

Decision No. 24826

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 the LOS ANGELES RAILWAY CORPORATION  
 for authority to operate motor coaches  
 for the carriage of passengers along  
 Melrose Avenue and Beverly Boulevard,  
 County of Los Angeles. )  
 )  
 ) Application No. 18026  
 )  
 )

BY THE COMMISSION -

**ORIGINAL**O P I N I O N

Los Angeles Railway Corporation, operating motor coaches for the carriage of passengers along Melrose Avenue and Beverly Boulevard, County of Los Angeles, has petitioned the Railroad Commission for authority to combine the two lines by connecting them at their western termini by an operation over and along La Cienega Boulevard from Beverly Boulevard to Melrose Avenue and by a slight variation of route at Beverly Boulevard and La Cienega.

Melrose Avenue bus line, between Western Avenue and La Cienega, of applicant is operated under authority of Decision No. 19471, dated March 12, 1928, on Application No. 14264. The line on Beverly Boulevard, between Bonnie Brae and La Cienega, is operated under authority of the Board of Public Utilities and Transportation of the City of Los Angeles. By the proposal in the instant application these two lines are to be consolidated and connection made via La Cienega Boulevard. This consolidation will require the certification of the Beverly Boulevard line and its extension via La Cienega to Melrose Avenue as Melrose Avenue and La Cienega, in part, are outside the city limits. For this purpose we believe a certificate de novo should be granted in lieu of the previous operating right.

The fares to be charged are the same as in applicant's Local Passenger Tariff No. 13, C.R.C. No. 21, and Supplement No. 4 thereto without change, except that the additional route to be traversed, between Melrose Avenue and Beverly Boulevard, along La Cienega

Boulevard, is to be combined with Zone 3 as to parts of the routes west of Fairfax Avenue. Applicant avers that the combined line may be operated at considerable saving which is necessary for its maintenance in view of depressed patronage. The lines as now operated and to be operated are urban operations as defined in General Order No.86, and applicant by Decision No.23700, on Application No.17345, has been exempted from certain rules of General Order No.83, including the filing of time schedules of operations.

The linking of these lines and the operation over La Cienega Boulevard has been approved by the Board of Public Utilities and Transportation of the City of Los Angeles with the reservation, however, that the consent thus given shall at no time in the future be the cause or reason of the refusal of a westerly extension of Beverly Boulevard bus line. We believe the authority herein granted will not prevent the extension of any service on either line should public necessity and convenience require an extension thereof and the authority herein given is not to be construed by applicant as any limitation upon the extension of either line in the future.

This is a matter in which a public hearing appears unnecessary and the application should be granted.

Los Angeles Railway Corporation 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.

O R D E R

Los Angeles Railway Corporation having made application for a certificate of public convenience and necessity to operate motor passenger vehicles between Beverly Boulevard and Melrose Avenue and over La Cienega Boulevard and to connect said Beverly Boulevard bus line with Melrose Avenue bus line and combining the service into one united operation and it appearing to the Commission that such certificate and consolidation is in public interest;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment of motor bus service for the transportation of passengers over and along the following route:

From Western Avenue and Melrose Avenue, thence via Melrose Avenue, La Cienega Boulevard and Beverly Boulevard to Bonnie Brae Street; and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted to Los Angeles Railway Corporation. Applicant is authorized to turn its motor vehicles at termini either in the intersection of streets or by operating around a block contiguous to such intersection in either direction and to carry passengers, as traffic regulations of the municipality may require, and subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof, on not less than ten days' notice to the Commission and the public 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 application insofar as they conform to the certificate herein granted.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from date hereof, on not less than five (5) days' notice to the Commission and the public, time schedules, according to form provided in General Order No. 83, 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 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.

IT IS HEREBY FURTHER ORDERED that the certificate heretofore granted by Decision No. 19471, on Application No. 14264, as modified by Decision No. 19654, dated April 21, 1928, be and the same hereby is revoked.

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 28<sup>th</sup> day of

March, 1932.

C. C. Levey  
Leon Whiteley  
M. A. Lee  
W. B. Harris  
Frank G. Stewart  
COMMISSIONERS.