

Decision No. 28673.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of KEY SYSTEM, a corporation, for
a Certificate of Public Convenience
and Necessity.

Application No. 20418.

BY THE COMMISSION:

O R D E R

Key System, a corporation, on March 13, 1936, filed its application seeking a certificate of public convenience and necessity to operate a motor coach line as part of its transbay interurban electric train and ferry service between San Francisco and East Bay cities.

Said proposed motor coach line, as hereinafter described, is designated to serve the area to the south and west of Lake Merritt north of 12th Street and east of Webster Street in the City of Oakland. It is proposed that said motor coach line connect with applicant's 12th Street line at the intersection of 12th and Jackson Streets, Oakland.

Applicant alleges that it has been requested by residents of the area affected to inaugurate said service; that the tariffs for the proposed new service will be the same as its tariffs now on file with this Commission, including tariffs for the transportation of local passengers in connection with the service of East Bay Street Railways, Ltd., and the extension of the free transfer privilege to said local service; and that public convenience and necessity require said service.

It appears that this is not a matter in which a public hearing is necessary and that the application should be granted.

Key System is hereby placed upon notice that "operative rights" do not constitute a class of property which could 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 Key System to install a motor coach service for the transportation of passengers and their baggage as a part of its interurban passenger service, along the following described route:

Commencing at the intersection of 12th Street and Jackson Street, thence westerly along 12th Street to Webster Street, thence northerly along Webster Street to 19th Street, thence easterly along 19th Street to Lakeshore Drive, thence along Lakeshore Drive to Madison Street, thence southerly along Madison Street to 12th Street, and thence westerly along 12th Street to Jackson Street, the point of commencement, all within the City of Oakland, County of Alameda, California.

Said motor coach line is to connect with applicant's 12th Street electric interurban line at 12th and Jackson Streets.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to Key System, subject to the following conditions:

- (1) Applicant shall file its written acceptance within a period of not to exceed fifteen (15) days from the date hereof.

- (2) Applicant shall, 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 this Commission and the public, amend the fares now on file with this Commission so that said fares will be applicable to the operation of motor coach service herein authorized.
- (3) Applicant 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 and in a form satisfactory to this Commission.
- (4) Applicant is authorized to turn its motor vehicles at termini, either at the intersection of the streets or by operating around a block contiguous thereto, 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 this 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 this Commission.

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

Dated at San Francisco, California, this 23rd day of March, 1936.

W. B. Harris
Leon White
W. A. C.
W. L. ...
Stuart R. ...
Commissioners.