

Decision No. 23432

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 operate motor coach passenger service under the name of Los Angeles Motor Coach Company between Rimpau Boulevard and Washington Boulevard and 54th Street and Crenshaw Boulevard in the City of Los Angeles, California.

ORIGINAL

Application
No. 17127

Gibson, Dunn & Crutcher, by Woodward M. Taylor,
for Applicants.

Frank M. Karr and R. E. Wedekind, by R. E. Wedekind,
for Pacific Electric Railway Company, Applicant.

Woodward M. Taylor and E. G. Weeks, for Los Angeles
Railway Corporation, Applicant.

E. F. Bogardus and Carl Bush, for Hollywood Chamber
of Commerce, Interested party.

Tom Paddon, President, West Adams Boulevard Chamber
of Commerce, Interested party.

S. Phillips, representing Crenshaw Boulevard Association,
Interested party.

S. M. Lennon and J. O. Marsh, for Board of Public Utili-
ties and Transportation, City of Los Angeles, Interested
party.

BY THE COMMISSION -

O P I N I O N

Los Angeles Railway Corporation, a corporation, and Pacific Electric Railway Company, a corporation, jointly operating under the name and style of Los Angeles Motor Coach Company, have petitioned the Railroad Commission for an order granting a certificate of public convenience and necessity for the operation of a motor coach service for the transportation of passengers over the following route:

Commencing at the intersection of Rimpau Boulevard and Washington Boulevard, thence west on Washington Boulevard to La Brea Avenue, north on La Brea Avenue to Hollywood Boulevard, east on Hollywood Boulevard to Vine Street, south on Vine Street and Rossmore Avenue to Wilshire Boulevard, east on Wilshire Boulevard to Crenshaw Boulevard, south on Crenshaw Boulevard to 54th Street, and returning via the reverse of the foregoing route, all within the City of Los Angeles.

The certificate desired is in lieu of the certificate over a portion of the above route as heretofore granted by this Commission in its Decision No.22050 on Supplemental Application No.14238, decided January 24, 1930.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge rates in accordance with a schedule marked "Exhibit C", as attached to and forming a part of the application, to operate on a schedule marked "Exhibit D" as attached to the application, using as equipment at the commencement of operation standard motor coaches of not less than 25 passengers capacity, said coaches to be replaced by new equipment after the operation will have been commenced and a study will have been completed to determine the type and seating capacity of motor coach best suited to the requirements of the proposed line.

The certificate herein applied for is an extension of the motor coach line now operated by applicants under the authority conferred by Decision No.22050 on Supplemental Application No.14238, as decided January 24, 1930.

C. A. Smith, passenger traffic manager of Pacific Electric Railway Company, and also in charge of traffic matters for Los Angeles Motor Coach Company, testified that the public had made many requests for the proposed extension of route and that the matter had been the subject of investigation and study by the applicants for some time. Witness is of the opinion, based upon

the study made, that the extension of route is a public convenience and necessity for the patrons proposed to be served. The proposed fares are based on a minimum of ten cents instead of the minimum of six cents as existing on the present certificated route. Checks made by the applicants show that over seventy percent of the present patrons pay a ten cent fare, about twenty five percent pay a six cent fare, the remainder of the patrons using school tickets. The proposed ten cent fare includes transfer privileges to practically all portions of the City of Los Angeles in Zones 1 and 2 of all transportation lines which intersect or connect with the proposed certificated route, also with specified portions of Zones 3 and 4 of Pacific Electric Railway Company's lines. The present six cent fare of the existing operation does not provide any transfer privilege and the present ten cent fare covering the only transfer privilege at present available. If the proposed application is granted, it is the request of applicants that operation over the proposed route from the intersection of Pico Boulevard and La Brea Avenue to the intersection of Rimpau Boulevard and Washington Boulevard be deferred and not commenced until such time as the bridge over the Sacatela Storm Drain, located on La Brea Avenue, near Venice Boulevard, is placed in proper condition to permit of safe operation. The record shows that the existing bridge is too narrow and not sufficiently strong to permit of the safe operation of motor bus service, but it is anticipated that the bridge will shortly be rebuilt whenever resolution therefor is passed by the council of the City of Los Angeles.

Witnesses representing the Hollywood Chamber of Commerce, the West Adams Chamber of Commerce, the West Adams Real Estate Association, the Crenshaw Boulevard Association, the Greater La Brea Association, and property owners and residents along the proposed route all testified in behalf of and in support of the application.

No protest was of record in this matter nor was there any testimony in protest at the hearing. There appears no protest regarding the increase of fare from a minimum of six cents to a minimum of ten cents, the transfer privileges accorded by the ten cent fare being apparently satisfactory to all the patrons of the proposed service.

The Board of Public Utilities and Transportation of the City of Los Angeles endorses the granting of the application. Under date of January 30, 1931, after public hearing, a permit was granted by the Board of Public Utilities and Transportation of the City of Los Angeles to applicants covering operation of a motor coach service over the route herein sought.

After full consideration of the record herein we are of the opinion and hereby conclude that the application should be granted in accordance with the terms and conditions of the following order.

Los Angeles Railway Corporation, a corporation, and Pacific Electric Railway Company, a 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.

ORDER

A public hearing having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the conclusion as appearing in the opinion which precedes this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the

operation by Los Angeles Railway Corporation, a corporation, and Pacific Electric Railway Company, a corporation, operating under the name and style of Los Angeles Motor Coach Company, of an automobile stage service as a common carrier of passengers within the city limits of the City of Los Angeles, State of California, over and along the following route:

Commencing at the intersection of Rimpau Boulevard and Washington Boulevard, west on Washington Boulevard to La Brea Avenue, north on La Brea Avenue to Hollywood Boulevard, east on Hollywood Boulevard to Vine Street, south on Vine Street and Rossmore Avenue to Wilshire Boulevard, east on Wilshire Boulevard to Crenshaw Boulevard, south on Crenshaw Boulevard to 54th Street; returning via the reverse of the above route.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Los Angeles Railway Corporation, a corporation, and Pacific Electric Railway Company, a corporation, said corporations operating jointly under the name and style of Los Angeles Motor Coach Company, for the operation of an automobile stage service as a common carrier of passengers for compensation in the City of Los Angeles, State of California, over and along the route as particularly specified in the foregoing declaration, and subject to the following conditions:

1- Applicants shall file their written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.

2- Applicants shall file in duplicate and make effective within a period of not to exceed thirty (30) days from the date hereof a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application, insofar as they conform to the certificate herein granted.

3- Applicants shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof time schedules, covering the service herein authorized, in a form satisfactory to the Railroad Commission.

4- 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.

5- 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.

6- The commencement of operation over the portion of route hereby authorized from the intersection of Pico Boulevard and La Brea Avenue to the intersection of Rimpau Boulevard and Washington Boulevard may be deferred and not commenced until such time as the bridge over the Sacatela Storm Drain, located on La Brea Avenue near Venice Boulevard, is reconstructed, or otherwise placed in proper condition to permit safe motor coach operation thereover. Upon the reconstruction or other repair of said bridge the operation herein authorized is to be commenced within ten (10) days of the completion of the reconstruction and repair of said bridge and this Commission is to be advised, in writing, as to the date upon which said operation will be commenced.

IT IS HEREBY FURTHER ORDERED that, effective with the date upon which operation hereby authorized is made effective, the rights and privileges granted to applicants by Decision No. 22050 on Supplemental Application No. 14238, as decided January 24, 1930, be and the same are hereby canceled and annulled.

For all other purposes the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 24th day of February, 1931.

CC January
Leon Whitely
W. J. ...
W. B. ...
Fred G. ...
COMMISSIONERS.