

Decision No. 28594

**ORIGINAL**

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 ) Establish Fairfax Avenue Line  
operated motor coach lines. )

NINTH SUPPLEMENTAL  
APPLICATION NO. 18820

R. E. Wedekind and Woodward M. Taylor,  
for Applicants.

Rex W. Boston, for Pasadena Ocean Park  
Stage Lines, Inc., Protestant.

Ray L. Chesebro, City Attorney, and  
Carl I. Wheat, Public Utilities Counsel,  
City of Los Angeles, Interested Party.

J. Ogden Marsh and James Gunn, for Board  
of Public Utilities and Transportation  
of the City of Los Angeles, Interested  
Party.

Carl Bush and George Dunlap, for Hollywood  
Chamber of Commerce, Interested Party.

Harry Barratt, for West Metropolitan  
Chamber of Commerce, Interested Party.

Roger Dahlhjem, for Garmers Public Market,  
Interested Party.

BY THE COMMISSION.

SUPPLEMENTAL ORDER

In this proceeding, the Pacific Electric Railway Company and Los Angeles Railway Corporation, operating under the name of Los Angeles Motor Coach Company, seek a certificate of public convenience and necessity to operate a motor coach passenger service from the intersection of Pico Boulevard and Fairfax Avenue

to the Hollywood district, a distance of about six (6) miles. The route is located in the City of Los Angeles except for about one-half mile, which is in the unincorporated section of the County of Los Angeles. The route of the proposed new line is as follows:

FAIRFAX AVENUE LINE

Commencing at the intersection of Vine Street and Hollywood Boulevard, west on Hollywood Boulevard, south on La Brea Avenue, west on Sunset Boulevard, south on Fairfax Avenue to Pico Street.

A public hearing in this matter was conducted by Examiner Hunter, on February 5, 1936, at which time it was duly submitted and is now ready for decision.

The service as herein proposed contemplates the establishment of an additional north and south "cross-town" service similar in character to that now provided by the same operating company on La Brea Avenue, Vine Street and Western Avenue, respectively, and providing direct transportation for residents of the so-called Fairfax district to and from the shopping and theatre district of Hollywood. The record shows that there is a substantial population in the area adjacent to the proposed line. With the exception of the comparatively short distance on Fairfax Avenue between Wilshire Boulevard and Melrose Avenue, along which the Pasadena Ocean Park Stage Lines, Inc., operates, this district is without direct public transportation facilities to the Hollywood business section. Evidence introduced at the hearing shows that the entire area immediately tributary to Fairfax Avenue, between Pico Boulevard on the south and Sunset Boulevard on the north, is well developed with business establishments, as well as apartment houses and single family residences.

The record shows that applicants have received numerous requests, over a period of eight years, for the establishment of

the service herein proposed, and particularly in the past three years, these requests have become more frequent and the demands more insistent. In addition to the requests which have been received by the applicants, the record also indicates that similar requests for such transportation have been received since 1925 by the Board of Public Utilities and Transportation of the City of Los Angeles. Further than this, the Hollywood Chamber of Commerce and the West Metropolitan Chamber of Commerce have actively sought the establishment of this line since about 1928. The Fairfax High School, Gilmore Stadium and the Farmers Public Market are typical of some of the institutions and enterprises which would be served by the establishment of the motor coach line as sought herein. Although, as above stated, requests for this service have been practically continuous since or about 1925, applicants allege that, during the depression years, they were unable to provide the service, due to the difficulty of financing the necessary equipment.

Exhibit "B," attached to the application, shows in some detail the proposed fares to be charged, which, in brief, provide for a ten-cent fare for the entire length of the line, including transfer privileges to intersecting lines of the Pacific Electric Railway, Los Angeles Railway and other lines of applicants. It is proposed initially to operate the service on a fifteen-minute headway between the hours of 6:00 A.M. and 6:00 P.M., with a twenty-minute headway between 6:00 P.M. and midnight, daily except Sundays and holidays; on a twenty-minute headway from approximately 8:00 A.M. until approximately 12:00 midnight on Sundays and holidays.

The new service, as proposed in this application, conforms with the general plan of local transportation for the Los Angeles metropolitan area, as proposed by a number of planning studies,

in that it forms another link in the chain to establish north and south crosstown service in this section of the city at one mile intervals. The proposed line is one mile westerly from applicants' existing line on La Brea Avenue.

A formal protest was entered against the granting of the application by the Pasadena Ocean Park Stage Lines, Inc., which, at present, operates a passenger motor coach service under a certificate issued by this Commission by Decision No. 16949, dated June 17, 1926, on Application No. 12610, over and along the following route:

Commencing at Selma Avenue and Cahuenga Boulevard in Hollywood; thence via Cahuenga Boulevard to Sunset Boulevard; Sunset Boulevard to Highland Avenue; Highland to Melrose Avenue; Melrose to Fairfax Avenue; Fairfax to Wilshire Boulevard; Wilshire to Robertson Boulevard; Robertson to National Boulevard; National to Washington Boulevard, and Washington to the M.G.M. Studios in Culver City.

From the above description of the route, it will be seen that the proposed Fairfax Avenue line of the Los Angeles Motor Coach Company traverses the same route of the Pasadena Ocean Park Stage Lines, Inc., along Fairfax Avenue between Wilshire Boulevard and Melrose Avenue, a distance of approximately 1.4 miles. This service was originally established to provide direct transportation for studio workers traveling between the studios of Hollywood and those in Culver City.

Exhibit No. 1, introduced by the protestant, shows that Pasadena Ocean Park Stage Lines, Inc., now provides twenty round-trip schedules daily, except on holidays and Sundays, between the Union Bus Depot in Hollywood and the M.G.M. Studios in Culver City. Eight round-trip schedules are provided on Sundays and holidays. Protestant contends that this service is adequate to meet the present public requirements. Exhibit No. 2, which is a passenger riding

analysis for the week of January 9 to January 16, 1936, inclusive, shows that during this period, 715 passengers boarded, and 665 passengers alighted from, the coaches along the line on Fairfax Avenue between Wilshire Boulevard and Melrose Avenue. During this same period, the total number of passengers handled by the carrier on the entire line was 3532. Thus it will be seen that approximately 20% of the entire number of passengers handled boarded, and 19% of the passengers alighted from the coaches in this territory. The record further shows that new equipment was placed in service on this line on August 2, 1935, and that the Company has never had any complaint as to the existing service, nor any request for additional service. Operating revenues on this line have continued to show an increase during the past few years, and the evidence indicates that the 1935 increase was greater than for previous years.

It is protestant's contention that if the instant application was granted, it would probably result in a sufficient diminution of patronage to necessitate the abandonment of the existing service between Hollywood and Culver City by the Pasadena Ocean Park Stage Lines, Inc.

Exhibit No. 4 is an offer of service by the Pasadena Ocean Park Stage Lines, Inc., wherein it is proposed (1) to reroute its lines so as to render service over and along the same routes and between the particular points where the applicants seek to establish service; (2) to join in a proportional fare and transfer privilege agreement with the other carriers operating in and about the territory in question; (3) to inaugurate and operate, on a trial basis, new or additional schedules of service over the present route of the protestant or along the routes proposed by

the applicants, in order to determine whether public convenience and necessity actually require new or additional schedules. Pro-  
testant avers that it is ready, willing and able to alter its  
service to meet the permanent public needs. The record shows  
that neither the Pacific Electric Railway, Los Angeles Railway  
Corporation nor Los Angeles Motor Coach Company is willing to  
enter into the proportional fare or transfer privilege agreement  
with Pasadena-Ocean Park Stage Lines, Inc.

Aside from the fact that applicants are unwilling to  
interchange transfers with Pasadena-Ocean Park Stage Lines, Inc.,  
it is apparent that if the Pasadena-Ocean Park line was rerouted  
to conform to the line proposed by applicants, it would result in  
an entirely different plan of serving the district except for the  
terminal points, which would in turn result in taking service away  
from a substantial portion of the existing line. There is no evidence  
to show that such a plan of rerouting would be acceptable to the  
governmental bodies or the patrons of the Pasadena-Ocean Park Stage  
Lines, Inc.

Careful review of the entire record in this proceeding  
leads us to the conclusion that public convenience and necessity  
require the operation of a motor coach line over and along Fairfax  
Avenue from the intersection of Pico and Fairfax, to the business  
section of Hollywood. In order that such a service shall be of maximum  
benefit to the riding public, we believe that the carrier providing  
the same should be in a position to issue and receive transfers to  
and from other intersecting public transportation lines. With this  
in mind and the additional fact that the establishment of the service  
proposed in the instant application will be a part of the major mass  
transportation plan of the City of Los Angeles, we are of the opinion  
that the application should be granted. The following order will  
so provide.

Pacific Electric Railway Company and Los Angeles Railway Corporation, operating under the name of Los Angeles Motor Coach Company, 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 partial monopoly of a class of business over a particular route. This monopoly 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 it may give.

ORDER

A public hearing having been held on the above entitled matter and the Commission being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation, by the Pacific Electric Railway Company and Los Angeles Railway Corporation, operating under the name of Los Angeles Motor Coach Company, of an automotive service for the transportation of passengers in the City and County of Los Angeles, State of California, over and along the following route:

FAIRFAX AVENUE LINE

Commencing at the intersection of Vine Street and Hollywood Boulevard, west on Hollywood Boulevard, south on La Brea Avenue, west on Sunset Boulevard, south on Fairfax Avenue to Pico Street,

to be considered as part of the in lieu certificate granted by this Commission's Decision No. 26079, dated June 19, 1933, on Application No. 18820.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service be, and it is, hereby granted to Pacific Electric Railway Company and Los Angeles Railway Corporation, operating under the name of Los Angeles Motor Coach Company, 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 the date hereof.
- (2) Applicants shall file in triplicate, within a period of not to exceed thirty (30) days after the effective date of this order, 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 certificate herein granted, or rates satisfactory to the Railroad Commission.
- (3) Applicants shall file in duplicate and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five (5) days' notice to the Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (4) 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.
- (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 vehicles may be operated by applicants herein unless such vehicles are owned by



said applicants or are leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

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 24<sup>th</sup> day of February, 1936.

M. B. Harris  
Leon Anthony  
H. A. Carr  
W. H. ...  
Frank ...  
Commissioners.