

ORIGINAL

Decision No. 20813

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
LOS ANGELES RAILWAY CORPORATION, a  
corporation, and PACIFIC ELECTRIC  
RAILWAY COMPANY, a corporation, for  
a certificate of Public Convenience  
and Necessity to temporarily operate  
motor coach passenger service under  
the name of LOS ANGELES MOTOR COACH  
COMPANY between present terminus at  
Santa Monica Boulevard and Wilshire  
Boulevard and proposed terminus at  
University Drive, entrance to Universi-  
ty of California, in the City of Los  
Angeles, being an extension of present  
service.

Application No. 15420.

BY THE COMMISSION:

OPINION AND ORDER

This proceeding is an application by Los Angeles Railway Corporation and Pacific Electric Railway Company, each of which is a corporation, filed on the 21st day of February, 1929, for a certificate of public convenience and necessity to temporarily operate a motor coach service, under the name of Los Angeles Motor Coach Company, along Wilshire Boulevard between Santa Monica Boulevard in the City of Beverly Hills and the University of California in the City of Los Angeles.

Applicants propose to operate such service as an extension of the service at present rendered largely along Wilshire Boulevard between Fifth and Hill Streets in the City of Los

Angeles and Wilshire Boulevard and Santa Monica Boulevard in the City of Beverly Hills, as authorized by Decision No. 19668 in Application No. 14590, dated April 25, 1928. It is alleged in this application that the proposed extension becomes necessary at this time to accommodate students attending the new University occasioned by the burning down of the Chemical Laboratory at the site of the present University. Applicants propose to temporarily operate said extension of motor coach service until the end of the regular school term in June, 1929. Applicants plan to apply within the next few months a request for authority to establish a service along a permanent route with a view of commencing operations at the opening of the University in September, 1929. One schedule each way daily is proposed to be operated at this time. The equipment will be the same type of double-deck motor coaches as are now operated on the Wilshire Boulevard Motor Coach line. It is proposed to charge 25 cents one way fare between Fifth and Hill Streets, Los Angeles and the University of California, including transfer privileges to local lines of applicants. This fare does not include transfer privilege to interurban lines of applicant, Pacific Electric Railway Company. The minimum proposed fare is 10 cents.

It is alleged that there are no other authorized common carriers with which proposed extended operation would compete except indirectly with two lines of one of the applicants herein, who waives objection to granting of certificate sought.

The Board of Public Utilities and Transportation of the City of Los Angeles have by letter indicated that said application of Los Angeles Motor Coach Company to give temporary service to the University of California meets with the approval of that board.

It appears that applicants herein have jointly agreed to operate a motor bus service in the City of Los Angeles, the agreement (see Decision No. 12826, dated November 14, 1923, and issued on Application No. 9516) providing that each shall furnish one-half of the necessary equipment and divide receipts and expenses of maintenance and operation. Acting as joint agents, the respective general managers of the applicant corporations conduct the business of motor bus transportation operated under the fictitious name of the Los Angeles Motor Coach Company.

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 as prayed for.

Pacific Electric Railway Company and Los Angeles Railway Corporation are 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

IT IS HEREBY ORDERED that a certificate of public con-

venience and necessity be and the same is hereby granted to Los Angeles Railway Corporation and Pacific Electric Railway Company, operating under the fictitious name of Los Angeles Motor Coach Company, for the operation of an automotive passenger stage service between the Cities of Beverly Hills and Los Angeles and intermediate points over and along the following route, to-wit:

Commencing at intersection of Wilshire Boulevard and Santa Monica Boulevard, in the City of Beverly Hills, thence via Wilshire Boulevard to Warner Avenue; thence northerly on Warner Avenue to Hilgard Avenue, thence southerly on University Drive to University of California entrance.

Returning via University Drive to Strathmore Drive; thence via Strathmore Drive to Warner Avenue; thence via Warner Avenue to Wilshire Boulevard; thence via Wilshire Boulevard to Santa Monica Boulevard, point of beginning of proposed extension.

IT IS HEREBY FURTHER ORDERED that applicants be and they are hereby authorized to merge and consolidate such operation temporarily with the service authorized by Decision No. 19668 in Application No. 14590, over and along the following route:

Commencing at Fifth and Hill Streets, in the City of Los Angeles; thence via Hill Street, Eighth Street, Lake Street, Seventh Street, Park View Avenue, thence via Wilshire Boulevard to intersection of Wilshire Boulevard and Santa Monica Boulevard, in the City of Beverly Hills.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall be subject to the following conditions:

1. Applicants shall file their 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, said rates and time schedules to be 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.

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 applicants herein unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

5. The authority herein granted is for a temporary period only, expiring at the end of the University of California spring term, in June, 1929, and shall not be construed as authority for operation of said extended service after that date.

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

The Commission reserves the right to make such further order or orders in this proceeding as it may deem to be right or proper.

Dated at San Francisco, California, this 21<sup>st</sup> day of February, 1929.

Thos D. Loutch

Edmund J. ...

Leon Whitely

M. J. ...

Commissioners.