

Decision No. 31276

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
L. SOLTER and S. McCOY, doing business  
as the A. B. C. TRANSPORTATION COMPANY,  
for certificate of public convenience  
and necessity to operate stage service,  
as a common carrier, between El Monte  
City and North El Monte and South East  
El Monte.

Application No. 22071

KRAG & SWEET, by Donald O. Krag, for Applicant

MRS. NELLIE E. LEFFLER, Mayor of El Monte, Proponent

H. O. MARLER, for Pacific Electric Railway and  
Motor Transit Company, Interested Parties

RILEY, Commissioner:

#### O P I N I O N

By this application as amended L. Solter and S. McCoy, operating under the fictitious name and style of A. B. C. Transportation Company, seek authority to establish and operate a common carrier automotive service for the transportation of passengers between El Monte City and North El Monte and South East El Monte.

A public hearing in this matter was conducted in Los Angeles on August 17, 1938, where the matter was submitted and it is now ready for decision.

No protests to the granting of this application were received and Pacific Electric Railway and Motor Transit Company whose lines for a short distance will be paralleled by the proposed operation stated, in writing, through their Mr. Marler that they believed the applicants "will provide a reasonably adequate service to territories not now served by common carrier service, and will result in providing connecting service with this company's lines to Los Angeles, as well as to points east of El Monte." Nellie E.

Leffler, mayor of the city of El Monte, appeared in support of applicants and they likewise received the endorsement of the El Monte City Council and the El Monte Chamber of Commerce.

Applicants propose two loop operations, one known as the North El Monte Loop and the other known as the South East El Monte Loop. On the North El Monte Loop, hourly service leaving A. B. C. Taxi Stand will be maintained from 6:50 A.M. to 11:50 A.M. and from 1:35 P.M. to 7:35 P.M. The South East El Monte Loop will have a schedule at 7:20 A.M., 9:20 A.M., 12:20 P.M., 3:05 P.M. and 5:35 P.M., leaving also from A. B. C. Taxi Stand. This scheduled service is to be operated on week days only, no Sundays nor Holiday service being proposed. A fare of ten cents will be charged on each loop, or any part thereof, and passengers wishing to go from a point on one loop service through to a point on the other loop will be obliged to pay twenty cents (20¢). Connections will be made with Pacific Electric and Motor Transit Company schedules at El Monte Union Depot.

According to the testimony of Lawrence Solter, a copartner, it was estimated that some 1300 families resided in the North El Monte district with some 700 families residing in the so-called South East El Monte District. With the exception of a taxi service operated by applicants herein, the travelling public in the North El Monte District have no transportation facilities affording them connection with the main business district of El Monte proper and the taxi fare of 25 cents has proven prohibitive. In the South East El Monte District no transportation facilities closer than two miles are afforded. Mr. Solter further estimated that some fifty to one hundred passengers per day would be available and stated the service could be conducted for approximately \$100 per month exclusive of depreciation charges and wages.

It appears that applicants have the endorsement of most of the municipal and business groups located in this territory and further support was evidenced by the fact that the merchants of El Monte have agreed to subsidize this service by advertising space in buses to the extent of \$200 per month for a period of six months beginning August 1, 1938.

The record as a whole is not conducive to a finding that the operation as proposed will be compensatory and were it not for the subsidy feature above referred to the Commission would have nothing before it in this record to warrant the granting of this certificate. However, in view of the said subsidy which I believe will afford applicants a fair opportunity to develop this service and based on an assumption that public patronage is available and will be forthcoming, I recommend that the application be granted subject to the proviso that upon the expiration of the guarantee and non renewal therefor, the Commission will entertain an application on the part of Solter and McCoy for authority to abandon service if operating conditions so warrant.

L. Solter and S. McCoy 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 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.

I recommend the following form of order.

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY  
DECLARES that public convenience and necessity require the establishment and operation by L. Solter and S. McCoy, operating under the fictitious name and style of A. B. C. Transportation Company, of an automotive service as a common carrier of passengers as a passenger stage corporation as such is defined in section 2 $\frac{1}{2}$  of the Public Utilities Act between El Monte and North El Monte and South East El Monte over and along the following route:

Commencing at the A.B.C. Taxi Stand, located at 404 West Valley Boulevard in the city of El Monte, California, thence east on Valley Boulevard to Tyler Street, thence south on Tyler Street to the Motor Transit Depot, thence south on Tyler Street to Columbia Street, thence east on Columbia Street to Valley Boulevard, thence east on San Bernardino Road to Stewart Avenue, thence east on Stewart Avenue to Peck Road, thence east on Exline to Cogswell Road, thence north on Cogswell to Cogswell and Hemlock, thence west on Hemlock to Peck Road, thence south on Peck Road to San Bernardino Road, thence west on San Bernardino Road to Valley Boulevard, thence west on Columbia Street to Tyler Street, thence north on Tyler Street to Valley Boulevard to the A. B. C. Taxi Stand, the point of commencement.

Commencing at the A.B.C. Taxi Stand, located at 404 West Valley Boulevard in the city of El Monte, California, thence east on Valley Boulevard to Tyler Street, thence south to Columbia Street, thence east on Columbia Street to Valley Boulevard, thence east on Valley Boulevard to Mecker Road, thence south on Mecker Road to Garvey Avenue, thence south on Mecker Avenue to Mountain View Avenue, thence south on Mountain View Avenue to Slaughter Street, thence east on Slaughter Street to Durfee Road, thence north on Durfee Road to Valley Boulevard, also known as Pomona Boulevard, thence west on Pomona Boulevard to Columbia Street, thence west on Columbia to Tyler Street, thence north on Tyler Street to Valley Boulevard, thence West on Valley Boulevard to the A.B.C. Taxi Stand, the point of commencement.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is, granted to T. Solter and S. McCoy subject to the following conditions:

1. Applicants shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

2. Applicants 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.

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 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.

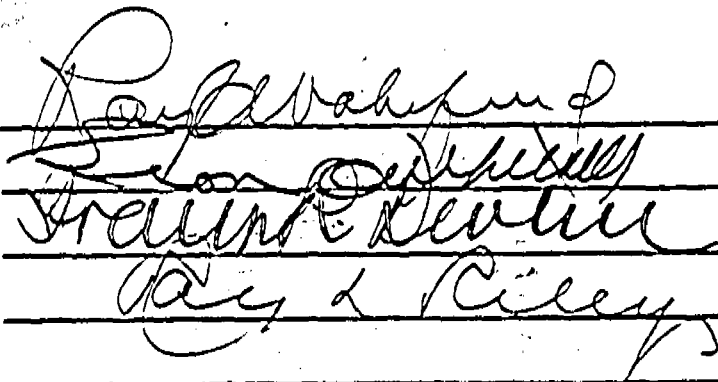
4. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained.

5. No vehicle may be operated by applicants herein unless such vehicle is owned by said applicants or is leased by applicants under a contract or agreement on a basis satisfactory to the Railroad Commission.

The effective date of this order shall be five (5) days from the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 19<sup>th</sup> day of September, 1938.

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
COMMISSIONERS