with Pine Avenue and Orchard Avenue. (4) That prior to the discontinuance of service pursuant to subparagraphs (a) to (c) inclusive, above, Southern Cities shall post plainly visible notices in all of its buses and terminals. Such notices shall remain posted for at least five days prior to the abandonment of service as herein authorized. IT IS FURTHER ORDERED: (5) That Cross Town Bus Lines be, and it hereby is, authorized to amend its passenger tariff, Cal. P.U.C. No. 5, on not less than five days' notice to the Commission and to the public, to increase its fares in conformity with those proposed by Southern Cities in its proposed Local Passenger Tariff No. 9, Cal. P.U.C. No. 9 (Exhibit 6 herein). That the authority herein granted shall expire unless (a) exercised within sixty days from the effective date hereof, and (b) Cross Town's operative rights are transferred from Cross Town to Southern Cities prior to or concurrently with the placing in effect of such increased fares. That appropriate notice explaining such fare increases shall be posted in the terminals of Cross Town (or Southern Cities where the latter is involved) at least five days prior to the date upon which such increased fares become effective. -21A. 34897, 34954 - MP (a) Pine Avenue between Bullis Road and Bradfield Avenue. Wright Road between McMillan Street and Josephine Street. (d) Josephine Street between Wright Road and Atlantic Avenue. (e) Atlantic Avenue between Josephine Street and Fernwood Avenue. (f) Oaks Avenue between Santa Fe Avenue and Long Beach Boulevard. (g) Long Beach Boulevard between Oaks Avenue and Pine Avenue. Century Boulevard between San Carlos Street (h) and Bullis Road. (1)Fernwood Avenue between Bullis Road and Long Beach Boulevard. (11) That in providing service pursuant to the certificate horein granted, Southern Cities Transit, Inc. shall comply with and observe the following service regulations: Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. (b) Within sixty days after the effective date hereof, and upon not less than five days! notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs and time schedules satisfactory to the Commission. IT IS FURTHER ORDERED that Southern Cities may consolidate its lines with those lines it is authorized to acquire from Cross Town pursuant to this order. IT IS FURTHER ORDERED that an in lieu certificate be, and it hereby is, granted to Southern Cities Transit, Inc. in place of the certificate granted to Southern Cities Transit, Inc. by Decision No. 48493, dated April 14, 1953, on Application -23-

A. 34897, 34954 - MP H. School Bus Service The area to be served is bounded on the north by Michigan Avenue and the extensions thereof, on the west by Alameda Street, on the east by the Los Angeles River, and on the south by Tucker Street and McMillan Street and the extensions thereof to the east. I. Hollywood Race Track Along any of the herein described streets, and in addition thereto, Prairie Avenue between Imperial Highway and any entrance to the Hollywood Park Race Track. Restrictions 1. No race track passengers shall be carried whose origin and destination are both westerly of the intersection of Imperial Highway and Wilmington Avenue. 2. The Hollywood Park Race Track service shall be operated only on days when horse racing is conducted at such track. 3. Only school children may be transported on routes other than Routes A through G and other than Route I above described. 4. Southern Cities shall not transport any person having both origin and destination between the intersection of Imperial Highway and Inglewood Avenue and the intersection of Imperial Highway and Aviation Boulevard, both points inclusive. 5. Southern Cities shall not transport any person having both origin and destination between the intersection of Imperial Highway and Aviation Boulovard, and the intersection of Imperial Highway and Sepulveda Boulevard, both points inclusive. 6. Passengers shall not be transported locally between the intersection of Main Street and Paramount Boulevard and the intersection of Imperial Highway and Rives Avenue, both points inclusive (Hollydale - Downey Line). 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 intersections, or in accordance with local traffic rules. IT IS FURTHER ORDERED that except as herein specifically granted, Application No. 34897 is denied. -26IT IS FURTHER ORDERED that the application of Los Angeles Transit Lines to discontinue service over that portion of Line No. 51 from the intersection of Atlantic Avenue and Imperial Highway to the intersection of Imperial Highway and Horton Lane be, and the same hereby is, denied.

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

Dated at Saufhausser , California, this 13th day of 18th , 1954.

Jastes 2. Calles Tilso Holles Deno Diogaine

Commissioners

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Commissioner ... Kenneth Potter , being necessarily absent, did not participate in the disposition of this proceeding.