Decision No. 19792



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of MICHAEL M. DONAHUE for certificate of public convenience and necessity to operate motor bus passenger service between Lamanda Park Junction and Rosemead Blvd. and Huntington Drive, Los Angeles County, California.

) Application No.14624

BY THE COMMISSION -

OPINION and ORDER

This is an application by Michael M. Donahue to operate an automotive passenger stage service for the transportation of passengers between

Lamanda Park Junction, located at the corner of Colorado Street and Huntington Drive in the City of Pasadena, and the intersection of Rosemead Boulevard and Huntington Drive in the county of los Angelos and intermediate points.

Applicant proposes to charge a fare of seven (7) cents for adults and to transport children free of charge. He also proposes to issue a book of twelve (12) tickets for 75 cents, the cash or ticket fare to be good for transportation over any part of the trip or the full distance covered by the stage. A 1928 model bus with a carrying capacity of sixteen (16) persons is to be used. It is proposed to operate under a schedule calling for service every 30 minutes between 6:30 A.M. and 6:50 P.M. Applicant stipulates that he will not transport passongers locally between Lamanda Park Junction and Daisy Avenue, thus eliminating a xervice competitive with the Pacific Electric Railway.

The Pacific Electric has, by letter, waived opposition to the proposed service, expressing, as its understanding of the Lamenda Park-Daisy Avenue stipulation, that applicant may pick up or discharge passengers at any point between the terminus of the rail line at Daisy Avenue and Lamanda Park Junction, inclusive, when such passengers are destined to or originate at points east

of Daisy Avenue. Pasadena-Pomona Stage Line, J. H. Lord, operator, has advised the Commission that it will not oppose granting of the Donahue application and similar waivers have been received from the Santa Fe railroad, and Motor Transit Company.

The territory was formerly served by a bus line operated by the Pacific Electric, which by formal order of the Commission was authorized to discontinue the service. Applicant now claims that the territory contributing to the proposed route is growing rapidly and that the need for transportation is becoming more acute each month. He points out that a petition signed by some 1200 residents of the territory asking that transportation be re-established has been filed with the city clerk of the City of Pasadena.

In view of the circumstances set forth in the application herein and the waiving by interested carriers of opposition to the issuance of the certificate asked for, we are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Michael M. Donahue is hereby placed upon notice that "Operative rights" do no constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity require the operation by Michael M. Donahue of an automotive service for the transportation of passengers between Lamanda Park Junction, located at the corner of Colorado Street and Huntington Drive in the City of Pasadena, and the intersection of Rosemead Boulevard and Huntington Drive in the county of Los Angeles, and intermediate points, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to Michael M. Donahue, subject to the following conditions:

1- That no passengers shall be transported locally between Lamanda Park Junction and Daisy Avenue; applicant may, however, pick up or discharge passengers at any point between Lamanda Park Junction and Daisy Avenue, inclusive, when such passengers originate at or are destined to points east of Daisy Avenue.

2- Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

3- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission,

and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.

4- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been

5- No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 224 day of May, 1928.

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COMMISSIONERS.