

Decision No. 20414

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of GUY C. LYONS, doing business)
under the fictitious firm name and)
style of the HIGHLAND TRANSPORTA-)
TION COMPANY, for certificate of)
public convenience and necessity)
to operate a motor bus service be-)
tween Fifth & Front Sts., San Pedro,)
City and County of Los Angeles,)
State of California, and Miraleste)
Plaza, intersection of Western)
Avenue and Granvia Miraleste, and)
intermediate points.)

ORIGINAL

APPLICATION NO. 15045.

Royal S. Riddle, for Applicant.

F. F. Ball, for Board of Public Util-
ities and Transportation of the City
of Los Angeles, Interested Party.

BY THE COMMISSION:

O P I N I O N

In the above entitled application Guy C. Lyons, doing
business under the fictitious name of Highland Transportation
Company, seeks a certificate of public convenience and neces-
sity to establish a transportation service for passengers be-
tween Front and Fifth Streets, San Pedro, and Miraleste Plaza,
in the county of Los Angeles, and all points intermediate there-
to.

A public hearing herein was conducted by Examiner
Williams at San Pedro.

Applicant Lyons is an experienced bus operator, having

now in operation exclusively municipal bus service in San Pedro and Wilmington (portions of the city of Los Angeles) and the city of Compton. The two former operations are under the jurisdiction of the Board of Public Utilities and Transportation of the city of Los Angeles, and the latter under the jurisdiction of the City Council of Compton. The applicant has large plant equipment and operates in the neighborhood of 18 busses daily in these services.

By arrangement with the Palos Verdes Estates Company, Lyons has entered into an agreement to provide transportation service between Fifth and Front Streets, San Pedro, and Miraleste Plaza, which is the central point of a new addition in the San Pedro hills, just west of the city limits of Los Angeles. The operation proposed passes through the city from Fifth and Front Streets over Ninth Street to a point approximately one-half mile west of Dodson Street, where it passes from the city into the unincorporated portion of Los Angeles County and thence to the Miraleste Tract. Miraleste Tract is a high-class residential district composed of several hundred lots recently opened to the public, and on which perhaps a dozen houses have already been built. The promoters of the sale of these lots desire to establish transportation service in order to facilitate sales, and for that reason have entered into a contract with Lyons, by which the operation is subsidized and protected against loss until the volume of business has attained sufficient proportions to support the service. It is admitted that at the present time the traffic available will not support the line even on the basis of out-of-pocket cost, and the arrangement for a subsidy is urged as evidence of applicant's ability to conduct the

service for the few who now require it, without loss to himself. In order to establish this service, applicant has purchased a new 25-passenger street-car bus of modern safety design and is prepared to establish the operation without delay.

Applicant proposes to charge a cash fare of 10 cents between terminals, with a 5-cent fare locally between Fifth and Front Streets and Dodson Street, and a 5-cent fare between Dodson Street and Miraleste Plaza. The distance is 3.4 miles between termini.

Two residents of Miraleste Plaza, John Wehrman and A. P. Allen, testified that the service is required by themselves and their neighbors, and also for the transportation of school children within and without the city of Los Angeles. Both witnesses admitted that the traffic would be light at the beginning, but expressed the belief that with the establishment of transportation the Miraleste community would build up rapidly and the line would soon be on a profitable basis.

R. H. Beaton, secretary of the San Pedro Chamber of Commerce, testified that the directors of this body had unanimously endorsed the application after investigation, in the belief that the establishment of the line would in time develop sufficient business to support it.

The schedules of the line as planned by applicant are intended to meet the business and school requirements along the route. Applicant testified, however, that any necessary alteration of schedules or increase in service would be fully met by him as they appeared.

F. F. Ball, transportation engineer for the Board of Public Utilities and Transportation of the city of Los

Angeles, stated that this body was fully informed as to the purpose of applicant, that the operation would not conflict with or in any way impair the urban services now conducted by lines in San Pedro, and that the operation had been approved.

In view of the fact that the operation proposed is subsidized against loss on the part of applicant and that it will not impair other public services conducted by him, and the further fact that it was the assumption of witnesses and applicant himself that in time the operation will become profitable, we believe the certificate applied for should be granted. Applicant has established other services of similar character in this rapidly developing region at the harbor of Los Angeles and has in a few months brought them to profitable operation. An order granting the certificate accordingly will be entered.

Guy C. Lyons is hereby placed upon notice that "operative rights" do not 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 as to the number of rights which may be given.

O R D E R

Guy C. Lyons, doing business under the fictitious name of Highland Transportation Company, having applied to the

Railroad Commission for a certificate of public convenience and necessity authorizing him to establish and conduct an automotive bus line for the transportation of passengers between Fifth and Front Streets in the San Pedro district of the city of Los Angeles, and Miraleste Plaza in the county of Los Angeles, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by applicant herein, Guy C. Lyons, of an automotive bus service for the transportation of passengers between Fifth and Front Streets, San Pedro, and Miraleste Plaza in the county of Los Angeles, over and along the following route:

From Fifth and Front Streets southerly to Seventh Street, westerly to Center Street, southerly on Center Street, westerly on Ninth Street to Dodson Street, westerly on Western Avenue to Miraleste Plaza, returning southerly by way of Granvia Miraleste and Colinita Streets to Western Avenue, and thence returning by the identical route from Dodson Street to the point of beginning; and

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

- I. Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from the date hereof.
- II. 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 tariff of rates and time schedules to be identical with 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 sixty (60) days from the date hereof.

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

IV. No vehicle may be operated by applicant herein under the authority hereby granted unless such vehicle is owned by 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 and after the date hereof.

Dated at San Francisco, California, this 30th
day of October 1928.

Leon A. Williams

Channing

Thos. J. Powell

M. J. C.
COMMISSIONERS.