

Decision No. 31268

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Inglewood Transit Lines for certificate
of public convenience and necessity to
operate Stage Line Auto service from
Queen and Market Streets, Inglewood,
South to Manchester Blvd., West on
Manchester Blvd. to Fordham Road, North
to Loyola University, and return over
the same route.

ORIGINAL
Application No. 220397

T. R. CARPENTER, in propria persona

F. E. BILLHERDT, for Pacific Electric Railway,
Interested Party.

E. T. GUSEMAN, for West Inglewood Transit Line,
Protestant.

BY THE COMMISSION:

O P I N I O N

In this application Thomas R. Carpenter, doing business as Inglewood Transit Lines, is requesting a certificate of public convenience and necessity for the establishment and operation of a passenger stage service for the transportation of passengers between, Inglewood and the Campus of Loyola University and intermediate points.

A public hearing thereon was held before Examiner Paul on July 13, 1938, at which time evidence was adduced and the matter having been taken under submission is now ready for decision.

Applicant produced several witnesses who testified as to the general need for the proposed service. Rev. C. M. McQuillan, president of Loyola University, testified that during the summer vacation session from approximately the second week in June to the second week in September, there are about thirty people resident on

the university campus; that during the regular school session which begins the early part of September and ends during the early part of June, there are residing on the campus about seventy-five students, twenty-four members of the faculty and about fifteen workmen; that ordinarily there are approximately four hundred students in attendance, approximately 325 of whom need transportation between their homes and the university; that admission to some students has been refused because of the lack of available transportation for such students. The definite number so refused admission was not established.

Mrs. F. S. Billow, who operates a motor court located about one mile from the center of Inglewood and along the proposed route of operation, testified that additional public transportation facilities are needed for tenants at her court. It was developed that there are between forty and fifty tenants occupying such court and the nearest available public transportation service to and from Inglewood is approximately four blocks. Mrs. Billow further testified that the heads of the families of her tenants were generally employed at some point which compels them to use their private automobiles, leaving the other members of the family without transportation, and that she and members of her family would have occasion to use the proposed service daily to and from the business section of Inglewood.

Mrs. Mary L. Schulz also operates an auto court, which is ordinarily occupied by approximately seventy persons, located less than one mile from the center of the business section of Inglewood upon the proposed route of operations. The distance from local transportation, it was shown, is about three blocks.

C. P. Haswell, vice president of the University City Corporation, testified that his company is engaged in the development and subdivision of approximately 400 acres of land immediately

surrounding the campus of Loyola University. There has been constructed in this subdivision 27 residences 15 of which have been erected within the last two years. Of these 24 are now occupied. Mr. Haswell estimated the population of the tract to be approximately one hundred. It was developed that corporate funds have been allocated for the construction of new homes, work on ten to be started within the near future. Mr. Haswell testified that he has had numerous inquiries from residents of this tract in regard to public transportation to and from Inglewood.

Frank V. Smith, engaged in the real estate business at Inglewood, but living in Beverly Hills, testified that he is chairman of the transportation service committee of the Inglewood realty board. Smith testified that he had made some investigation and study with respect to the needs for public transportation to serve the district along the proposed route; that approximately thirty-five families reside along such route within Inglewood; that by using the relatively high factor of five persons to the family the total number of persons in these families is approximately 175; that contiguous to the proposed route, without and near the corporate limits of Inglewood, there are four small factories and industrial plants employing approximately 100 to 125 persons who could utilize the proposed service.

Applicant Carpenter testified that he has been engaged in the passenger stage business for approximately fourteen years; that he has available nine pieces of usable equipment, only five of which are used in the operation conducted by him between Inglewood and the Los Angeles Municipal Airport.

The distance between termini of the proposed operation is approximately 4.5 miles. Eight round-trips daily will be made beginning at 7:30 A.M. and ending at 5:30 P.M.. While the applicant does not expect the new service to return the cost of operation at the outset, he contends that within a relatively short period of time he will be able to derive a profit therefrom, particularly when residents in the communities served become familiar with the established service.

Mr. E. T. Guseman, doing business as West Inglewood Transit Line, provides a local service in the city of Inglewood under a permit from the Inglewood City authorities. Guseman protested the granting of the application contending that if the service is authorized and established there will be a considerable diversion of traffic from his lines which now serve the westerly portion of the city of Inglewood.

The matter here for determination can be briefly summarized as follows:

Applicant now operates a passenger stage line from the business section of Inglewood in a southerly direction to the Los Angeles Municipal Airport and vicinity. He proposes herein to establish another route from the business section of Inglewood in a northwesterly direction to Loyola University which is located in the unincorporated portion of Los Angeles County. This line will provide transportation to a rather large and sparsely settled area which is now without public

transportation with the exception of that territory along the route of the proposed line within the city of Inglewood where said line will be in competition with West Inglewood Transit Line.

The amount of this competition, however, is rather limited as it is restricted to that section of the city of Inglewood where the two lines intersect. Applicant relies largely upon his experience to justify the economic operation of this line together with the fact that there is promise of development of the area along the route in the way of substantial subdivisions.

Upon this record it is concluded that the application should be granted with the understanding that so long as applicant continues to operate over this route it shall provide such service as is reasonably necessary to meet public convenience and necessity and, on the other hand, the public benefited through this operation should assume its responsibility in patronizing the line to an extent to warrant its continuance, otherwise the operation cannot be reasonably justified.

T. R. Carpenter 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.

O R D E R

A public hearing having been held, evidence adduced and the Commission now being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by T. R. Carpenter, doing business as Inglewood Transit Line, of an automotive service as a passenger stage corporation as defined in Section 2½ of the Public Utilities Act for the transportation of passengers for compensation between Inglewood and Loyola University and intermediate points, as an extension and enlargement of the right granted by Decision No. 16213, over and along the following route:

Between the intersection of Queen and Market Streets in the city of Inglewood thence over and along Market Street to Manchester Boulevard, to Fordham Road, to Belton Street, to 78th Street to Loyola University Campus.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby granted to T. R. Carpenter subject to the following conditions:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. Applicant is authorized to turn its motor vehicles at termini in the intersection of streets or by operating around a block contiguous to such intersection, in either direction, and to carry passengers thereon and thereover, as local traffic regulations may require.
3. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file in triplicate, and concurrently make effective on not less than ten 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 in the exhibit attached to the application 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 days' notice to the Railroad Commission and the public, a time schedule or time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

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 obtained.

6. 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.

The effective date of this order shall be twenty (20) days from date hereof.

Dated at San Francisco, California this 19th day of September, 1938.

Raymond W. ...
Leon ...
Frank ...
Ray L. Riley

COMMISSIONERS