

Decision No. 26487.

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Suspension by the )  
Commission on its own Motion of Rules )  
4(c), 5(d) and 6(c) and Section 2A of ( Case No. 3687.  
LOS ANGELES RAILWAY CORPORATION Local )  
Passenger Tariff No. 15, C.R.C. No. 23. )  
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Gibson, Dunn & Crutcher and Woodward M. Taylor, Esq.,  
for Los Angeles Railway Corpn., respondent.  
O'Melveny, Tuller & Myers, and William W. Clary, Esq.,  
and Graham L. Sterling, Jr. Esq., and Charles A.  
Buckley, Esq., for the Trustees in Bankruptcy,  
namely, William H. Moore, Charles P. Skouras and  
Charles C. Irwin, of the Fox-West Coast Theatres,  
protestants.  
R. D. Whitson, for Independent Theatre Owners of  
Southern California, protestants.  
C. M. Hanson, Esq. of Preston & Files, for Warner  
Brothers' Downtown, Hollywood and Forum Theatres,  
protestants.

HARRIS, COMMISSIONER:

O P I N I O N

The tariff in question was filed by the Los Angeles Railway Corporation on August 24, 1933, to become effective on September 24, 1933. Objections thereto having been made by certain theatre owners and representatives, the Commission on September 18th issued its order of suspension and set the matter for hearing before Commissioner Harris, on September 21st, 1933.

The tariff provision which is attacked is found in Rule 4(c) and reads as follows:

"(c) T-T Weekly Pass will be sold at price named herein by agents, conductors and operators. Such pass will be honored for one person only and must remain in rider's possession during entire trip. Not good, upon re-presentation, or otherwise, for continuous ride upon same car or motor coach from one fare zone to another, or on Through Motor Coach Lines."

The price to be charged for such weekly pass, as provided in Sec. 2A of the tariff, is \$1.25.

It appears that the T-T pass thus offered by the Los Angeles Railway Corporation is really a "Transportation and Theatre" pass, entitling the purchaser not only to one unlimited number of rides on the transportation facilities of the railway, but also to three admissions to designated theatres each week. The arrangement made between the Los Angeles Railway Corporation and the theatres provides that they mutually shall advertise and sell such weekly passes, the theatres, or their agents, to be allotted fifty-one cents and the carrier seventy-four cents of the sale price of each pass sold.

Regardless of the fact that the theatres which have joined in the arrangement will doubtless render some service of value to the railway in the way of advertising and promoting the sale of this class of transportation, it is apparent that their division of the proceeds is not in any real sense in compensation for services rendered to the railway. In effect it is a joint fare agreement between a utility and a non-utility business of another class.

Though it may be highly desirable for the Los Angeles Railway Corporation to publish a true weekly pass fare, I am of the opinion that the plan as actually perfected for the joint sale of theatre and transportation tickets should not be permitted. Not only will the arrangement result in a discrimination against those who do not choose to avail themselves of the non-utility accommodations, but sound regulatory policy forbids a joint fare agreement of this character. re Application of Key System Transit Company. 25 C.R.C.363.

I recommend that the respondent be ordered to cancel its tariff, without prejudice, of course, to the filing of one which does not indicate or contemplate any joint fare arrangement.

O R D E R

Based upon the conclusions and findings in the foregoing Opinion, and good cause appearing

IT IS HEREBY ORDERED by the Railroad Commission of the State of California, that the Los Angeles Railway Corporation be and is hereby directed to cancel on or before the 21st day of October, 1933, Section 2A and Rules 4(c), 5(d) and 6(e) of its Local Passenger Tariff No.15, C.R.C.No.23.

The above opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

For all other purposes, the effective date of this Order, shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day of October, 1933.

C. L. ...  
Leon ...  
M. A. ...  
M. B. ...  
William ...  
Commissioners.