

Decision No. 26042

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LOS ANGELES RAILWAY CORPORATION for a
certificate of public convenience and
necessity to operate motor coaches for
the transportation of passengers be-
tween the City of Los Angeles and Los
Angeles Municipal Airport, County of
Los Angeles.

APPLICATION NO. 18879

H. G. Weeks, for Applicant.

A. L. Owens, for Howard M. Lang,
Interested Party.

H. R. Brashear, for Los Angeles Chamber
of Commerce, Interested Party.

J. O. Marsh, for Board of Public Utilities
and Transportation, Interested Party.

BY THE COMMISSION.

OPINION

The Los Angeles Railway Corporation filed the above entitled application requesting a certificate of public convenience and necessity to operate motor coach service, during the 1933 National Air Races and future special events, to the Los Angeles Municipal Airport.

A public hearing on said application was conducted before Examiner Hunter at Los Angeles on June 1, 1933, at which time the matter was duly submitted.

Applicant requests a certificate of public convenience and necessity for the operation of motor coach service (1) between Pershing Square in the City of Los Angeles and the Los Angeles Municipal Airport, over and along the following route:

From the intersection of 5th and Hill Streets (in the city of Los Angeles), thence via Hill Street, 8th Street, Hope Street, Washington Boulevard, Figueroa Street, Manchester Avenue, Prairie Avenue, Imperial Highway to the entrance to said Airport, which is located approximately one-half mile west of the intersection of Imperial Highway and Inglewood and Redondo Road, and return over the same route to the intersection of 8th and Olive Streets, thence via Olive Street and 5th Street to Hill Street;

and (2) between the intersection of Imperial Highway and Hawthorne Avenue, at which point said motor coach line will contact the rail service of applicant, and the entrance to the Airport, over and along the following route:

From the intersection of Imperial Highway and Hawthorne Avenue, thence via Imperial Highway to entrance of said Airport, located just west of the intersection of Imperial Highway and Inglewood and Redondo Road,

in lieu of the operation between the intersection of Hawthorne Avenue and Pine Street and the former entrance to the Airport on Century Boulevard, as authorized by this Commission's Decision No. 20147, dated August 24, 1928, on Application No. 14980. It is proposed to operate on each of these lines when the Airport is the scene of such special events as would require the operation of bus service to meet traffic demands.

Applicant alleges that the National Air Races, an annual event of nation-wide interest, will be held in 1933 at the Los Angeles Municipal Airport on July 1-4, inclusive; that said Airport is located in the City of Los Angeles southwesterly of the City of Inglewood; that applicant has received a request from the 1933 National Air Races to establish motor coach service between Pershing Square in downtown Los Angeles and the Airport, and that the grandstand will be constructed on the southerly side of the Airport with an entrance adjacent to Imperial Highway, instead of on the northerly side adjacent to Century Boulevard, as at previous events.

Clifford W. Henderson, General Manager of the National Air Races, testified that the National Air Races of 1933 will be the

largest aviation event to be held in the United States this year, and it is expected that thousands of people from Southern California and other points will attend said meet; that from 5,000 to 7,000 mechanics, pilots, etc., will require direct transportation service between the downtown section of Los Angeles and the Airport. Mr. Henderson further testified that in previous years, the National Air Races have been held over a period of ten days; however, this year, the period has been reduced to four days, consequently, it is expected that many thousands of people will attend the air races daily and will require special transportation service.

The record shows that the Los Angeles Railway Corporation has not operated motor coach service on Century Boulevard between its rail connection and the Airport, as authorized in said Decision No. 20147, since 1928, however, it appears that there has been no event of substantial magnitude held at this airport since the National Air Races in 1928.

The Board of Public Utilities and Transportation of the City of Los Angeles, the Los Angeles Chamber of Commerce and the 1933 National Air Races favor the granting of said application.

Mr. A. L. Owen, appearing in behalf of Howard M. Lang, who is the only other carrier providing transportation service to the Airport, did not oppose the granting of this application, except that portion dealing with shuttle service along Imperial Highway, after the termination of the 1933 National Air Races. It appears that Mr. Owens' reason for objecting to the granting of a certificate for this shuttle service is based upon the fact that applicant had not operated service over the route on Century Boulevard, as granted by said Decision No. 20147 in 1928.

It may be pointed out at this time that the Commission is reluctant to issue certificates of public convenience and necessity

for the operation of motor coach service which may not be utilized for a number of years. Applicant should, therefore, be placed on notice that in the event service is not operated over the motor coach line, for a period of three years, the Commission may deem this sufficient reason to revoke the certificates.

Applicant does not propose to carry passengers between intermediate points on the proposed line between downtown Los Angeles and the Airport, but will, however, transport passengers between the Airport and intermediate points along said line. Applicant proposes a single, one-way fare of 25 cents for its Air Races motor coach line, which fare will apply between downtown Los Angeles and the Airport or between the Airport and all intermediate points, and a 5-cent fare between the intersection of Hawthorne Avenue and Imperial Highway and the Airport on the shuttle service.

After carefully considering all the evidence in this matter, it appears that public convenience and necessity justify the operation of motor coach service by applicant between downtown Los Angeles and the Los Angeles Municipal Airport and between the intersection of Hawthorne Avenue and Imperial Highway and said Airport.

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

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity require the operation by Los Angeles Railway Corporation of automotive passenger stage service over and along the following routes:

- (1) From the intersection of 5th and Hill Streets (in the city of Los Angeles), thence via Hill Street, 8th Street, Hope Street, Washington Boulevard, Figueroa Street, Manchester Avenue, Prairie Avenue, Imperial Highway to the entrance to said Airport, which is located approximately one-half mile west of the intersection of Imperial Highway and Inglewood and Redondo Road, and return over the same route to the intersection of 8th and Olive Streets, thence via Olive Street and 5th Street to Hill Street.
- (2) From the intersection of Imperial Highway and Hawthorne Avenue, thence via Imperial Highway to entrance of said Airport, located just west of the intersection of Imperial Highway and Inglewood and Redondo Road.

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

- (1) The operation herein authorized shall be performed during the period July 1-4, inclusive, 1933, and during such future times as the Los Angeles Municipal Airport is the scene of such events as will require the operation of special transportation service as proposed herein.
- (2) Applicant shall file its written acceptance of the certificates herein granted, within a period of not to exceed ten (10) days from date hereof.
- (3) 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 (10) 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 exhibit attached to the application, in so far as they conform to the certificates herein granted.
- (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, time schedules, according to form provided in General Order No. 83, covering the service herein authorized, in a form satisfactory to the Railroad Commission.

- (5) Applicant is authorized to turn its motor vehicles at termini either in the intersection of the 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.
- (6) 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.
- (7) 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 of public convenience and necessity granted by this Commission's Decision No. 20147, dated August 24, 1928, on Application No. 14980, be, and the same is, hereby revoked and annulled.

For all other purposes the effective date of this order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 5th day of June, 1933.

C. C. Harvey
Leon C. Whelan
W. J. Lee
M. B. Harris
Arthur H. Ware
Commissioners.