

Decision No. 22874**ORIGINAL**

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 Colfax Avenue and Magnolia Boulevard in the City of Los Angeles, and Vanowen Street and Tujunga Avenue, in the City of Los Angeles, and intermediate points, in the State of California.

Application  
No. 22870

BY THE COMMISSION -

OPINION and ORDER

This is an application by Pacific Electric Railway Company, a corporation, for a certificate of public convenience and necessity to operate an automotive passenger stage service between Colfax Avenue and Magnolia Boulevard, in the City of Los Angeles, and Vanowen Street and Tujunga Avenue, in the City of Los Angeles, a distance of 4.1 miles, over the following route:

Commencing at the intersection of Colfax Avenue and Magnolia Boulevard, east on Magnolia Boulevard to Lankershim Boulevard, north on Lankershim Boulevard to Burbank Boulevard, east on Burbank Boulevard to Vineland Avenue, north on Vineland Avenue to Oxnard Street, west on Oxnard Street to Tujunga Avenue, north on Tujunga Avenue to Vanowen Street; returning, west on Vanowen Street to Laurel Canyon Road, south on Laurel Canyon Road to Victory Boulevard, east on Victory Boulevard to Lankershim Boulevard, south on Lankershim Boulevard to Magnolia Boulevard, thence west on Magnolia Boulevard to Colfax Avenue.

Attached to the application and made a part thereof are Exhibits A, B and C, which show the route to be followed, the proposed time schedule and the rates proposed to be charged.

This application is the result of conferences participated in by representatives of the North Hollywood district, applicant and the Engineering Department of the Railroad Commission at which were discussed the transportation needs of the territory involved in this proceeding, the Commission having previously

directed that a study be made in an effort to satisfy such needs. The service proposed herein is, therefore, in the nature of an experimental service and the certificate is sought with the understanding that said service may be discontinued in the event that operation over a reasonable period shows the service to be unprofitable. <sup>proposal</sup> The/herein contained has the approval of the Board of Public Utilities and Transportation of the City of Los Angeles.

Under the circumstances, we are of the opinion that the application should be granted and we are of the further opinion that a public hearing is not necessary.

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 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Pacific Electric Railway Company, a corporation, of an automotive service for the transportation of passengers between Colfax Avenue and Magnolia Boulevard in the City of Los Angeles and Vanowen Street and Tujunga Avenue over and along the following route:

Commencing at the intersection of Colfax Avenue and Magnolia Boulevard, east on Magnolia Boulevard to Lankershim Boulevard, north on Lankershim Boulevard to Burbank Boulevard, east on Burbank Boulevard to Vineland Avenue, north on Vineland Avenue to Oxnard Street, west on Oxnard Street to Tujunga Avenue, north on Tujunga Avenue to Vanowen Street; returning, west on Vanowen Street to Laurel Canyon Road, south on Laurel Canyon Road to Victory Boulevard, east on Victory Boulevard to Lankershim Boulevard, south on Lankershim Boulevard to Magnolia Boulevard, thence west on Magnolia Boulevard to Colfax Avenue.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same hereby is granted to Pacific Electric Railway Company, a corporation, 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 date hereof.

2- Applicant shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariff of rates and time schedules, such tariffs 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.

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.

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 16th day of September, 1930.

C. S. Sawyer

Frank O. Wiley  
W. S. Lott

COMMISSIONERS.