



requesting authority to sell and the latter to buy the operative rights for the operation of motor coach lines for the transportation of passengers in and in the vicinity of the Cities of Huntington Park, Maywood and Bell, in the County of Los Angeles, as authorized by this Commission's Decisions Nos. 22673 and 22913.

Application No. 19098 was filed by the Los Angeles Railway Corporation requesting a certificate of public convenience and necessity for the operation of motor coach lines for the transportation of passengers over and along certain of the routes of the East Side Transit Company, Ltd., which are proposed to be modified and united with existing motor coach lines of the applicant, and which is to be in lieu of the certificates granted by this Commission's Decisions Nos. 19903, 22386, 25724, 26120, 26176 and 26190.

At the public hearing held before Examiner Kennedy, at Los Angeles, on October 31, 1933, it was stipulated by all interested parties that the applications be consolidated for hearing and decision.

Subsequent to submission and before a decision was issued on the two applications involved herein, the Los Angeles Railway Corporation filed its First Supplemental Application No. 19098 requesting authority to make certain changes in the motor coach routes as set forth in its original application No. 19098. Pursuant to applicant's request, submission was set aside and the application reopened for further hearing, which was held at Los Angeles on December 6, 1933, the matter being duly submitted at that time.

The Los Angeles Railway Corporation and the East Side Transit Company, Ltd., entered into an agreement, dated September 14, 1933 (Exhibit "A" attached to Application No. 19097), whereby the Los Angeles Railway Corporation agreed to purchase the certificates as granted by this Commission's Decisions Nos. 22673 and 22913 to the East Side Transit Company, Ltd., with all operative

rights appertaining thereto, for the sum of eight thousand dollars (\$8,000) with a special provision for the taking care of the gross receipts tax for 1933-1934, the first installment of which became delinquent on July 1, 1933. The Los Angeles Railway Corporation does not propose to purchase any of the physical properties of the East Side Transit Company, Ltd.

It appears from the record in this proceeding that the Los Angeles Railway Corporation is better qualified than East Side Transit Company, Ltd., from a financial and operating standpoint, to provide motor coach service in the areas herein affected and that the public will be greatly benefited by being provided with better equipment and more dependable service than heretofore. No protest was made relative to the proposed transfer of the East Side Transit Company's certificates to the Los Angeles Railway Corporation.

In the original and first supplemental application No. 19098, the Los Angeles Railway Corporation proposed the following plan of operation:

1. Combine the operation of its Florence Avenue Line with the operation of its Soto Street Line, the route of which is to be as follows:

From the intersection of 67th Street and Crenshaw Boulevard, thence via Crenshaw Boulevard, Florence Avenue, Pacific Boulevard, Slauson Avenue, Soto Street, Marengo Street, Mission Road, Griffin Avenue, Main Street, Workman Street to Mission Road.

2. Discontinue that portion of the motor coach line now operated by East Side Transit Company, Ltd., in the so-called Cudahy area from the intersection of Atlantic Boulevard and Gage Avenue, thence via Atlantic Boulevard, Florence Avenue, Wilcox Avenue, Cecelia Street and Atlantic Boulevard to the intersection of Atlantic Boulevard and Gage Avenue, the remaining portion of the route which is to be operated being as follows:

From the intersection of Heliotrope Avenue and Gage Avenue, thence via Heliotrope Avenue, Heliotrope Circle, Slauson Avenue, Pacific Boulevard, Gage Avenue to Atlantic Boulevard.

3. Discontinue that portion of the motor coach line now operated by East Side Transit Company, Ltd., between the intersection of Hope Street and California Avenue and the intersection of Elizabeth Street and Atlantic Boulevard, combining the remaining portion of said line with a portion of applicant's Firestone-Southern Motor Coach Line, the route of which is to be as follows:

From the intersection of Pacific Boulevard and Florence Avenue, thence via Florence Avenue, State Street, Hope Street, California Street, Southern Avenue to Alexander Street.

4. Discontinue the operation of the Lorena Street Line now operated by East Side Transit Company, Ltd., between the intersection of Otis Avenue and Florence Avenue and the intersection of Lorena Street and Whittier Boulevard.

5. Combine the operation of its Firestone Boulevard Line with a portion of its Firestone-Southern Motor Coach Line, the route of which is as follows:

Commencing at the intersection of Market and Queen Streets (in the City of Inglewood), thence via Market Street, Manchester Avenue, Firestone Boulevard, Alameda Street, Firestone Boulevard, Otis Street, Santa Ana Street to Seville Avenue.

The Cudahy Chamber of Commerce, City of Huntington Park, Alhambra Sanitarium and others protested the discontinuance of motor coach service in the Cudahy district, which is the area between Florence Avenue and Patata Street and between the Los Angeles & Salt Lake Railroad Company's right of way and the Los Angeles River. Mr. E. W. Sewell, Secretary of Cudahy Chamber of Commerce, testified that the proposed abandonment of portions of the motor coach lines was unreasonable, inasmuch as it would leave the Cudahy

district without any means of public transportation; that the district has enjoyed public transportation service for the past fifteen years; that the district has a population of about 3500 residents and that the abandonment of service would work a hardship on the residents of that district. Mr. Sewell further testified that the Cudahy district would not insist on a continuation of the service now rendered, but would be satisfied if the Company would operate motor coach service along Atlantic Boulevard to Clara Street, which is approximately one mile south of Gage Avenue, the point where applicant now proposes to terminate service.

The City of Huntington Park and the Huntington Park Retail Merchants Association took the position that the service in the Cudahy area should be continued, because it was necessary to meet the transportation needs of the people of that district and was the only means of public transportation for those people to reach the shopping center of Huntington Park.

The record shows that the earnings on those portions of the motor coach lines proposed to be abandoned amount to approximately five cents per coach mile, which is less than one-half the cost of operation. The entire Lorena Street Line, for the period April 1 to July 1, 1933, showed an average daily revenue of approximately three dollars, which is about one-third of the out-of-pocket cost of operation. No one appeared at the hearing in protest to the abandonment of the Lorena Street Line.

Pursuant to an understanding reached at the hearing, the Company, on December 7, made a test trip over the proposed Maywood-Bell Line, including in the route the suggested extension along Atlantic Boulevard to Elizabeth Street, which is one block south of Clara Street. The Company reports that the consumed running time for this route, approximately sixteen miles long, was sixty minutes

without layovers. On this basis, applicant states that a fifteen-minute service, as proposed, would require an additional bus.

Representatives of the Bell Gardens Chamber of Commerce appeared at the hearing and requested that the Los Angeles Railway Corporation operate motor coach service into the Bell Gardens district, which is the area south of Clara Street and east of the Los Angeles River. This district, at the present time, is without public transportation service. A witness for the Railway Corporation testified that a survey had been made of this area and that in his opinion the district was not sufficiently developed to justify the extension of motor coach service into that territory.

The rendering of a more dependable transportation service with better equipment than is now being afforded to the public by the East Side Transit Company, Ltd., will undoubtedly stimulate travel. From a review of the record, we conclude that applicant should be required to operate, for at least a trial period of ninety (90) days, a service along Atlantic Boulevard as far south as Clara Street. We believe this may be accomplished without requiring additional equipment, by a slight lengthening of the headway on the Maywood-Bell Line and without seriously discommoding the traveling public. This extension will also provide public transportation to a point much nearer the Bell Gardens district than proposed by applicant. The attention of the residents of the Cudahy area is directed to the fact that the continuance of a transportation service in their district will be dependent upon their patronage, and unless a better financial showing is made than at present, the Company will be permitted to discontinue the service at the end of the trial period.

The East Side Transit Company's fare on its present motor coach lines is 6 cents. The Los Angeles Railway Corporation proposes to establish a 7-cent cash fare with four tokens for 25 cents over the lines to be acquired from the East Side Transit Company, Ltd.,

except on the Maywood-Bell Line east of Atlantic Boulevard, where the proposed fare is ten cents with a 15-cent fare to the inner zone of the Railway Corporation which includes the major portion of Los Angeles. On the other lines to be acquired from the East Side Transit Company, Ltd., the fare to the inner zone would be 10 cents, which would be a reduction of  $2\frac{1}{2}$  cents to 3 cents over present fares.

The only objection to the fares was in regard to the proposed fares on the Maywood-Bell Line east of Atlantic Boulevard. It appears from the record that applicant's only reason for establishing these fares on the Maywood-Bell Line was to place them on a parity with the cash fares in effect on the Pacific Electric Railway Company's Whittier Line operating along Randolph Street in the immediate vicinity of this line. The record shows that the Pacific Electric Railway Company has in effect commutation fares and monthly passes between this district and Los Angeles which provide rates much lower than the cash fares. The extension of the 7-cent local cash fare and a 10-cent through fare to Los Angeles to the end of the Maywood-Bell Line at Heliotrope Avenue and Gage Avenue, a distance of nine blocks, will not, in our opinion, affect revenues materially and will, at the same time, afford the residents of this area rates somewhat more comparable to those now being charged by the East Side Transit Company, Ltd., and will have the beneficial effect of stimulating travel.

The City of Huntington Park requested that the Maywood-Bell Line be operated southbound on Pacific Avenue to Clarendon Avenue, west on Clarendon Avenue to Rugby Avenue, south on Rugby Avenue to Gage Avenue, thence over the proposed route in order to avoid the left-hand turning of busses at the heavily congested intersection of Pacific Avenue and Gage Avenue. The Los Angeles Railway Corporation signified its willingness to have the route of this line so amended.

After carefully considering all of the evidence in this proceeding, we conclude that the application of the East Side Transit Company, Ltd., to sell and the Los Angeles Railway Corporation to buy the operative rights for the operation of motor coach service for the transportation of passengers, as authorized by Decisions Nos. 22673 and 22913, is reasonable and in the public interest and should be granted; that the rerouting and discontinuance of portions of the motor coach service proposed herein is reasonable, except as set forth above, and that the fares proposed for the Maywood-Bell Line be amended in accordance with the foregoing opinion.

The Los Angeles Railway Corporation is hereby placed on 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 as to the number of rights which may be given.

#### O R D E R

East Side Transit Company, Ltd., and Los Angeles Railway Corporation having filed the above entitled applications, public hearings having been held, and the Commission being fully apprised of the facts,

IT IS HEREBY ORDERED that East Side Transit Company, Ltd., be, and it is, hereby authorized to sell and transfer to Los Angeles Railway Corporation, the certificates of public convenience and



necessity for the operation of motor coach service for the transportation of passengers, as authorized by this Commission's Decisions Nos. 22673 and 22913, and that Los Angeles Railway Corporation be, and it is, hereby authorized to purchase and acquire said certificates, subject, however, to the following conditions:

- (1) The consideration to be paid for the certificates of public convenience and necessity herein authorized to be transferred shall never be urged before this Commission or any other rate-fixing body as a measure of value of said certificates for rate fixing or any purpose other than the transfer herein authorized.
- (2) Applicant, East Side Transit Company, Ltd., shall file with this Commission, immediately upon the transfer authorized herein, reports of its operations covering the period January 1, 1933, to December 31, 1933, and from January 1, 1934, to date of transfer and shall also file a notice of cancellation of all of its rate tariffs and time schedules on file with this Commission.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Los Angeles Railway Corporation of an automotive service for the transportation of passengers over and along the following routes, with the right to serve intermediate points between termini:

FLORENCE-SOTO LINE:

From the intersection of 67th Street and Crenshaw Boulevard, thence via Crenshaw Boulevard, Florence Avenue, Pacific Boulevard, Slauson Avenue, Soto Street, Marengo Street, Mission Road, Griffin Avenue, Main Street, Workman Street to Mission Road.

MANCHESTER-FIRESTONE-SANTA ANA LINE:

Commencing at the intersection of Market and Queen Streets (in the City of Inglewood), thence via Market Street, Manchester Avenue, Firestone Boulevard, Alameda Street, Firestone Boulevard, Otis Street, Santa Ana Street to Seville Avenue.

CALIFORNIA-SOUTHERN LINE:

From the intersection of Pacific Boulevard and Florence Avenue, thence via Florence Avenue, State Street, Hope Street, California Street, Southern Avenue to Alexander Street.

MAYWOOD-BELL LINE:

From the intersection of Heliotrope Avenue and Gage Avenue, thence via Heliotrope Avenue, Heliotrop Circle, Slauson Avenue, Pacific Boulevard, Clarendon Avenue, Rugby Avenue, Gage Avenue, Atlantic Boulevard, Florence Avenue, Wilcox Avenue, Clara Street to Atlantic Boulevard and Florence Avenue; return via Atlantic Boulevard, Gage Avenue, Pacific Boulevard, Slauson Avenue, Heliotrope Circle, Heliotrop Avenue to Gage Avenue.

IT IS HEREBY FURTHER ORDERED that a single certificate of public convenience and necessity for such service be, and it is, hereby granted to Los Angeles Railway Corporation, said certificate to be in lieu of and not in addition to the certificates heretofore granted to applicant by this Commission's Decisions Nos. 19903 and 22386, and for the Manchester Line and the Firestone-Southern Line, as authorized by Decisions Nos. 26176 and 26190, and including the certificate herein authorized to be transferred by the East Side Transit Company, Ltd., to applicant, subject to the following conditions:

- (1) Applicant, Los Angeles Railway Corporation, shall, within fifteen (15) days from the date hereof, file with this Commission a written acceptance of the certificate granted herein.
- (2) 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 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 supplemental application, in so far as they conform to the certificate herein granted, except the rates set forth for the Maywood-Bell Motor Coach Line shall be amended in accordance with the foregoing opinion.
- (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 days' notice to the Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.

- (4) 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 municipalities may require.
- (5) 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.
- (6) 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.

The Commission reserves the right to issue such other and further orders in these proceedings as to it may appear to be just and proper, or as may be required by public convenience and necessity.

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

Dated at San Francisco, California, this 3rd day of January, 1934.

C. J. [unclear]  
Leon [unclear]  
M. A. [unclear]  
W. B. [unclear]  
[unclear]  
Commissioners