

- (b) 6407 Hollywood Boulevard, Los Angeles, California, and Grand Central Air Terminal;
- (c) 6770 Hollywood Boulevard, Los Angeles, California, and Western Air Express, Alhambra Airport; and
- (d) 113 West Ninth Street, Los Angeles, California, and Western Air Express, Alhambra Airport.

The fares proposed are seventy-five cents per passenger, each way, between 636 South Olive Street and Hollywood and the Glendale Airport; seventy-five cents between 113 W. 9th Street and the Alhambra Airport, and one dollar between Hollywood and the Alhambra Airport.

Time schedules are set forth in Exhibit "B" attached to the original application. Applicant proposes to use in this service one Lincoln limousine, two Cadillac sedans and one Packard sedan.

Public hearings were held by Examiner Cannon at Los Angeles and the matter was submitted on briefs which were duly filed.

Actively protesting the application were Original Stage Lines, Motor Transit Company and Pacific Electric Railway Company, all of whom contended that they offered transportation service sufficient and satisfactory to meet the public need.

Applicant proposes to arrange his schedules so that they will correspond with the arrival and departure of airplanes, which of necessity are somewhat irregular. The service is to be limited to passengers of Western Air Express and Transcontinental Air Transport, using either the Glendale or the Alhambra Airports, and is not to include any intermediate

service. In the event of forced landings at certain designated fields, applicant proposes to keep in touch with airplane officials and meet all airplanes arriving on such schedules. Officials of both Western Air Express and Transcontinental Air Transport testified that the service proposed was essential to the adequate ground transportation of their passengers and that by far the larger percentage of such passengers preferred a specialized service of this type to the ordinary methods of travelling to and from the landing field.

Pacific Electric Railway Company operates an electric car service from the downtown section of Los Angeles to Glendale, making ten stops en route and transferring to buses such passengers as desire to reach the airport. The wait for a bus would be anywhere from twenty to fifty minutes.

Original Stage Lines offer service on their regular schedules, their buses discharging passengers at a point two-tenths of a mile from the airport depot at Glendale. They had attempted to make some arrangement with Transcontinental Air Transport involving the carriage of passengers under a guarantee, but such negotiations failed.

Motor Transport Company operates a ten minute bus service to Alhambra Airport and had offered to render a service on a leased car basis with a guarantee of thirty dollars per day for each car so leased.

It is clear from the testimony herein that airplane passengers prefer not to use regular bus or street car service in travelling between the landing field and their ultimate destination. In fact, L. S. Aldridge, a former driver for applicant, testified that he had made a one-day

check of arrivals and departures of Original Stage Line buses at Glendale Airport and Motor Transit buses at Alhambra Airport and that not a single airplane passenger had used such buses.

We do not deem it necessary to make any further reference to the testimony. Suffice it to say that the evidence clearly points to a desire on the part of airplane passengers for a specialized type of public transportation such as applicant offers. Travel by airplane is undertaken as a means of saving time, and the time-saving element necessarily enters into the ground transportation incidental to such travel. We do not believe the service offered by protestants herein is of a type demanded or desired by airplane passengers, and the record clearly shows that they will not avail themselves of such service when it is offered, even though the fares are substantially lower. Applicant proposes a service which is comfortable, convenient, expeditious and flexible. Travel by airplane, including ground transportation incidental thereto, is still in a developmental stage and we believe should be encouraged whenever possible, especially when, as here, a service is offered in connection therewith which is superior in every way to that offered by protesting carriers.

Some reference was made at the hearings to the fact that applicant was now operating this service unlawfully, and also some question was raised as to his financial ability. We are satisfied that the applicant is able to finance the operation here proposed. The record shows that he commenced hauling passengers from downtown points to both airports about

a month before filing his application and we are satisfied there was no conscious attempt either to evade the law or to operate in violation of the Commission's rules.

Subsequent to the submission of this application the protestants filed a petition for re-opening of the case for further hearing, and to afford protestants an opportunity to present additional evidence of alleged illegal operation on the part of applicant. The fullest inquiry was had into this matter at the hearing and we are of the opinion that no good or useful purpose would be served by a re-opening of the case. The petition will therefore be denied.

The testimony in this proceeding clearly indicates that public convenience and necessity require the service here proposed and the application should be granted.

Joe Ferrant 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.

ORDER

Public hearings having been held in the above entitled proceeding and the matter having been duly submitted on briefs,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require the operation by Joe Ferrant of an automotive passenger stage

service for the transportation of passengers and their baggage between

- (a) 636 South Olive Street, Los Angeles, California, and Grand Central Air Terminal, located on San Fernando Road in the City of Glendale, California;
- (b) 6407 Hollywood Boulevard, Los Angeles, California, and Grand Central Air Terminal;
- (c) 6770 Hollywood Boulevard, Los Angeles, California, and Western Air Express, Alhambra Airport; and
- (d) 113 West Ninth Street, Los Angeles, California, and Western Air Express, Alhambra Airport, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Joe Ferrant for the operation of an automotive passenger stage service as described in the above application, subject to the following conditions:

1. No service under this certificate shall be rendered by applicant except to passengers of airplane transportation companies using the Grand Central Air Terminal at Glendale or the Western Air Express Airport at Alhambra, and such service shall be between the termini only and shall not include any intermediate points.
2. Applicant shall file within ten (10) days hereof a description of the particular routes over which he proposes to render said service.
3. Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
4. 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 thirty (30) days from the date hereof.
5. 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.
6. 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.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 2nd day of August, 1930.

C. L. Seaver

Ernest J. ...

M. J. ...

Commissioners.