

Decision No. 27159.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
EAST BAY MOTOR COACH LINES, LTD., a
corporation, for an in lieu certifi-
cate of public convenience and
necessity.

Application No. 18684.

ORIGINAL

BY THE COMMISSION:

FOURTH SUPPLEMENTAL ORDER

In this proceeding applicant seeks a certificate to operate a motor coach line through portions of the cities of Oakland and Piedmont. The original request was made by a supplemental application filed April 2, 1934, but before action was taken, another supplemental application was filed June 7, 1934, which amended the filing of April 2, 1934.

It is set forth in the application that the route over which it is sought to provide motor coach service passes through both thickly and sparsely settled districts and that the undeveloped territory adjacent to this line is desirable residential property which is developing. The application further sets forth that the Syndicate Idora Co., Ltd., and other persons have requested the service.

Applicant and the Syndicate Idora Co., Ltd., have entered into an agreement which provides that the syndicate company will pay the motor coach company a subsidy to cover operating losses over a period of three years. There is attached to the supplemental

application filed June 7, 1934, a copy of this agreement.

Request is made that the Commission provide in the Order that service on the line may be discontinued if and when the subsidy payment ceases, provided the business enjoyed does not pay the cost of providing the service. It appears to the Commission that the certificate sought should be granted without the condition providing for the discontinuance of service but with the understanding that if at a later date applicant desires to discontinue this operation it can make application to the Commission seeking such authority. Consideration will then be given to all elements surrounding the operation which will include the matter of this subsidy.

East Bay Motor Coach Lines, Ltd., 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require the operation by East Bay Motor Coach Lines, Ltd., of an automotive passenger stage service for the transportation of passengers between and serving the following named termini and all intermediate points, over the following described route:

"Commencing at Grand Lake Park thence along Lakeshore Avenue to Mandana Boulevard; thence along Mandana Boulevard to Ashmount Avenue; thence along Ashmount Avenue to La Salle Avenue; thence along La Salle Avenue to Indian Road; thence along Indian Road to La Salle Avenue; thence along La Salle Avenue to St. James Drive; thence along St. James Drive to Park Boulevard; thence along Park Boulevard to Mountain Boulevard; thence along Mountain Boulevard to Montera Avenue; thence along Montera Avenue to Ascot Drive; thence along Ascot Drive to Scarborough Drive; thence along Scarborough Drive to Chelton Drive; thence along Chelton Drive to Damby Drive; thence along Damby Drive to Skyline Boulevard; thence along Skyline Boulevard to Ascot Drive; thence along Ascot Drive to Montera Avenue, and return to point of beginning on the same route, all within the cities of Oakland and Piedmont, County of Alameda, California."

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for said service be and the same is hereby granted to East Bay Motor Coach Lines, Ltd., to be operated as a unified and consolidated portion of its system, subject to the following conditions:

- (1) Applicant shall file its written acceptance of the certificate herein granted within a period of not exceeding fifteen (15) days from the date hereof.
- (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 one (1) day's 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 now in effect on the lines and routes now operated by applicant.
- (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 one (1) day's notice to the Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.

