

Decision No. 51111**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA:

Application of METROPOLITAN COACH LINES, a corporation, for authority to replace rail passenger service on the Los Angeles-Bellflower rail line with motor coach service.)	Application No. 35134
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Application of METROPOLITAN COACH LINES, a corporation, for authority to replace rail passenger service on the Los Angeles-Watts local rail line with motor coach service.)	Application No. 35151
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Application of METROPOLITAN COACH LINES, a corporation, for authority to replace rail passenger service on the Los Angeles-San Pedro rail line with motor coach service.)	Application No. 35304
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Application of METROPOLITAN COACH LINES, a corporation, for authority to replace rail passenger service on the Los Angeles-Long Beach rail line with motor coach service.)	Application No. 35407

(Appearances are set forth in attached
Appendix A.)

O P I N I O N

By the four applications herein, as amended, Metropolitan Coach Lines proposes to substitute motor coach for rail service on its four southern lines. These lines emanate from applicant's terminal at 6th and Main Streets in Los Angeles, and go to Watts, Bellflower, San Pedro and Long Beach.

The present rail passenger service is conducted on tracks and in cars and equipment which are owned by the Pacific Electric Railway Company and used by applicant pursuant to authority so to do obtained by Decision No. 48923, dated August 4, 1953, in

Applications Nos. 34249 and 34402. The Pacific Electric Railway Company conducts freight operations on all of the lines involved.

The contemplated motor coach routes generally parallel the tracks, although applicant, in addition to these substitutions, proposes new motor coach service along Avalon Boulevard and along the Long Beach Freeway. This freeway is not yet completed, and therefore applicant proposes a temporary route along Long Beach Boulevard and Alameda Streets to be used until the freeway is available.

Public hearings were held in Los Angeles on July 28, in Long Beach on July 29, in Compton on July 30, and again in Los Angeles on August 4, 5, 6, 26 and 27, September 22, 23 and 24, November 4 and 5, December 8, 9 and 10, 1954, and January 3 and 4, 1955, before Examiner Grant E. Syphers, during which time evidence was adduced. Oral argument before the Commission en banc was held on January 26, 1955, at Los Angeles, following which the parties were granted permission to file briefs. These briefs now have been filed and the matter has been submitted. It is ready for decision.

The applicant's showing consisted of testimony from various public witnesses, technical witnesses and company officials. The public witness testimony included statements from individuals, representatives of civic groups and two public opinion surveys, one conducted in an area about $\frac{1}{4}$ mile in width along either side of the Pacific Electric tracks between 85th Street and E. 103rd Street, and the second in an area in the vicinity of Florence Avenue. In substance, this public witness testimony disclosed that certain property owners want the tracks removed, while some residents and passengers prefer buses over rail passenger service because they believe the buses would operate more frequently and also provide

better service for the areas concerned. Some were concerned with bus fumes.

The technical testimony of applicant, and the 25 exhibits submitted in connection therewith, set out the background of the present operations, a physical description of the properties and the applicant's reasons for requesting the changes. It was contended that the proposed changes will afford the public a better and more modern service. The applicant contemplates the purchase of 100 new motor coaches. Assertedly, this will result in more frequent schedules and allegedly in a more flexible, advantageous and safer transportation system.

Under the terms of a contract which Metropolitan Coach Lines has with the Pacific Electric Railway, covering the use of these rail facilities, the parties are to negotiate as to rental charges to be paid. At the present time no rental is being charged. If and when such rental charges are made, the operating costs of applicant will increase.

These rail passenger operations are electric and are being conducted on tracks which are equipped for electrical operations. However, the Pacific Electric Railway is planning a complete dieselization of its freight operations. If and when this is accomplished, the entire burden of the expense of the electric overhead system may fall upon applicant.

In addition to the above reasons, applicant contended it was in need of financial relief and these proposals would help in that their accomplishment would decrease annual expenses and increase net operating income over that to be expected from the present operations by \$883,903, if the contemplated rental charges are considered, and by \$544,864 if they are not.

The applicant contended that the use of motor coaches presents the only solution and that other types of rail equipment, such as diesel electric cars, would be too costly. Operations on the same rails as freight trains assertedly present disadvantages and delays. The proposed new buses, an urban type on the Watts line and interurban type on the other three lines, will, it was contended, better serve the public.

In opposition to the proposals there appeared a large number of public witnesses. Some were individuals, others representatives of chambers of commerce, civic and religious groups. In general, they stated that the rail cars provide more comfortable transportation, and in most instances faster transportation. Various petitions were presented supporting the contention that the riding public prefer rail cars over buses, one petition containing signatures of about 1,200 rail car riders. Some of these public witnesses stated the proposed bus operations would further congest certain too narrow streets which are already overcrowded.

Another type of opposition was presented by carriers who now operate in various areas involved in applicant's proposal. The Barton Hill Bus Line of San Pedro, an intracity operator with three buses, presented a witness who testified that applicant's proposed routing in San Pedro would seriously injure the Barton Hill business and might even force it to retire from the field. Similar testimony was presented on behalf of the Wilmington Bus Company, which operates ten buses in the Wilmington area under authority of a certificate from this Commission.

The South Los Angeles Transportation Company, which conducts operations in the vicinity of and along Avalon Boulevard southerly of Manchester Avenue, is a certificated passenger stage

corporation operating 14 buses. The Atkinson Transportation Company operates in the vicinity of and along Compton Boulevard southerly of Slauson Avenue. It has a fleet of 16 buses and its operations are certificated.

The latter two carriers, affiliated through a common ownership, contended that the applicant's proposal, particularly the operation along Avalon Boulevard, constituted an invasion of a territory which they have served satisfactorily for a number of years. A substantial part of the business of each consists in providing feeder service to the Metropolitan Coach Lines' rail service in the area. A representative of these lines testified that applicant's proposal, if effected, would so dilute this feeder business that it might force these smaller operators out of business.

The Chief Engineer of the Bureau of Franchises and Public Utilities of the City of Long Beach testified in opposition to the proposals, particularly as they affect that city. He observed that the Long Beach Freeway, over which operations are contemplated, is not as yet completed. He presented exhibits (7 to 17 inclusive and 22) which, coupled with his testimony, tended to show the rail cars generally operate on faster schedules than the buses could maintain, and are more comfortable for the riding public. This witness estimated the net annual cost of rail operations in excess of the cost of proposed motor coach operations would be \$45,877, or less than 3% of the applicant's total operating costs.

Representatives of the County of Los Angeles presented studies (Exhibits 26 and 34) to show that certain streets which applicant proposes to use for its motor coach operations are inadequate to support the proposed operations. Specifically, Graham Avenue between Nadeau and 83rd Street; 83rd Street between Beech Street and Graham Avenue; and Graham Avenue between 83rd Street and Firestone Boulevard have not sufficient thickness of paving to support the motor coaches proposed to be used.

Similarly, a representative of the City of Los Angeles testified that certain streets within that city are inadequate because the pavement is of insufficient thickness. These streets are Holmes Avenue between 55th Street and Slauson Avenue, and Graham Avenue between 92nd Street and 97th Street and between Century Boulevard and 102nd Street.

Additionally, the City of Los Angeles presented Exhibit 49, a tentative resolution of its Board of Public Utilities and Transportation, and Exhibit 51, which is Order No. 149 of that Board; both of which disapprove applicant's proposals.

Engineers of the staff of this Commission presented testimony and exhibits relative to the proposals herein. These disclose the staff estimates as to differences in operating results which may be expected if the proposals are effected to be in the amount of \$579,687 annually if applicant is required to pay rental for its rail facilities, and \$240,648 if no rental is charged. This testimony further discloses that it is the opinion of the staff engineers that the tracks and electrical transmission facilities can be used for at least an additional five years with ordinary maintenance and that the rail equipment is in good mechanical condition. Likewise, the staff presented the results of tests as to running times of motor coach equipment as compared to rail equipment. Generally speaking, these tests disclosed that the rail equipment would operate on a faster schedule, making allowances for speed limits and other traffic factors.

A summary of all of the evidence presented in this matter, giving consideration to the oral argument and the briefs and memoranda which have been submitted, leads us to the conclusion, and we now find, that the proposals in each of the four applications should be denied. The applicant has not met the burden of proof

necessary to justify changes of such a far-reaching nature as are proposed in these applications. We do not find that public convenience and necessity require the substitution requested. The issue of public convenience and necessity in this matter has not been met sufficiently to justify the establishment of the operations proposed on Avalon Boulevard. The Long Beach Freeway is not completed, and it would be unwise at this time to authorize operations thereon. The existing carriers in the area, so far as this record is concerned, are providing an adequate and satisfactory service, and there was a strong public opposition to the substitution.

The record in this proceeding discloses that the streets in certain sections are not adequate to support the proposed motor coach operations. While applicant did offer to pay part of the costs of rehabilitating these streets, there is no showing on this record that the public bodies concerned will improve these streets or that they will bear any portion of the cost.

The evidence in this record as to the possible rental charges to be paid by applicant is not definite, and there is no positive showing as to whether or not any charges will be paid, nor as to the amount of such charges. While it is true that this record does disclose that the proposed operations would result in some financial benefits to applicant, it does not appear that applicant will be in financial distress if it is required to continue the rail operations. In Decision No. 51110 dated February 15, 1955, we authorized a fare increase for this applicant and therein estimated it would realize a rate of return of 7.54% and an operating ratio of 96.0%. These estimates are based upon the continued operation of the rail facilities.

ORDER

Applications as above entitled having been filed, public hearings having been held thereon, the Commission being fully advised in the premises, and good cause appearing,

IT IS HEREBY ORDERED that Applications Nos. 35134, 35151, 35304 and 35407 be, and each of them hereby is, denied.

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

Dated at San Francisco, California, this 15th day of February, 1955.

John E. Mitchell
President

Justin J. Calver

Roy E. Interguire

Markus Woolley

Commissioners

APPENDIX A

Appearances

Waldo K. Greiner and James H. Lyons, for applicant.
Henry E. Jordan, Chief Engineer, for Bureau of Franchises & Public Utilities, City of Long Beach; James G. Butler, City Attorney, for City of Compton and Compton Chamber of Commerce; Robert M. Newell, for South Los Angeles Transportation Company, Atkinson Transportation Company and Wilmington Bus Company; Welford R. Wilson, for Watts Chamber of Commerce; H. A. Shelley, for Wilmington Bus Company; Dean M. Carson, for Southern Cities Transit, Inc., and Holbrook-Benton Bus Lines; William H. T. Holden, for Pasadena Chapter California Society of Professional Engineers; Ivan Smith, for Highland Transit, Inc.; Mrs. William B. Smith, Long Beach, California, in propria persona; Harold W. Kennedy, County Counsel, by Lloyd S. Davis, Deputy County Counsel, for County of Los Angeles; Robert H. Lund, for Red Car Committee; George M. Stephenson, for San Pedro Motor Bus Line; L. C. Pemberton, Chairman of Transportation Committee of Florence-Firestone Chamber of Commerce; also for Mrs. Faustina Johnson, Secretary-Manager of Watts Chamber of Commerce, protestants.
Roger Arnebergh, City Attorney of the City of Los Angeles, Alan G. Campbell, Assistant City Attorney, T. M. Chubb, General Manager, Robert W. Russell, Assistant General Manager, and C. H. Soothill, Department of Public Utilities and Transportation of the City of Los Angeles; Milnor E. Gleaves, Deputy County Counsel and G. D. McDonald, Traffic Engineer, Road Department, County of Los Angeles; Carl E. Fennema, for Downtown Business Men's Association of Los Angeles; Willard A. Lee, and George H. Hook, for Long Beach Motor Bus Company; Robert E. Roed, George C. Hadley, R. B. Pegram, Warren P. Marsden, Paul E. Overton, by Paul E. Overton, for State of California, Department of Public Works, Division of Highways; John W. Chapman, for Holbrook-Benton Bus Lines, interested parties.
Richard L. Wells of Gibson, Dunn & Crutcher and David D. Canning, for Los Angeles Transit Lines, as interests may appear.
A. F. Ager, J. L. Pearson and H. F. Wiggins, for the Commission staff.