

Decision No. 25724

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 passen-)
gers on Slauson Avenue, County of)
Los Angeles.)

APPLICATION NO. 18730

ORIGINAL

BY THE COMMISSION.

OPINION AND ORDER

The Los Angeles Railway Corporation filed the above entitled application requesting a certificate of public convenience and necessity for the operation of motor coach service for the transportation of passengers between 54th Street and Crenshaw Boulevard, in the City of Los Angeles, and Pacific Boulevard and Gage Avenue in the City of Huntington Park, County of Los Angeles.

Applicant alleges that numerous requests have been made for the establishment of motor coach service on Slauson Avenue between Crenshaw Boulevard and the City of Huntington Park; that the territory along the proposed route of the motor coach service is well developed and that applicant is of the opinion that public convenience and necessity justifies a trial operation of said service. 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 also proposes to include the proposed service in its Inner Rate Zone, providing a 7-cent fare with four tokens for 25 cents.

The East Side Transit Company has signified that it had no objection to the establishment of the service in Huntington Park.

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, at this particular time, 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, therefore,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the trial operation of automobile stage service for the transportation of passengers over and along the following route:

From Crenshaw Boulevard and 54th Street in the City of Los Angeles, thence via Crenshaw Boulevard, Slauson Avenue, Pacific Boulevard to Gage Avenue in the City of Huntington Park.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same is, hereby granted to Los Angeles Railway Corporation, subject to the following conditions:

- (1) That the service herein authorized 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 the date hereof.
- (4) Applicant shall file in triplicate 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 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, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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 12th day of March, 1933.

C. J. Leary
John O'Connell
M. A. Kim
W. B. Lewis
William M. ...

Commissioners.