

Decision No. 26243.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
PACIFIC ELECTRIC RAILWAY COMPANY, a
corporation, and LOS ANGELES RAILWAY
CORPORATION, a corporation, for an in
lieu certificate for their jointly
operated motor coach lines.

Second Supplemental
Application No. 18820.

ORIGINAL

BY THE COMMISSION:

SUPPLEMENTAL ORDER

In this Supplemental Application the Commission is asked to issue a certificate of public convenience and necessity covering motor coach operation through the southeast portion of Beverly Hills. The operation is designed primarily (a) to afford local transportation to and from the business section of Beverly Hills, (b) to accommodate school children, and (c) to provide local transportation between an unserved residential section of Beverly Hills and Los Angeles through a connection with applicants' Wilshire Motor Coach Line at La Cienega and Wilshire Boulevard.

In the application it is alleged that numerous requests have been received for this service from residents in this district as well as the Chamber of Commerce of Beverly Hills.

Applicants propose to establish this service on a trial basis for a period of sixty (60) days, after which, if the patronage does not justify the continued operation of same, they desire to discontinue the service without further authority from the Commission.

It appears that a public hearing is not necessary herein

and that this Second Supplemental Application should be granted with the understanding that if, after a trial period of sixty (60) days, the revenue received from the operation of this bus line does not justify its continuance, the Commission will grant applicants authority to discontinue same.

Pacific Electric Railway Company and Los Angeles Railway Corporation are 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 practical 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.

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation by Pacific Electric Railway Company and Los Angeles Railway Corporation of an automotive passenger stage service for the transportation of passengers for a trial period of sixty (60) days, and thereafter if patronage justifies, between and serving the following named termini and all intermediate points over the following described route:

"Commencing at the intersection of Wilshire Boulevard and La Cienega Boulevard, south on La Cienega Boulevard, west on Olympic Boulevard, north on Spaulding Drive, east on Wilshire Boulevard, northeast on Brighton Way, east on Burton Way, north on Palm Drive, east on Third Street to Robertson Boulevard."

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to Pacific Electric Railway Company and Los Angeles

Railway Corporation, subject to the following conditions:

- (1) Applicants shall file their written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
- (2) Applicants 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 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 exhibit attached to the application insofar as they conform to the certificate herein granted.
- (3) Applicants 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 days' notice to the Commission and the public, time schedules 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 applicants herein unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Applicants are authorized to turn their 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.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 14th day of August, 1933.

Os. Seaver
Leon O. Johnson
W. B. Lewis
Arthur H. Brown
Commissioners.