

Decision No. 21765.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Bay Cities Transit Co. for a Certificate of Public Convenience and Necessity to operate an automobile passenger service between Ocean Park and Westwood along Wilshire Boulevard as an extension of its present service.

Application No. 15883.

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 Vermont Avenue and Hollywood Boulevard, in the City of Los Angeles, and Marine Street and Main Street, in the City of Santa Monica, and intermediate points in the State of California.

Application No. 15894.

- Richard T. Eddy, for Bay Cities Transit Company, Applicant, and Protestant in Application No. 15894.
- Frank Karr, R.E. Wedekind and O.A. Smith, for Pacific Electric Railway Company, applicant, and protestant in Application No. 15883.
- E. F. Bogardus and Carl Bush, for Hollywood Chamber of Commerce, Interested Party.
- J. O. Marsh and F.F. Ball, for Board of Public Utilities and Transportation of the City of Los Angeles, Interested Party.
- D. L. Campbell, for Pasadena-Ocean Park Stage Line, Interested Party.
- C. H. Dodds, for University of California, Interested Party.
- Harry Bennett and Wm. F. Adams, for West Hollywood Chamber of Commerce, Interested Party.
- Mrs. Nellie B. VanSlingerland, for Betterment League, Interested Party.
- Dr. Arthur H. Wurtele, for Hollywood Taxpayers Ass'n and St. Thomas Episcopal Church, Interested Party.
- Dr. W. O. Studt, for Gardner Business Men's Ass'n, Interested Party.

BY THE COMMISSION:

O P I N I O N

Bay Cities Transit Company, in Application No. 15883, filed August 19, 1929, requests a certificate of public convenience and necessity to operate an automobile stage service for the transportation of passengers between the intersection of Pier Avenue and Speedway, Santa Monica (Ocean Park), and the University of California at Los Angeles, all within the County of Los Angeles.

Pacific Electric Railway Company, in Application No. 15894, filed August 26, 1929, requests a certificate of public convenience and necessity to operate an automobile stage service for the transportation of passengers between the intersection of Vermont Avenue and Hollywood Boulevard, Los Angeles, and the intersection of Marine Street and Main Street, Santa Monica (Ocean Park), and intermediate points, including service to the University of California at Los Angeles, all in the County of Los Angeles.

Public hearings were conducted by Examiner Gannon at Los Angeles on September 24th and 26th, 1929, at which time the matters were duly submitted and are now ready for decision.

At the hearing on September 24th, all interested parties agreed by stipulation to the consolidation of the two applications for the taking of testimony and decision.

Bay Cities Transit Company, at the present time, operates an automobile stage service for the transportation of passengers between Pier Avenue and Speedway, Santa Monica (Ocean Park), and Federal Avenue and Wilshire Boulevard, Los Angeles, (Soldiers' Home Westgate), under authority of this Commission's Decision No. 10804, dated August 1st, 1922, on Application No. 7881.

This Company now proposes to extend said service:

from the junction of Federal Avenue and Wilshire Boulevard along Wilshire Boulevard, Westwood Boulevard, Le Conte Avenue and Hilgard Avenue to the University entrance on Hilgard Avenue near Beverly Boulevard, a distance of approximately two miles.

In addition to the Ocean Park-Soldiers' Home Line, the Company operates several other motor coach lines in the beach cities' territory, one of which operates between Venice and Sawtelle, mainly along Santa Monica Boulevard. Bay Cities Transit Company recently began operation, under franchise from the City of Los Angeles, of a passenger motor coach service from Sawtelle to the University, said line connecting with this Santa Monica Boulevard line and also an emergency service from Centinela Avenue and Wilshire Boulevard to the University over the route as proposed in the instant application.

The Commission, by its Decision No. 20608, dated December 15th, 1928, on Application No. 12600, ordered Pacific Electric Railway Company, after conferring with the various interested parties, to submit to this Commission a plan to provide motor coach service between the Hollywood section of the City of Los Angeles and Santa Monica.

The record shows that the railway company arranged conferences with the interested parties for the purpose of outlining a route and considering the general aspects of this service, a plan was outlined to the satisfaction of the parties and the instant application was filed in accordance with the understanding reached and in compliance with the above mentioned Commission's decision.

The route now proposed by Pacific Electric Railway Company between the City of Los Angeles and the City of Santa Monica, a distance of approximately eighteen miles, is as follows:

Commencing at the intersection of Hollywood Boulevard and Vermont Avenue, in Los Angeles, thence via Hollywood Boulevard, Highland Avenue, Santa Monica Boulevard, Holloway Street, Sunset Boulevard, Beverly Boulevard, Hilgard Avenue (University of California), Le Conte Avenue, Westwood Boulevard, Wilshire Boulevard, Ocean Avenue, Pico Street, Main Street to the intersection of Marine Street and Main Street, in Santa Monica.

The respective lines over which applicants propose to operate in these proceedings are duplicate routes between the University entrance, on Hilgard Avenue near Sunset Boulevard, and the intersection of Wilshire Boulevard and Federal Avenue, a distance of about two miles. The Pacific Electric Railway Company does not, however, propose to do any local business on its proposed line, which is parallel to lines of the Bay Cities Transit Company, in the territory between Marine and Main Streets, Ocean Park, and Federal Avenue and Wilshire Boulevard, City of Los Angeles.

It is alleged by the Transit Company that the extension of its route, as planned, will enable it to accord patrons of its University line service to all parts of the Santa Monica, Ocean Park, Venice, Brentwood Heights and Sawtelle Districts, either by direct or transfer service to the University.

It was urged by certain interests that the portion of the line proposed by Pacific Electric between the intersection of Hollywood Boulevard and Highland Avenue and the intersection of Santa Monica Boulevard and Fairfax Avenue should be routed over Hollywood Boulevard, Gardner Street (Gardner Junction), Sunset Boulevard and Fairfax Avenue to Santa Monica Boulevard. It appears that the main reason for this request was for a direct service to the Gardner Junction business district and to relieve St. Thomas' Episcopal Church from the necessity of operating its private bus from Gardner Junction to the church located at Hollywood Boulevard and Gardner Street, a distance of two blocks.

The record discloses that there is a public need for direct service from the territory along Santa Monica Boulevard

west of Highland Avenue to the Hollywood business section, as a considerable number of passengers from this territory are now required to transfer twice while traveling to and from Hollywood. It appears that the greatest number of interested parties are in favor of this section of the route as proposed by Pacific Electric Railway Company and in our opinion this route will better serve the public generally.

Pacific Electric Railway Company amended its application so as to include a 46-ride school commutation ticket and a 60-ride commutation ticket between La Brea Avenue and the University for \$4.55 and \$6.85, respectively, to substitute a 10-cent one-way fare in lieu of the proposed 15-cent fare and the cancellation of the 60-ride commutation ticket between the University and Ocean Park and increase the age limit of 46-ride school commutation tickets to under 25 years instead of 21 years as proposed.

Representatives of the Board of Public Utilities of the City of Los Angeles and the Hollywood Chamber of Commerce stated that in their opinion the rates proposed by Pacific Electric did not cover the entire field, particularly in regard to connecting units such as Los Angeles Motor Coach Company Lines, Pacific Electric Railway Company Motor Coach Lines and Los Angeles Railway Company Lines, and requested that the proposed fares be established on a temporary basis for a period of three to six months so as to afford the interested parties an opportunity to study the entire fare situation. The Pacific Electric Railway Company stipulated that if it were deemed advisable, they would be willing to have the fares considered temporary until the Commission and the other interested parties had had an opportunity of further studying the matter. It appears from the record in this proceeding that there is not sufficient business between the University of California and Santa Monica via Wilshire Boulevard to justify the operation of competing service, therefore it remains to be determined which

of the two applications should be granted in the interest of public convenience and necessity.

The necessity for the motor coach service proposed by Pacific Electric Railway Company is shown by the record in Application No. 12600 and evidenced by the Commission's Decision No. 20608.

On the one hand the Bay Cities Transit Company proposes to extend its Wilshire line to the University on a twenty minute headway with two 5-cent zones including transfer privileges to its other lines, while, on the other hand, the Pacific Electric Railway Company, in accordance with the Commission's order, is proposing a service between Hollywood and Ocean Park of which the route between the University and Ocean Park is a part on a thirty minute headway with two 5-cent zones between the University and Ocean Park and transfer privileges to its lines.

However, there does appear to be a need for an additional service between Ocean Park and the University of California via Santa Monica Boulevard. Apparently, the Bay Cities Transit Company had originally contemplated service from Santa Monica to the University via Santa Monica Boulevard, but due to certain protests from the Brentwood Heights section, the Wilshire Boulevard route was selected.

It is apparent from this record that the entire Bay Cities' territory would be more conveniently and adequately served if one of the proposed routes were via Santa Monica Boulevard and the other via Wilshire Boulevard, and we further believe, that it would be more reasonable for the Bay Cities Transit Company to operate over the Santa Monica Boulevard route. However, the Commission is not in a position to grant such a certificate to the Bay Cities Transit Company as there is no such request before us.

The Pacific Electric Railway Company was ordered by this Commission to experiment with a through motor coach service from

Hollywood to Ocean Park and inasmuch as the Bay Cities territory is vitally interested in through service to Hollywood as well as to the University, it appears that it would be reasonable and to the benefit of this community to afford the operators of such a through route every opportunity to become financially successful, thereby assuring its continuation.

The Pacific Electric signified that it would have no objection to the establishment by the Bay Cities Transit Company of a direct service between the University and Ocean Park via Santa Monica Boulevard.

After carefully considering all the evidence in this proceeding, the Commission is of the opinion that public convenience and necessity require the operation of a motor coach service for the transportation of passengers between Hollywood and Ocean Park via the University of California at Los Angeles as proposed by Pacific Electric Railway Company; that the service proposed by Bay Cities Transit Company between the University and Santa Monica over practically the same route as that proposed by Pacific Electric Railway Company is not necessary but that there is a necessity for a direct service between Santa Monica and the University via Santa Monica Boulevard which service could reasonably be performed by Bay Cities Transit Company.

Pacific Electric Railway 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 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.

ORDER

Public hearings having been held in the above entitled proceeding, the matter having been submitted and the Commission being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Pacific Electric Railway Company of a motor coach service for the transportation of passengers between Vermont Avenue and Hollywood Boulevard, in the City of Los Angeles, and Marine Street and Main Street, in the City of Santa Monica and intermediate points, over and along the following route:

Commencing at the intersection of Hollywood Boulevard and Vermont Avenue in Los Angeles, thence west along Hollywood Boulevard to Highland Avenue, south on Highland Avenue to Santa Monica Boulevard, west along Santa Monica Boulevard, Holloway Street, Sunset Boulevard and Beverly Boulevard to Hilgard Avenue, south on Hilgard Avenue to Le Conte Avenue, and Westwood Boulevard to Wilshire Boulevard; thence westerly along Wilshire Boulevard to Ocean Avenue, south on Ocean Avenue to Pico Street, east on Pico to Main Street, south on Main Street to Marine Street, Santa Monica (Ocean Park) and returning over the same route.

IT IS HEREBY ORDERED that a Certificate of Public Convenience and Necessity for such a service be and the same is hereby granted to Pacific Electric Railway Company provided no local service be performed between the intersection of Marine and Main Streets, Santa Monica (Ocean Park) and the intersection of Federal Avenue and Wilshire Boulevard, City of Los Angeles, subject to the following conditions:

(1) Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed twenty (20) 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,

tariffs of rates and time schedules to be identical with those attached to the application herein and amended, or rates and time schedules satisfactory to this Commission, which tariff of rates shall be considered temporary and shall remain in effect until further order of the 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, transferred nor assigned unless written consent of this Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

(4) No vehicle may be operated by applicant herein unless said vehicle is owned by said applicant or is leased by him under contract or agreement on a basis satisfactory to this Commission.

IT IS HEREBY FURTHER ORDERED that the Commission's Decision No. 21588, dated September 20, 1929, be and the same is hereby annuled.

IT IS HEREBY FURTHER ORDERED that Application No. 15883, filed by the Bay Cities Transit Company be and the same is hereby denied.

The Commission reserves the right to make such further order or orders in this proceeding as may appear just and reasonable.

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 1st day of

November, 1929.

Thos S. Loutch
Ch. Seavey
Emil J. [unclear]
Leon [unclear]