

VENICE SHORT LINE

Question 1: Complete statement of the purpose of the application.

Answer 1: Purpose of the application is to obtain authority to abandon rail line operations of Venice Short Line as part of a system-wide rehabilitation program now under consideration, which proposes to substitute modern motor coach service in lieu of existing rail line operations.

Commencing at Canfield Avenue, Mile Post 9.364, thence a double track electric line westerly on private right of way to Pacific Avenue, Venice, thence northerly on Pacific Avenue, private right of way and Ocean Avenue to Arizona Avenue, Santa Monica, Mile Post 17.319, together with crossovers, spurs, sidings and other appurtenances. A total length of 7.955 miles in the Cities of Los Angeles and Santa Monica.

Question 2: When, by whom, and for what purpose the line was constructed and its proprietary history.

Answer 2: A single track narrow gauge electric line on Ocean Avenue, Santa Monica, from Freemont Avenue to Santa Monica Boulevard, was constructed in 1896 by The Pasadena and Pacific Railway Company. This Company was consolidated on June 4, 1898, into Los Angeles Pacific Railroad Company, which Company constructed a single track narrow gauge electric line on Ocean Avenue, Santa Monica from Santa Monica Boulevard to Arizona Avenue in 1900, also a double track narrow gauge electric line from Canfield Avenue to Tokio in 1902 and a single track narrow gauge electric line from Center Street, Venice to Freemont Avenue, Santa Monica in 1901. On June 9, 1902, this Company was consolidated into a new Los Angeles Pacific Railroad Company, incorporated June 9, 1902.

A narrow gauge second track from Bicknell Street to Windward Avenue was constructed in 1903 by Los Angeles, Ocean Park and Santa Monica Railway Company. This Company was acquired by purchase of stock on January 14, 1904, by Los Angeles Pacific Railroad Company of California, which Company also through incorporation and consolidation on June 16, 1903, acquired the Los Angeles Pacific Railroad Company, incorporated June 9, 1902.

Los Angeles Pacific Railroad Company of California constructed a narrow gauge second track from Bicknell Street to Santa Monica Boulevard in 1904 and from Center Street to Windward Avenue in 1905.

On October 12, 1905, this Company was consolidated into

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Answer 2: Los Angeles Pacific Company, which Company constructed a double track narrow gauge electric line from Tokio to Center Street, Venice, in 1905 and a narrow gauge second track on Ocean Avenue, Santa Monica, from Santa Monica Boulevard to Arizona Avenue in 1906.  
(Continued)

On April 4, 1907, this latter Company was consolidated into a new Los Angeles Pacific Company. This Company standardized the narrow gauge electric line from Canfield Avenue to Arizona Avenue, Santa Monica, in 1908.

Through consolidation this Company became a part of the present Pacific Electric Railway Company on September 1, 1911.

Construction was for the purpose of local and interurban passenger and freight service.

Question 3: A copy of the applicant's general balance sheet of the latest date available, and a copy of the applicant's income account for each of the last five calendar years, and for that portion of the current year for which the information is available.

Answer 3: A copy of the applicant's general balance sheet, as of March 31, 1949, together with its profit and loss account of the same date, is attached hereto and marked Exhibit "A".

A copy of the income account of applicant for five years ended December 31, 1948, and first three months of 1949, is hereto attached and marked Exhibit "B".

Question 4: The present state of maintenance of line.

Answer 4: Facilities in general are in a substandard condition and would require major rehabilitation as soon as practicable.

Question 5: The estimated salvage value of the line, with a general statement of the basis of the estimate.

Answer 5: Attached and marked Exhibit "C" is detail of estimated salvage.

Question 6: The names of the railroads with which the line connects for interchange of traffic and the points of such interchange.

Answer 6: Applicant has no physical connection with any other railroad for interchange of traffic at point of abandonment.

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Question 7: A brief description of the present train service on the line and of important changes made in the past five years.

Answer 7: Present Passenger service is as follows:

Daily except Saturdays & Sundays

Spread of service - Approximately 4:40 A.M. to 3:20 A.M.

Number of one-way trips:

Outbound	62
Inbound	63

	<u>Approximate</u>	
	<u>Headways</u>	<u>Running Time</u>
A.M. Peak	10" - 15"	1'15"
Base	20"	1'07"
P.M. Peak	10" - 15"	1'17"
Night	20" - 30"	1'05"

Saturday and Sunday service is also furnished but to a lesser extent.

Service has been gradually reduced since 1944 due to reduction of patronage.

Present box motor service over the line would be discontinued if line abandoned, and traffic handled by truck.

There are no freight operations over portion of this line that it is proposed to abandon.

Question 8: The names of all stations on the line stated in order with milepost numbers, with the approximate population of each, and the authority for the information, showing for each place the names of all other railroads by which it is served, or its distance by highway from the nearest other railroad. Distinguish non-agency stations.

Answer 8: Following are the stations on the portion of the line proposed to be abandoned:

<u>Station</u>		<u>Near Mile Post</u>	<u>Population</u>
Venice	Commission Agent	14.76	23,452
Ocean Park	Agency	15.62	34,353
Santa Monica	Commission Agent	16.98	76,857

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Population was estimated for January 1949, by Regional Planning Commission of Los Angeles County, based on 1940 census increased by estimated increase in the area.

There are no freight agencies on the line.

There are no other railroads serving this territory, but entire area is covered by net work of highways.

Question 9: The approximate population of the territory served by the line, explaining how the limits of this territory are defined.

Answer 9: The approximate population of the territory served is 18,000 based on area extending one-half mile on each side of line proposed to be abandoned.

Question 10: A detailed statement of the location and nature of the highways available for movement of traffic now handled by the line, and of the common carrier truck and bus service on such highways, if any.

Answer 10: Line proposed to be abandoned is in or adjoining city streets and highways, and applicant proposes to substitute motor coach for rail service.

Question 11: The nature of the industries in the tributary territory (such as farming, mining, lumbering, manufacturing, etc.), how long established, and the extent to which each is dependent upon the line for transportation. State location and other facts concerning the most important plants served.

Answer 11: District is residential with retail business and some light manufacturing. Freight traffic not dependent on line for transportation.

Question 12: The passenger traffic handled over the line in each of the last two calendar years, and for that part of the current year for which the information is available, giving separately the number of local and connecting line passengers (if the latter designation is applicable) and the revenue from each class.

Answer 12: Passenger traffic handled on entire Venice Short Line is as follows:-

<u>Year</u>	<u>Revenue</u>	<u>Fare &amp; Transfer Passengers</u>
1947	\$727,625	5,408,636
1948	763,940	4,911,239

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Answer 12: Practically all revenue derived from local passengers; information as to connecting line passengers not available.  
(Continued)

Question 13: The freight tonnage handled by the line for each of the last two calendar years; and for that part of the current year for which the information is available, showing the number of cars and the tonnage of carload freight, classified by principal commodities, and the tonnage of less-than-carload freight. Show in separate statements (a) local freight originated at and destined to points on the line, (b) freight movement between points on the line and points beyond it, and (c) freight neither originated at nor destined to points on the line (overhead or bridge traffic).

Answer 13: Not applicable, No freight service is conducted over line proposed to be abandoned.

Question 14:(1) If the line to be abandoned is less than the entire mileage operated by the applicant, a statement showing the effect of the proposed abandonment on the net railway operating income of the applicant. The statement should include for each of the last two calendar years and for that portion of the current year for which the information is available.

- (a) the applicant's railway operating revenue from traffic handled locally between points on the line proposed to be abandoned;
- (b) the applicant's operating revenue from traffic originating on or destined to points on the line proposed to be abandoned and also handled on other parts of the applicant's lines of railroad;
- (c) an estimate in detail of the total operating revenue that should be assigned to the line proposed to be abandoned and a statement of the reasons for such assignment;
- (d) the expense of operating the line proposed to be abandoned, state by appropriate primary accounts, actual as far as possible and otherwise approximated, with a full statement of the method used;
- (e) Railway tax accruals with method of apportionment;
- (f) other items entering into the applicant's income account, and assignable to the line proposed to be abandoned, with method of assignment;

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Question 14: (g) the costs of moving the traffic on the line proposed to be abandoned beyond the limits of said line on other parts of the applicant's lines, with method of determination.  
(Continued)

Revenues from freight, passenger, and other service should be shown separately.

(2) If the applicant's line is operated as part of a system under common control and management, a statement for the same period as required in paragraph (1) showing the effect of the proposed abandonment on the net railway operating income of the system and the unit members thereof. This statement should show the revenue accruing to the system and its unit members from the traffic moving to and from the line proposed to be abandoned and the costs of handling such traffic. The method of determining such costs also should be shown.

Answer 14: Attached hereto and marked Exhibit "E" is a statement showing information required.

The effect of proposed abandonment on the railway operating income of the applicant is indicated by Exhibit "F".

Question 15: If the volume of freight or passenger traffic of the line has decreased during recent years, any reasons therefor.

Answer 15: Volume of passenger traffic of the line has decreased steadily since the war. Company has had similar experience system-wide. This condition has in large measure been due to availability of private automobiles to the public and the general return to prewar employment basis.

No freight operations on line.

Question 16: If the line is operated as a joint facility, and abandonment of the applicant's operation only is proposed, state fully the facts as to operation by others and the extent to which it will supply the place of the operation it is proposed to abandon.

Answer 16: Line herein proposed to be abandoned is not operated as a joint facility.

Question 17: State what effort has been made to dispose of the line so as to insure its continued operation and what, if any, transportation service will remain or may be substituted for that proposed to be discontinued.

Answer 17: No effort has been made to dispose of rail line in question, because a substitute motor coach service will be offered in place of rail operation.

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PART I.

CANFIELD AVE.- MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA- MILE POST 17.319  
RAILWAY OPERATING INCOME APPLICABLE TO ABOVE SECTIONS OF LINE  
FOR YEARS 1947 AND 1948  
(Answer to Question 14-1)

<u>Item</u>	<u>1947</u>	<u>1948</u>
1. Railway Operating Revenue Assigned to the line: Item 14(1-c), Statement "A" attached	\$727,625	\$783,940
2. Railway Operating Expenses: Item 14(1-d), Statement "B" attached	780,710	760,131
3. Cost of Moving Traffic On Line Proposed to be Abandoned Beyond the Limits of Said Line: Item 14(1-g), Statement "E" attached	-	-
4. Totals of Item (2) and (3):	780,710	760,131
5. Net Income or ( <u>Loss</u> ) from Railway Operations:	<u>(53,085)</u>	23,809
6. Railway Tax Accruals: Item 14(1-e), Statement "C" attached	72,857	58,971
7. Net Railway Operating ( <u>Loss</u> )	<u>(125,942)</u>	<u>(35,162)</u>
8. Other Income Account Items: Item 14(1-f), Statement "D" attached	-	-
9. N E T ( <u>LOSS</u> )	<u>(\$125,942)</u>	<u>(\$ 35,162)</u>

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CANFIELD AVE.- MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA- MILE POST 17.319  
RAILWAY OPERATING REVENUE ASSIGNED TO ABOVE SECTION OF LINE  
FOR YEARS 1947 AND 1948

<u>Item</u>	<u>1947</u>	<u>1948</u>
14(1-a) Traffic Handled Locally Between Points on the Line Proposed to be Abandoned:		
Passenger .....	\$727,625	\$783,940
14(1-b) Traffic Originating or Destined to Points on the Line Proposed to be Abandoned, and also handled on other Parts of Pacific Electric: ...	None	None
14(1-c) Operating Revenue Assigned to the Line Proposed to be Abandoned:		
Passenger .....	\$727,625	\$783,940

Reason for Assignment: The amounts reported represent the total system revenue, derived from traffic originated and destined to the section of the line proposed to be abandoned.

Other sources of revenue such as Mail and Express are not included in this report for reason that, in event of abandonment of line, such services will be provided by other means.

There are no freight movements over line.



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RAILWAY OPERATING EXPENSES FOR YEARS 1947 AND 1948  
(Answer to Question 14(1-d))

<u>Title</u>	<u>1947</u>	<u>1948</u>
<u>Maintenance of Way &amp; Structures</u>		
a/c 1 to 25, inclusive .....	\$ 88,173	\$ 69,636
<u>Equipment</u>		
a/c 30 & 33 - Maintenance - Passenger Cars ....	\$ 70,970	\$ 71,199
a/c 40 - Depreciation - Passenger Cars ...	29,002	25,527
Total Equipment .....	<u>\$ 99,972</u>	<u>\$ 96,726</u>
<u>Power</u>		
a/c 45 to 61, Inclusive .....	<u>\$106,908</u>	<u>\$102,060</u>
<u>Conducting Transportation</u>		
a/c 64 - Passenger Trainmen .....	\$309,116	\$321,522
a/c 67-70-71 - Inspecting, Cleaning & Lub- ricating Cars .....	102,123	98,025
a/c 68 - 69 - Station Employees & Expenses ...	6,658	7,190
a/c 72 - 73 - Signals, Interlockers, etc. ....	8,556	10,219
a/c 78 - Other Transportation Expense .....	2,898	2,649
Total Conducting Transportation .....	<u>\$429,351</u>	<u>\$439,605</u>
<u>General</u>		
a/c 92 - Injuries & Damages .....	\$ 51,614	\$ 47,436
a/c 96 - Service Garage Expense & Supplies ....	4,692	4,668
Total General .....	<u>\$ 56,306</u>	<u>\$ 52,104</u>
Total Railway Operating Expenses (Out-of-Pocket) .....	<u>\$780,710</u>	<u>\$760,131</u>

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EXPLANATION OF THE METHOD USED IN ALLOCATION OF AMOUNTS  
STATED UNDER RAILWAY OPERATING EXPENSES

Way and Structures: A number of years ago, an extensive study was made jointly by Engineers and Accountants of Public Utilities Commission of State of California and applicant with the purpose of allocating costs between Freight and Passenger Operations. To accomplish this, "Code Numbers" were assigned to accumulate actual cost of maintaining various sections of tracks and overhead, some of which were designated "Freight," others "Passenger" and still others "Common." Passenger proportion of each Code was further allocated by lines on ton mile usage. Costs reported in this return were allocated on basis of per cent of route miles which it is proposed to abandon to total route miles of the line, and includes proportion of maintenance of facilities used in common with other lines.

Equipment: Maintenance and depreciation charges were based on average system rate per car mile for classes of equipment used.

Power: Car miles x average weight (ton) x W.H.T.M./1000 = K.W.Hrs. to which was applied system rate per K.W.Hr.

Note 1: W.H.T.M. (watt hours per ton mile) are averages as previously determined for each particular class of equipment used.

Note 2: Rate per K.W.Hr. includes cost of distribution and substation operation and depreciation.

Conducting Transportation:

Passenger Trainmen's Wages: Actual allocated to line.

Station Employees & Expenses: Actual pay rolls plus estimated amount for other expenses. Where station is applicable to more than one line, expenses were arbitrarily allocated.

Inspecting, Cleaning & Lubricating Equipment: Based on system rate per car mile.

Signals, Interlockers, etc.: Allocated on system rate per car mile.

Other Transportation Expenses: Based on system rate per car mile.

General:

Injuries & Damages: Based on system rate per car mile.

Service Garage Expenses & Supplies: Based on system rate per car mile.

Note 1: Rental paid for passenger equipment under lease was included with depreciation of owned equipment and accounted for under "Equipment" group of expenses.

Statement "C"

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CANFIELD AVE.--MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA- MILE POST 17.319  
ITEM 14(1-e) - RAILWAY TAX ACCRUALS  
FOR YEARS 1947 AND 1948

	<u>1947</u>	<u>1948</u>
(1) Social Security & Railroad Retirement ...	\$45,125	\$30,633
(2) Ad Valorem Tax .....	24,897	25,300
(3) Franchise Tax .....	216	216
(4) Los Angeles City License .....	<u>2,619</u>	<u>2,822</u>
Total .....	<u>\$72,857</u>	<u>\$58,971</u>

METHOD OF APPORTIONMENT:

- (1) Based on statute rates.
- (2) Based on assessed value of property used.
- (3) Actual payments.
- (4) Based on percent of franchise route miles in the city.

Statement "D"

VENICE SHORT LINE

CANFIELD AVE.-MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA- MILE POST 17.319  
OTHER ITEMS ENTERING INCOME ACCOUNT ASSIGNED TO ABOVE LINE

FOR YEARS 1947 AND 1948  
(Answer to Question 14(1-f))

NEGLIGIBLE

Statement "E"

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CANFIELD AVE.-MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA - MILE POST 17.319  
COST OF MOVING TRAFFIC ON LINE PROPOSED TO BE ABANDONED  
BEYOND THE LIMITS OF SAID LINE ON OTHER PARTS OF PACIFIC ELECTRIC  
FOR YEARS 1947 AND 1948  
(Answer to Question 14(1-g))

NOT APPLICABLE

VENICE SHORT LINE

PART II.

CANFIELD AVE.- MILE POST 9.364 TO ARIZONA AVE., SANTA MONICA - MILE POST 17.319  
EFFECT OF PROPOSED ABANDONMENT OF ABOVE SECTION OF LINE ON THE  
NET RAILWAY OPERATING INCOME OF PACIFIC ELECTRIC RAILWAY  
FOR YEARS 1947 TO 1948  
(Answer to Question 14-2)

It is anticipated that the proposed abandonment will result in a betterment in the applicant's financial condition.

Net loss from present operations on out-of-pocket basis is \$125,942 and \$35,162 for years 1947 and 1948 respectively, as indicated on Exhibit "E" in reference to Item 14(1).

However, under applicant's contemplated rehabilitation program, it is proposed to substitute motor coach service and make it part of a loop arrangement with an existing motor coach line to Santa Monica which is presently being operated at a profit.

This substitution will convert a loss of \$193,906 on the Venice Short Line to an income of \$158,714 for the combined operations on full cost basis.