

Decision No. 32101.

348

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC ELECTRIC RAILWAY COMPANY, a cor-  
poration, for an in lieu certificate of  
public convenience and necessity.

ORIGINAL

37th Supplemental  
Application No. 17984.

BY THE COMMISSION:

SUPPLEMENTAL ORDER

Pacific Electric Railway Company, on June 12th, 1939, filed its 37th Supplemental Application No. 17984, seeking authority from this Commission to establish a motor coach line as a common carrier, for the transportation of passengers on Echo Park Avenue between Sunset Boulevard and Cerro Gordo Street. Construction of a storm drain on Echo Park Avenue necessitated the discontinuance of rail operations on Echo Park Avenue as of September 18th, 1938. Since that date, service has been provided by a shuttle motor coach operating on Echo Park Avenue, requiring passengers to transfer to the Hollywood Boulevard rail line at Sunset Boulevard.

It is alleged that the storm drain project will be completed on or about June 15th, 1939, at which time applicant proposes to reestablish through rail service between the intersection of Cerro Gordo Street and Echo Park Avenue and Twelfth and Hill Streets in downtown Los Angeles, with the exception that shuttle motor coach service is to be operated on Echo Park Avenue between Sunset Boulevard and Cerro Gordo Street after 7:00 P.M. and all day on Sundays and holidays.

An ordinance recently adopted by the City of Los Angeles, commonly referred to as the "one-man car ordinance," would necessitate the placing of two men on each car to provide either shuttle or through rail service during the evening hours and on Sundays and holidays, whereas similar frequency of headway can be maintained by

the operation of shuttle motor coach service with one operator on each coach, thus resulting in substantial operating economies. The establishment of the coach service, as proposed herein, to be operated in conjunction with the through rail service, was approved by the Board of Public Utilities and Transportation of the City of Los Angeles at its meeting held on June 9th, 1939.

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

Pacific Electric Railway Company 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 as 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 establishment, by Pacific Electric Railway Company, of motor coach service for the transportation of passengers in the City of Los Angeles, said line to be known as the Echo Park Avenue Shuttle Line, to be operated after 7:00 P.M. and all day on Sundays and holidays, on Echo Park Avenue between Cerro Cordo Street and Sunset Boulevard, in the City of Los Angeles, to be considered as a part of the in lieu certificate granted by this Commission's Decision No. 24854, dated July 12th, 1932, on Application No. 17984.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service is hereby granted to Pacific Electric Railway Company, 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 the date hereof.
- (2) 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 one day's 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) 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, 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 or 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 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.
- (6) 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 municipality may require.

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

Dated at San Francisco, California, this 20<sup>th</sup> day of June, 1939.

Grant A. Dyer  
Ray H. Kelley  
W. H. [unclear]  
James J. [unclear]  
Commissioners.