

Decision No. 30170.

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.

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) Application No. 20582.
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ORIGINAL

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

Key System, a corporation, filed with this Commission on September 16, 1937, its Supplemental Application asking for a certificate of public convenience and necessity for the extension of its San Francisco-Richmond Motor Coach Line from its present Richmond terminal at 6th Street and Macdonald Avenue, to the Point Richmond area at Castro Street and Standard Avenue, over the route hereinafter described. Applicant requests that this service be authorized for an experimental period of six months on condition that if traffic is not sufficient to cover the direct cost of providing said service, it may be discontinued at the end of said period. City of Richmond has signified, in writing, that it is agreeable to the granting of this application for an experimental period.

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

Key System 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 Key System, a corporation, of an automotive stage passenger service for a period of not less than six months from the date of commencement of operation, for the transportation of passengers between and serving the following named termini, as an extension of the service described as Route No. 1, "Between San Francisco and Richmond," in Decision No. 29659, dated April 5, 1937, over the following described route:

"Along the present route to 6th Street and Macdonald Avenue in the City of Richmond, County of Contra Costa, thence continuing along Macdonald Avenue to Garrard Boulevard, along Garrard Boulevard to Standard Avenue, along Standard Avenue to Castro Street, along Castro Street to Tewksbury Avenue, along Tewksbury Avenue to Standard Avenue, along Standard Avenue to Garrard Boulevard, along Garrard Boulevard to Macdonald Avenue, along Macdonald Avenue to 5th Street, along 5th Street to Bissell Avenue, along Bissell Avenue to 6th Street, along 6th Street to Macdonald Avenue, thence return to San Francisco via balance of original regular route."

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

- (1) No passengers shall be picked up or discharged between the county line of Alameda County and Contra Costa County, on San Pablo Avenue, on the one hand, and San Francisco on the other hand.
- (2) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
- (3) Applicant shall commence the service within a period of not to exceed ninety (90) days from the effective date hereof, and shall file, in triplicate, and concurrently make effective on not less than ten (10) days' notice to the Railroad 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 on Exhibit "C" attached to and made a part of Amendment to Application No. 20582, in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.

- (4) 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 Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (5) 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 affected may require.
- (6) 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 obtained.
- (7) No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (8) Should applicant desire to abandon said service upon the expiration of said six months' trial period, it shall file, in writing, with the Commission a statement showing the results of operation (both revenues and expenses) of said extended service, and ask that it be authorized to discontinue same.

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

Dated at San Francisco, California, this 27th day of September, 1937.

Arthur M. ...
Leon ...
Frank ...
Rafael ...

Commissioners