

ORIGINAL

Decision No. 20542

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the PACIFIC ELECTRIC RAILWAY COMPANY, a corporation, for a certificate of public convenience and necessity to operate an automobile stage service between the Cities of Pasadena and Long Beach and intermediate points in the State of California.

APPLICATION NO. 14234

In the Matter of the Application of MOTOR TRANSIT COMPANY for an order permitting it to operate an additional passenger stage route between Pasadena and Long Beach, California, and to conduct said operation in conjunction with the operating rights granted under C.R.C. Decision No. 18692.

APPLICATION NO. 14293

R. E. Wedekind, for Pacific Electric Railway Company, Applicant in Application No. 14234 and Protestant in Application No. 14293.

Herbert W. Kidd, for Motor Transit Company, Applicant in Application No. 14293 and Protestant in Application No. 14234.

Emmett A. Tompkins, City Attorney for City of Alhambra, Interested Party.

C. B. Holbrook, for H. & S. Transportation Company, Protestant.

J. B. Stimson, for Stimson Transit Company, Protestant.

Charles A. Bland and J. K. Hull, for City of Long Beach and Long Beach Chamber of Commerce, Interested Parties.

Leonard A. Diether, Deputy City Attorney for City of Pasadena, Interested Party.

L. A. Gretz, for Belvedere Gardens Chamber of Commerce, Interested Party.

BY THE COMMISSION:

O P I N I O N

Each of the applicants in the above numbered application seeks authority to establish through automobile passenger and express bus service between Pasadena and Long Beach via Atlantic Avenue.

Public hearings herein were conducted by Examiners Geary and Williams at Los Angeles, Long Beach and Pasadena, the hearings occupying nine days' full time, during which forty-two witnesses were presented by applicant Pacific Electric Railway Company in its behalf, and thirty-one were presented by applicant Motor Transit Company, while two were called by the Commission. In addition, forty-eight exhibits were introduced by the applicants, thus making a very large record of testimony.

For the purpose of determining the establishment of the operation, which, from the testimony of practically all the witnesses, seems to be a public need, it is unnecessary to allude in detail to the testimony of each witness, as both applicants made a rather full showing as to the necessity for the establishment of the service, the witnesses differing only as to the routing proposed, and, in some instances, as to a preference between operators. Of the total number of witnesses introduced, twelve were officers of the applicant companies, leaving approximately sixty whose testimony reflected -- we think fairly -- disinterested public need for the service between termini and intermediate points. It is also true that some of these witnesses, being called by a particular applicant, expressed the belief that it was immaterial who gave the service,

so long as adequate service is established. Very few of the witnesses expressed the opinion that two services could be conducted with a reasonable chance of financial success.

Applicant Pacific Electric Railway Company proposes an operation from its rail station in Pasadena southwardly by way of Broadway in Pasadena to Glenarm Street, thence westwardly to Fremont Avenue via Columbia Street, southwardly to Monterey Pass Road, thence over Mednik and Fetterly Avenues in Belvedere Gardens to Whittier Boulevard, thence east to Atlantic Avenue, and continuing south on Atlantic Avenue to its rail station in Long Beach.

Subsequent to the submission of both applications herein, rail rates of the Pacific Electric Railway Company between Pasadena and Long Beach were, for an experimental period, considerably reduced. For instance, the one-way rate by rail between Pasadena and Long Beach was established at 60 cents and the round-trip rate at \$1.00. Applicant Pacific Electric Railway Company, in its offer of service in the establishment of a bus line between Pasadena and Long Beach, includes the right of the ticket-holder to travel by either rail or bus on a round-trip ticket. As the rail one-way rate is 60 cents, round-trip \$1.00, and the bus rate one-way 80 cents and round-trip \$1.30, this presented an incongruous rate parallel. In addition, it appeared that if Motor Transit Company were granted a certificate herein, it would have three through services between Pasadena and Long Beach, and it was not clear whether this applicant intended to modify its other routes or its schedules if the new service on a short, direct line were established. For these reasons, submission of the applications was set aside and further hearing ordered upon the above mentioned features.

This further hearing was held before Examiners Williams and Geary at Los Angeles, at which time the Pacific Electric Railway Company moved the dismissal of its own application for any service between termini, and also withdrew its protest to the granting of the application of Motor Transit Company. The motion was received at the hearing, and it is our opinion that it should be granted, and an order dismissing the application of Pacific Electric Railway Company will be entered.

Motor Transit Company, at this further hearing, through the testimony of its General Manager, Franklin D. Howell, asserted its willingness to readjust its routings and schedules when it had sufficient information on which to base changes. Mr. Howell testified, however, that until the Atlantic Avenue service should be established and proper tests of the diversion or lack of diversion of traffic to this line could be ascertained from experience, it would be unwise to disturb the other operations which were to a large extent inter-communal and which might suffer considerably by theoretical derangement. Mr. Howell further testified that this applicant is ready, willing and able to assume the present operation in addition to all its other service as now authorized by this Commission. He testified that the establishment of the service herein proposed would, in his opinion, add revenue to the operations without bringing any loss; that the present long routes between termini are making more than their out-of-pocket cost, and that the new line will within a short period be in the same position. This carrier will then have only to build up its business from this basis into a profitable operation, which this applicant looks forward to with confidence. Applicant stipulated that in any certificate granted by this Commission for operation via

Atlantic Avenue, it is not intended to include any service between Los Angeles and a junction on this route and Long Beach. The order, therefore, granting a certificate to Motor Transit Company, which we deem proper upon the record herein, will contain a restriction that no passengers between Los Angeles and Long Beach are to be transported over this route, even though it will be merged with the remainder of the system.

Motor Transit Company proposes a service between the same termini, but by a partially different route. Applicant proposes to leave its terminal at Fair Oaks and Green Street in Pasadena, proceeding east on Colorado Street to Los Robles Avenue, thence southwardly to Huntington Boulevard, where it passes to Garfield Avenue and through the business areas of the cities of Alhambra and Monterey Park to Garvey Boulevard, thence west on Garvey Boulevard to Monterey Pass Road, thence south to Floral Drive, west to Ford Boulevard, south to Whittier Boulevard, east to Atlantic Avenue, and thence over this highway to its terminal in the city of Long Beach.

This applicant now maintains service between termini by the same route as far south as Valley Boulevard. At this point one route branches to the east and reaches Long Beach by way of El Monte, Whittier and Norwalk, involving a distance in travel of 44.9 miles. The other route follows south from Valley Boulevard via Garvey Avenue, Monterey Pass Road and Ford Avenue to Whittier Boulevard, thence eastwardly to Atlantic Avenue, thence south to Telegraph Road, and thence over Telegraph Road and Downey Road through Downey, Clearwater and Hynes into Long Beach, involving a distance of 39 miles. By the new service proposed, applicant would reduce its mileage operations to 31.5 miles.

According to the testimony of Mr. Franklin D. Howell, this carrier is in a position to establish its operation now without the acquisition of additional equipment, as for the most part, the new routing would be simply an extension over Atlantic Avenue of routings now operated by this carrier north of Whittier Boulevard. This applicant proposes to operate six schedules daily in each direction (to be increased to a maximum of eleven if needed), starting at 7:00 A.M. from Long Beach and 6:25 A.M. from Pasadena, with one service terminating at 9:50 P.M. at Long Beach. Applicant proposes to use stages of its own manufacture, of approximately 29- to 33-passenger capacity, and to add such schedules or additional vehicles as may be necessary at any time business so requires. These vehicles are to cost \$8,000 to \$9,000 each, and, according to this witness, represent the same comfort and efficiency in service as represented by any modern coach. Three cars would be devoted to the schedule, and in addition, applicant has vehicles at Downey and Whittier which would be available for immediate dispatch for overloads.

The fares offered by this applicant are based upon its usual structure of 2½ cents per mile, with 85 per cent round-trip rates and 75 per cent commutation rates; further, that applicant, by providing such service, could give an efficient and prompt connection to its many lines operated east of Los Angeles as far as San Bernardino, Victorville, the San Bernardino mountain regions, Riverside, Hemet and the San Jacinto mountain regions. Mr. Howell explained that this routing and service would be in addition to the other routes maintained by this applicant, and that no other route is intended to be abandoned.

The fares alluded to by Mr. Howell call for a through fare of 80 cents between termini, and a round-trip fare of \$1.30. 10-ride commutation fares are 75 per cent of the one-way fares,

and 30-ride commutation fares 60 per cent of the one-way fare. This is consistent with the passenger fare structure of the applicant in its general business in Southern California.

Applicant also proposes to carry express upon the vehicles used for the transportation of passengers. The express rate structure provided by applicant would be materially lower than that offered by rail carriers.

Representatives of the cities of Long Beach and Alhambra favored the granting of both applications, Alhambra on the ground that both operations would pass through its territory, one through the heart of the business section (Motor Transit), and the other at the west end of the city along Fremont Avenue. Resolutions were received from various civic and business organizations and Chambers of Commerce at Pasadena, Alhambra, Monterey Park, Belvedere Gardens (unincorporated), Bell, Maywood, Compton and Long Beach and elsewhere, the majority of them favoring service by Motor Transit Company.

Careful consideration of the testimony is convincing that the establishment of a direct through automotive service between Pasadena and Long Beach and serving intermediate points, for both passenger and express, is a public need. Termini and intermediates include a population in excess of 300,000 that now has no direct service north and south, and the Atlantic Avenue route south of Whittier Boulevard appears to be the main arterial highway most feasible for such an operation, and most practical to serve the greatest number of people, and offers the best opportunity, for that reason, to establish a profitable business.

It is our conclusion, therefore, and we hereby find as a fact, that public convenience and necessity require the establishment, by applicant Motor Transit Company, of a passenger and

express service by auto stage between Pasadena and Long Beach via Garfield Avenue and Atlantic Avenue, and that the operating right herein granted should be merged with and made part of operating rights now held by Motor Transit Company covering service in this territory as shown by the records of the Commission. The records show that by Decision No.13373, and Decision No.15760 issued on Application No.9917, Motor Transit Company acquired the operating rights of Dillingham Transportation Company in this territory. By Decision No.15234, issued on Application No.10698, the so-called Dillingham rights were merged with the Eastern and Southern Divisions of Motor Transit, and by Decision No.18692 issued on Application No.13676 the Commission authorized certain changes and extensions in the territory covered by the so-called Dillingham lines. An order will be entered accordingly.

Motor Transit Company 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 to the number of rights which may be given.

O R D E R

Motor Transit Company, a corporation, having made application for authority to establish through automobile passenger and express bus service between Pasadena and Long Beach, public hearings having been held, and the matter being now submitted and ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require the establishment of service by applicant, Motor Transit Company, as proposed herein for the transportation of passengers, their baggage and express; provided, however, that no passengers shall be transported locally between the intersection of Baker Avenue and Atlantic Avenue in the city of Bell and the intersection of Atlantic Avenue and Cecelia Street in the unincorporated territory south of the city of Bell, over and along the following route:

From its terminus in Pasadena east on Colorado Street to Los Robles Avenue; thence south via Los Robles Avenue to the intersection of Huntington Drive; thence southerly via Garfield Avenue to its intersection with Carvey Avenue; thence west on Carvey Avenue to Monterey Pass Road; thence via Monterey Pass Road to Floral Drive; thence south via Ford Boulevard to Whittier Boulevard; thence east via Whittier Boulevard to Atlantic Avenue; thence southerly via Atlantic Avenue to its terminus in the city of Long Beach; returning via the same identical route; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is granted, subject to the following conditions:

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

2- 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.

3- 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 secured.

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

IT IS FURTHER ORDERED that the certificate rights herein granted applicant be, and the same hereby are, merged and united with its operating rights granted by Decision No.13373, No.15760, No.15834 and No.12692; provided, however, that no authority is hereby granted applicant by this merger and union to sell any through transportation between Los Angeles and Long Beach through any of the junction points.

Pacific Electric Railway Company, a corporation, having made application for authority to establish through automobile passenger and express bus service between Pasadena and Long Beach, public hearings having been held, and the matter being now submitted and ready for decision, and applicant having moved at the final hearing for permission to withdraw its application,

IT IS HEREBY ORDERED that the application be and the same hereby is dismissed.

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 3rd day of

December, 1928.

Leon Whittell
Chairman
John B. Powell
W. A. Cramer
COMMISSIONERS