

Decision No. 25235

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the LOS ANGELES RAILWAY CORPORATION
for a certificate of public conven-
ience and necessity to operate motor
coaches for the carriage of passengers
on Normandie Avenue, County of Los
Angeles

APPLICATION NO. 18374

BY THE COMMISSION.

ORIGINAL

O R D E R

The Los Angeles Railway Corporation filed the above en-
titled application requesting a certificate of public conven-
ience and necessity for the operation of motor coach service for
the transportation of passengers along Normandie Avenue between
48th Street in the City of Los Angeles and 106th Street in unin-
corporated territory of Los Angeles County.

Applicant now operates motor coach service, under a permit
from the Board of Public Utilities and Transportation of the
City of Los Angeles, along Normandie Avenue between 48th Street
and Manchester Avenue, in the City of Los Angeles, over and
along the following route:

From the intersection of Manchester Avenue and
Normandie Avenue, thence via Normandie Avenue,
54th Street, Denker Avenue, 48th Street,
Normandie Avenue to Manchester Avenue.

Applicant alleges that Normandie Avenue, from Manchester
Avenue to Imperial Highway, has recently been paved; that numerous
requests have been received for motor coach service over this
newly paved street; that the territory adjacent to said street
is fairly well built up and that public convenience and necessity

warrant a trial operation of motor coach service along Normandie Avenue between Manchester Avenue and 106th Street. Applicant proposes a trial operation for a period of sixty (60) days, the service to be permanently operated in the event the trial operation indicates that it will be a compensatory service.

Applicant's present operation on Normandie Avenue, south of Florence Avenue, is in fare zone 2 and applicant proposes to place the extension of this service, that is, from Manchester Avenue to 106th Street, also in fare zone 2. Applicant's original application requested authority to discontinue the present seven-cent fare, which does not include transfer, now applying between 54th Street and Manchester Avenue; however, by amendment to the application, this request was eliminated.

The Board of Public Utilities and Transportation of the City of Los Angeles has signified its approval of the plan of operation as proposed by applicant herein.

It appears that applicant's request is reasonable and that authority should be granted for a trial operation, in order to determine whether or not the service will be compensatory, and that it would not be in the public's interest, in this particular case, to require applicant to continue the operation in the event revenues are insufficient to pay operating costs.

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.

It appearing that a public hearing is not necessary and that the application should be granted,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it is, hereby granted to Los Angeles Railway Corporation for the operation of an automobile stage service for the transportation of passengers over and along the following route:

From the intersection of 106th Street and Normandie Avenue, thence via Normandie Avenue, 54th Street, Denker Avenue, 48th Street to Normandie Avenue; thence return via Normandie Avenue to 106th Street,

subject, however, to the following conditions:

- (1) That service herein authorized south of Manchester Avenue shall be operated for a period of sixty (60) days, at the end of which time, applicant shall advise the Commission, in writing, if said service is to be continued as a permanent service.
- (2) That in the event said service is to be permanently maintained, the certificate herein granted shall be considered as a permanent operating right.
- (3) Applicant shall file its written acceptance of the certificate herein granted, within a period of not to exceed fifteen (15) days from date hereof.
- (4) 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 five (5) 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 for said line, which rates and rules shall be satisfactory to this Commission.
- (5) Applicant shall cause to have placed in a conspicuous place in each motor coach operating on said line, a notice which in volume and effect will notify the public that the operation of said line is being conducted as a trial service.
- (6) Applicant is authorized to turn its motor vehicles at termini in the intersection of streets or by operating around a block contiguous to such intersection in either direction and to carry passengers thereon and thereover.
- (7) 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.

- (8) 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 the date hereof.

Dated at San Francisco, California, this 3rd day of October, 1932.

C. J. Jones
Leon Whittell
W. A. Cox
W. B. Harris
Fred G. Stewart
Commissioners