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Decision No. 9998 9798

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the application of the TWIN CITY BUS ASSOCIATION for certificate of public convenience and necessity to operate passenger bus service between Redondo Beach and Hermosa Beach.

Application No. 7161

In the Matter of the application of D.B. MAURICE for certificate of public convenience and necessity to extend present passenger auto stage service between Hermosa Beach and Redondo Beach, California.

Application No. 7209

- A.R. Holston and Harry Polglase, for Twin City Bus Association, Applicant
- C.A. Bridge, for D.B. Maurice, Applicant
- E.H. Sharpe, for Pacific Electric Railway, Protestant
- W.E. Mellinger, for Hermosa Beach Chamber of Commerce

BY THE COMMISSION:

O P I N I O N

Twin City Bus Association has applied to the Railroad Commission for a certificate of public convenience and necessity to operate auto stage service between Redondo and Hermosa, Los Angeles County.

D.B. Maurice has also filed application for authority to operate between Redondo and Hermosa, by way of the beach route to Twenty-sixth Street, Hermosa.

The applications were consolidated for hearing by stipulation, and public hearings were held by Examiner Williams at Redondo Beach.

Twin City Bus Association originally applied as a voluntary association composed of nine persons who, for some time, had been operating without legal authority between the two cities as common carriers. At the hearing the number of members of this association was reduced to seven, and these seven elected to substitute John Griffith, one of their number, as the sole applicant. Before completion of the final hearing, the group asked the substitution of a co-partnership composed of Preston Ballard, John Griffith, Harry Milne, R.W. Pinson and Charles Ballard. There was no objection to either substitution.

Applicants presented a large amount of testimony as to the need of adequate service between termini. It was shown that the hourly through service of protestant, Pacific Electric Railway is inadequate. Because this carrier does not maintain a more frequent schedule, the inadequacy was held to justify the operation by applicants of parallel competitive service. At the hearing the protestant did not offer any better schedule or other concession, though it did seek to restrict scheduled competition by applicants, and also contended that the authorized operation of applicant Maurice between the cities, by what is known as the "inside" route, met the public need. Applicant, the partnership, contended that the fact that unauthorized bus service had been maintained usefully for years along the other route, known as the "beach" route, made it desirable that it be continued under valid permission. But it must be apparent that the existence of the promiscuous competition of nine unauthorized bus operators was in itself good reason why the protestant had

not provided more frequent and adequate service.

As between the auto stage applicants there was direct contention for exclusive operation in both cities by both routings, which meant the elimination of one or the other. In addition, applicant, the partnership, demanded the privilege of detouring from either route to do taxicab business, which is not consistent with scheduled operation and which is not to be permitted.

The cities in which this need of adequate transportation exists have, with their environs, a population of approximately 10,000 persons, distributed along the littoral for a distance of four miles. The Pacific Electric Railway serves the entire population by its two routes to Redondo, with through hourly trains only. This carrier has a large investment to serve this area and pleaded at the hearing that the traffic available had not justified more frequent service.

Applicants presented the contrast of rates proposed by them, six cents (6¢), and those charged by the Pacific Electric Railway, protestant, thirteen cents (13¢), for similar service. Unquestionably, cheaper rates made the proposed auto operation more desirable, coupled with a more frequent schedule.

It appears, however, that the service need of this area is not to be met solely by multiplying competition without first exhausting every means to require the present carriers, D.B. Maurice, applicant herein, and the Pacific Electric Railway, protestant, to provide adequate service. Maurice seems to have met his requirements, under authorization granted him by this Commission. But protestant,

Pacific Electric Railway, has not sought to test what result the establishment of local service would bring. Intelligent disposition of this subject requires that the protestant, Pacific Electric Railway, first establish and maintain a local service of reasonable frequency and at reasonable rates, which, of course, cannot be long continued if public support and cooperation are withheld. It is the duty of the railway to ascertain by a fair test, the value of service to the communities. Such a test should be made without the existence of additional competition and if both applicants herein are denied operating privileges as asked for, the field for the test will be left clear.

In view of this situation as revealed at the hearings, it is the conclusion of the Commission that the public necessity and convenience shown herein can be best met by adequate service by Pacific Electric Railway and that, at this time, operation by either of applicants herein is not necessary. However, should protestant refuse to establish the service needed, or abandon it after establishment, the Commission will then give such consideration to other applications as the need may, at the time, show.

ORDER

IT IS HEREBY ORDERED BY THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA that public convenience and necessity do not require operation of auto stage passenger service between Hermosa Beach and Redondo beach by applicants herein, and that the applications, and each of them, are

hereby denied without prejudice.

Dated at San Francisco, California, this 13th
day of November, 1921.

H. A. Brundage

Waring Mott

Charles H. Brown

J. H. Pennington
Commissioners.