

Decision No. 32748.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC ELECTRIC RAILWAY COMPANY,  
a corporation, and LOS ANGELES RAILWAY  
CORPORATION, a corporation, for an in  
lieu certificate for their jointly  
operated motor coach lines.

Sixteenth Supplemental  
Application No. 18820.

In the Matter of the Application of  
PASADENA-OCEAN PARK STAGE LINE, INC.,  
a California corporation, for a certi-  
ficate of public convenience and ne-  
cessity authorizing the applicant to  
operate as a common carrier a motor  
coach service for the transportation of  
persons and their hand baggage, between  
Sunset Boulevard and Hill Street, on  
the one hand, and Olympic Boulevard  
and Beverly Glen, on the other hand,  
and intermediate points via a speci-  
fied route.

Application No. 22949.

In the Matter of the Application of the  
LOS ANGELES RAILWAY CORPORATION for  
authority to abandon a portion of its  
"L" rail line in the City of Los  
Angeles.

Application No. 22994.

In the Matter of the Application of the  
BAY CITIES TRANSIT COMPANY, a corpor-  
ation, for authority to re-route ser-  
vice on Route No. 5-Pico Boulevard and  
Soldiers' Home Line and for a cer-  
tificate of public convenience and ne-  
cessity for the establishment of a new  
route to be known as Route No. 12-  
Venice-Santa Monica, Temple and Hill  
Line.

Application No. 23030.

Frank Karr and C. W. Cornell, for Pacific Electric  
Railway Company and Los Angeles Motor Coach  
Company.

Woodward M. Taylor and Max Eddy Utt, for Los  
Angeles Railway Corporation and Los Angeles  
Motor Coach Company.

Ray L. Chesebro, City Attorney, and Frederick Von  
Schrader, Assistant City Attorney, City of Los  
Angeles.

Ware & Berol and Bart F. Wade, by Wallace L. Ware,  
for Asbury Rapid Transit System.

K. Charles Bean and Stanley M. Lanham, for the  
Board of Public Utilities and Transportation  
of the City of Los Angeles, an interested  
party.

Hector P. Baida, for Bay Cities Transit Company.

C. W. McInerney, and D. C. Freeman, for City of  
Santa Monica, an interested party.

Dain Sturges, for Downtown Business Men's Assn.

RILEY, Commissioner:

#### O P I N I O N

The above entitled proceedings deal with the proposed abandonment of the present rail service provided by Los Angeles Railway Corporation on its "L" rail line from Sunset Boulevard and Spring Street, on the one hand, to Muirfield Road and Olympic Boulevard, on the other hand, the abandonment of the rails completely from Eleventh and Georgia Streets to Muirfield Road and Olympic Boulevard and the substitution therefor of motor coach service to serve the same general area in which this rail service is to be abandoned.

By mutual agreement among the interested parties, these matters were consolidated for the purpose of taking testimony and for decision and public hearings were held at Los Angeles on October 19 and December 14 and 18, 1939. At the last hearing it was ordered that the matters be taken under submission upon the filing of briefs within fifteen days, with five additional days being permitted for replies. Subsequently the date for filing of briefs was extended to January 9, 1940. These briefs have now been filed and the matters are ready for determination.

Sixteenth Supplemental Application No. 18820, filed on August 8, 1939, seeks the Commission's authority to reroute and extend the present Olympic Boulevard operation. By the provisions

of Decision No. 28718, dated April 15, 1936, applicants, Pacific Electric Railway Company and Los Angeles Railway Corporation, operating under the name of Los Angeles Motor Coach Company, were authorized to operate a motor coach service on what was designated as the "Olympic Boulevard-Third Street Motor Coach Line," over and along the following route:

Commencing at the intersection of Muirfield Road and Wilshire Boulevard, south on Muirfield Road, west on Olympic Boulevard, north and northwesterly on Beverly Drive, northeasterly on Santa Monica Boulevard, east on Beverly Boulevard, south on La Cienega Boulevard, east on Third Street to La Brea Avenue.

Also, from the intersection of Beverly Drive and Olympic Boulevard, west on Olympic Boulevard to Spalding Drive.

This motor coach line connects at Muirfield Road with the "L" line of Los Angeles Railway Corporation, which operates over Olympic Boulevard and Eleventh Street to the downtown area of Los Angeles. Los Angeles Railway Corporation's franchise for this rail line expired in 1936 and at that time a request for the renewal of the franchise was made, with the result that a renewal was granted for a period of not to exceed three years, with a stipulation in the renewal that the permit would be revocable at any time after eighteen months. This franchise has now permanently expired and there is no indication of any disposition on the part of the City of Los Angeles to renew it.

Olympic Boulevard is now being improved as a major east and west traffic artery jointly by the State of California and the City of Los Angeles. The State Department of Public Works has issued a statement to the effect that it is opposed, as a matter of general policy, to granting street car franchises on arterial state highways already constructed, and further urged that serious efforts should be made to remove existing street car tracks from those streets which are to be developed into improved traffic arteries with state highway funds.

By its Application No. 22994, filed on September 20, 1939, Los Angeles Railway Corporation seeks the Commission's authority to abandon that portion of its "L" line between the intersection of Eleventh and Georgia Streets and the end of the line at Olympic Boulevard and Muirfield Road, the major portion of this line being within the area of the contemplated improvement of Olympic Boulevard. No opposition developed to the granting of this application and it appears from this record that with the abandonment of the rail line there is proposed to be established a substitute motor coach line which will meet the public transportation needs. These facts, when considered with the attitude assumed by the City of Los Angeles as well as by the Department of Public Works of the State of California, lead to the conclusion that this application should be granted.

Application No. 22949, dated August 22, 1939, filed by Asbury Rapid Transit System, and later supplemented by first supplemental application in this proceeding, filed under date of December 7, 1939, asks the Commission's authority to establish a motor coach service for the transportation of passengers over a route described as follows:

From the intersection of Beverly Glen and Olympic Boulevards, over Olympic Boulevard to Hill Street, thence over Hill Street to an off-street terminal at Sunset Boulevard and Hill Street.

The Bay Cities Transit Company, operator of an extensive system of local motor coach lines in the City of Santa Monica and vicinity, provides a service which at its easterly end traverses a section of Olympic Boulevard from Lauriston Avenue to Yerwood Avenue, thence south one short block to Keswick Avenue, over Keswick Avenue to Fox Hills Drive, south on Fox Hills Drive to Pico Boulevard, thence over Pico Boulevard to a connection with the "P" car line of Los Angeles Railway Corporation at its off-street terminal at Rimpau Boulevard. Bay Cities Transit Company takes exception to

the granting of certificates of public convenience and necessity to either the Los Angeles Motor Coach Company or the Asbury Rapid Transit System, for the reason that both applicants propose to provide a service in the four-block area on Olympic Boulevard between Fox Hills Drive and Beverly Glen Boulevard which it feels is already being adequately served by the above described line. As a defensive measure Bay Cities Transit Company filed Application No. 23030, seeking this Commission's authority to operate a motor coach service over Olympic Boulevard into downtown Los Angeles.

Prior to the hearings before this Commission, extensive public hearings in these matters were conducted before the Board of Public Utilities and Transportation of the City of Los Angeles and, by resolution, dated November 28, 1939, that body approved the application of Los Angeles Motor Coach Company to provide motor coach service on Olympic Boulevard, subject to certain conditions, and denied the application of Bay Cities Transit Company. At its meeting on December 12, 1939, the board adopted a motion which denied the application of the Asbury Rapid Transit System. <sup>(1)</sup>

At the hearing before this Commission on December 18, 1939, Counsel for applicant, Asbury Rapid Transit System, stated that, in view of the position taken by the Board of Public Utilities and Transportation of the City of Los Angeles, his client deemed it advisable to ask that Application No. 22949 be dismissed, which will be the order of the Commission. Having thus disposed of Applications Nos. 22949 and 22994, the balance of this Opinion will be devoted to a discussion of the record dealing with the two remaining applications - namely, 16th Supplemental Application No. 18820 and Application No. 23030.

---

(1) See Pages 1 to 7, inclusive, and page 15 of Exhibit No. 22.

Sixteenth Supplemental Application No. 18820.

Pacific Electric Railway Company and Los Angeles Railway Corporation, operating as Los Angeles Motor Coach Company, provide an extensive system of motor coach service in and about the City of Los Angeles. Upon the abandonment of Los Angeles Railway Corporation's "L" rail line, these applicants propose to extend their Olympic Boulevard-Third Street Motor Coach Line from Muirfield Road easterly on Olympic Boulevard to Hill Street, thence northerly on Hill Street to an off-street terminal at the intersection of Hill and Temple Streets. Applicants also propose to extend the westerly end of this motor coach line from the intersection of Spalding Drive and Olympic Boulevard westerly to a terminus at Olympic and Beverly Glen Boulevards. Ultimately, upon extension of Olympic Boulevard to Santa Monica as a major traffic artery, it is the intention of these applicants to seek authority to extend this motor coach line to Santa Monica, thus connecting that city with Los Angeles by a through service comparable to that furnished on Wilshire Boulevard. It is proposed to continue operation over the route of the Olympic Boulevard-Third Street line, which will be redesignated as the Third Street-Beverly Drive Line, with its westerly terminus connecting with the proposed motor coach service on Olympic Boulevard at Beverly Drive and Olympic Boulevard. Such a plan would provide transfer privileges between the proposed Olympic Boulevard line and the Wilshire Boulevard line and continue to provide service to other areas of the Cities of Los Angeles and Beverly Hills to the north.

Applicants also propose to abandon that portion of the present Olympic Boulevard-Third Street line on Muirfield Road between Olympic and Wilshire Boulevards, if and when the instant application is granted, it being their opinion that sufficient service will be provided by their line on Crenshaw Boulevard, approximately one-half mile to the east.

Two types of service are proposed for operation on this line, one being a local service to be operated daily except Sundays and holidays from 5:00 A.M. to 6:00 P.M., between the off-street terminal at Temple and Hill Streets and the intersection of Olympic Boulevard and Western Avenue, the other being an express service, handling no local traffic in the area between downtown Los Angeles and Western Avenue, and operating from the off-street terminal at Temple and Hill Streets to the westerly terminus of the line at Beverly Glen and Olympic Boulevards. During the evening hours and on Sundays and holidays, when travel is comparatively light, it is proposed that all service shall be local. The express service has been designed with the idea in mind of providing a seat per passenger and it is the intention of the operators to provide additional schedules if those proposed are insufficient.

The fares proposed for the new service are set up in detail in an exhibit attached to the application but, generally, providing a fare from downtown Los Angeles of 7¢ to Western Avenue, 10¢ to Fairfax Avenue, 15¢ to Spalding Drive, and 20¢ to the westerly terminus of the line at Beverly Glen Boulevard. These fares provide for generous transfer privileges to the intersecting lines of Los Angeles Railway Corporation, Pacific Electric Railway Company and Los Angeles Motor Coach Company and, except for the 7¢ fare between Temple and Hill Streets and the intersection of Western Avenue and Olympic Boulevard, essentially are established on the same general basis as fares charged on other lines of applicants. The proposed fares, however, will result in substantial increases to the present patrons of the "L" line of Los Angeles Railway Corporation between Western Avenue and the end of the line in the vicinity of Muirfield Road.

In the establishment of the inner fare zone of Los Angeles Railway Corporation, the zones have been fixed as nearly as possible at points six miles from the intersection of Seventh Street and Broadway, which was arbitrarily adopted as being the practical center of business activity in the City of Los Angeles. Reference to route maps of this company will show that the terminus of the "L" line is approximately 1.3 miles inside that limit and that therefore "L" line patrons might allege that they have been discriminated against, as compared to patrons of some of the longer lines of the system. The patrons of Los Angeles Railway Corporation have only recently had their fares increased from 6½¢ to 7¢ by the Commission's Interim Order (Decision No. 32240, dated August 8, 1939, on Application No. 22792), and to further increase the fares of those patrons of the "L" line between Western Avenue and Muirfield Road appears unwarranted at this time.

The 7¢ fare zone on the proposed motor coach line should be extended about one and one-half miles to the present westerly terminus of the "L" car line at Rimpau Boulevard, in order to avoid an increase in fares to those patrons who now use the "L" line, and the Order herein will so provide.

The record shows that the present Olympic Boulevard-Third Street Motor Coach Line operates westerly from Muirfield Road and Olympic Boulevard to Beverly Drive, to Santa Monica Boulevard, to Beverly Boulevard, to La Cienega Boulevard, to Third Street, to La Brea Avenue, with a few school trips operating westerly to Spalding Drive to serve the Beverly Hills High School; therefore, although the line between the intersection of Beverly Drive and Olympic Boulevard and the intersection of Spalding Drive and Olympic Boulevard is covered by a certificate issued by this Commission, the service proposed in Sixteenth Supplemental Application No. 18820 east of Muirfield Road and west of Beverly Drive, in so far as the general public is concerned, will be new. At Heath Avenue, one short



block west of Spalding Drive, Olympic Boulevard enters private property of the Fox Motion Picture Studios and traverses this property for three-quarters of a mile to Fox Hills Drive. In this three-quarters of a mile there is no traffic available to the proposed operation. From the intersection of Fox Hills Drive and Olympic Boulevard to the proposed terminus of the line at Beverly Glen and Olympic Boulevards, a distance of four blocks, the territory to be traversed is already served by a line of Bay Cities Transit Company, which either operates over the identical street proposed to be operated over by these applicants or is at no point at a greater distance than one block from Olympic Boulevard. From this record it appears that this territory is now afforded a reasonable and adequate service. The distance from Spalding Drive along Olympic Boulevard to Beverly Glen Boulevard is approximately one mile and, assuming an average headway from 7:00 A.M. to 7:00 P.M. of 10 minutes, this would add a daily total of 144 coach miles to be operated.

We are not convinced that public convenience and necessity demand the extension of this line from Spalding Drive to Beverly Glen Boulevard, since the only patronage to be derived would be that taken from the existing line which has pioneered the territory during the past ten years.

Exhibit No. 20 indicates that the proposed running time of the express motor coaches from the intersection of Olympic and Beverly Glen Boulevards to the easterly terminus at Temple and Hill Streets will be 51 minutes during the base period, 52 minutes during the morning rush and 51 minutes during the afternoon rush. A check of the operating schedules of the motor coach line of Bay Cities Transit Company and the "P" car line of Los Angeles Railway Corporation indicates a running time of 16 minutes on the Bay

Cities line from Beverly Glen and Olympic Boulevards to Pico and Rimpau Boulevards, and a running time from Pico and Rimpau Boulevards to First and San Pedro Streets on the "P" car line which varies from 28 minutes to 39 minutes, or an approximate average of 32 minutes, making a combined total running time of 48 minutes (exclusive of transfer time at Pico and Rimpau), or three minutes less than the proposed schedule on the new line. Further than this, the combination cash fares on the lines of Bay Cities Transit Company and Los Angeles Railway Corporation are 17¢, as opposed to the 20¢ cash fare proposed on the Olympic Boulevard line of Los Angeles Motor Coach Company.

Applicants have already indicated their intention to make application to the Commission for an extension of this service through to Santa Monica upon the completion of Olympic Boulevard and it is our opinion that, until that time, there is no justification for the operation of a service through three-quarters of a mile of sterile territory in order to serve four short blocks that are already adequately served.

Application No. 23030.

Two proposals are contained in this application filed by Bay Cities Transit Company on October 4, 1939:

(a) It is proposed that its Route No. 5 (Pico Boulevard and Soldiers' Home Line), be rerouted in an easterly direction from the intersection of Olympic Boulevard and Lauriston Avenue, along Olympic Boulevard to Hill Street, thence northerly on Hill Street to a terminal at Hill and Temple Streets. Such a rerouting would necessitate the abandonment of that portion of this route commencing at Kerwood Avenue and Olympic Boulevard, via Kerwood Avenue, Keswick Avenue, Fox Hills Drive and Pico Boulevard to the terminal at Pico and Rimpau Boulevards.

(b) Applicant seeks authority to establish a new service, to be known as Route No. 12, and to operate from the Cities of Venice and Santa Monica along a route commencing at the intersection of Venice Way and Pacific Avenue to Windward Avenue, to Main Street,

thence to a street as yet unnamed running east and west and which is immediately south of and parallel to the new Santa Monica City Hall, Fourth Street, Olympic Boulevard, Twentieth Street to Pico Boulevard, Sepulveda Boulevard, Olympic Boulevard to Prosser Avenue, Lauriston Avenue, Olympic Boulevard, Hill Street to Temple Street; returning via the reverse of the going route. That portion of the route commencing at Twentieth Street and Olympic Boulevard and continuing to Sepulveda Boulevard and Olympic Boulevard is in the nature of a temporary route and, upon completion of Olympic Boulevard, applicant proposes to amend its route and operate along Olympic Boulevard between Twentieth Street and Sepulveda Boulevard.

Applicant does not propose to pick up and discharge passengers along either of said routes east of the intersection of Rimpau and Olympic Boulevards but it does propose that passengers originating west of Rimpau Boulevard shall be discharged at any and all points east of Rimpau Boulevard and that passengers originating east of Rimpau Boulevard shall be discharged only at Rimpau Boulevard or points west thereof. It might well be said that this application has been filed as a defensive measure, in an attempt to protect present certificated operations and eliminate the possibility of diversion by proposed extension of Los Angeles Motor Coach Company's Olympic Boulevard line beyond Spalding Drive.

Our disposition of 16th Supplemental Application No. 18820 eliminates the necessity for the extension of the service as proposed by Bay Cities Transit Company and therefore Application No. 23030 should be denied.

#### Conclusions.

A careful review of the evidence introduced in these proceedings leads to the following conclusions:

#### 16th Supplemental Application No. 18820

1. This application should be granted but the operation should be restricted to the territory east of Spalding Drive.
2. The 7¢ fare zone proposed in the application should be extended from Western Avenue to Rimpau Boulevard.
3. The local service proposed in the application should be extended from Western Avenue to a westerly terminus at Rimpau Boulevard.

Application No. 22994

This request of Los Angeles Railway Corporation to abandon service on its "L" line, from Sunset Boulevard to Hill Street, on the one hand, to Muirfield Road and Olympic Boulevard, on the other hand, and to abandon the rails thereof completely, from Eleventh and Georgia Streets to Muirfield Road and Olympic Boulevard, should be granted.

Application No. 22949

This application of the Asbury Rapid Transit System to operate a passenger transportation service between Sunset Boulevard and Hill Street, on the one hand, and Olympic and Beverly Glen Boulevards, on the other hand, should be dismissed.

Application No. 23030

This application of the Bay Cities Transit Company for authority to reroute the service on its No. 5 line and establish a new route between the Cities of Venice and Santa Monica and Los Angeles, both of which proposals contemplate the operation of motor coaches over Olympic Boulevard to Hill Street and over Hill Street to Temple Street in downtown Los Angeles, should be denied.

In view of these findings, the following form of Order is recommended.

Pacific Electric Railway Company and Los Angeles Railway Corporation, operating as Los Angeles Motor Coach Company, 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 as to the number of rights which may be given.

O R D E R

The Railroad Commission of the State of California Hereby Declares that public convenience and necessity require the establishment, by Pacific Electric Railway Company and Los Angeles Railway Corporation, operating as Los Angeles Motor Coach Company, of

motor coach service for the transportation of passengers in the Cities of Los Angeles and Beverly Hills, said line to be known as the "Olympic Boulevard Motor Coach Line," the description of the route being as follows:

Commencing at an off-street terminal at the intersection of Temple and Hill Streets, in the City of Los Angeles, thence southerly on Hill Street to Olympic Boulevard, thence westerly on Olympic Boulevard in Los Angeles and Beverly Hills to Spalding Drive;

to be consolidated with and made a part of the in lieu certificate granted by this Commission's Decision No. 26079, dated June 19, 1933, in Application No. 18820.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service be and it is hereby granted to Pacific Electric Railway Company and Los Angeles Railway Corporation, operating as Los Angeles Motor Coach Company, 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 the date hereof.
- (2) Applicants shall commence the service herein authorized within a period of not to exceed six (6) months from the effective date hereof and concurrently with the abandonment of the rail service on the "L" line of Los Angeles Railway Corporation, as hereinafter authorized.
- (3) Applicants shall file in triplicate, and concurrently make effective on not less than ten (10) days' notice to the 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, except for the proposed 7¢ fare zone between the intersection of Hill and Temple Streets and the intersection of Olympic Boulevard and Western Avenue, and the 20¢ fare zone between the intersection of Hill and Temple Streets and the intersection of Olympic and Beverly Glen Boulevards, in volume and effect shall be identical with the rates and rules shown in the application, in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.

- (4) The proposed 7¢ fare limit terminating at Western Avenue shall be extended westerly to Rimpau Boulevard.
- (5) Applicants shall file, in duplicate, and concurrently make effective, on not less than ten (10) days' notice to the Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (6) Applicants shall continue operation as a separate line on the Third Street - Beverly Drive portion of the present Olympic Boulevard line over a route described as follows:

Commencing at the intersection of La Brea Avenue and West Third Street, thence westerly on Third Street, north on La Cienega Boulevard, westerly on Beverly Boulevard, southwesterly on Santa Monica Boulevard and southerly on Beverly Drive to Olympic Boulevard.
- (7) Applicants shall abandon service on that portion of the present Olympic Boulevard line between the intersection of Olympic and Beverly Boulevards and the intersection of Muirfield Road and Wilshire Boulevard.
- (8) 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.
- (9) 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.

IT IS HEREBY FURTHER ORDERED:

I. That Los Angeles Railway Corporation be and it is hereby authorized to discontinue rail service on its "L" line from Sunset Boulevard and Spring Street, on the one hand, to Muirfield Road and Olympic Boulevard, on the other hand, and to remove its tracks and facilities on that portion of said line from Eleventh and Georgia Streets to Muirfield Road and Olympic Boulevard, in the City of Los Angeles, subject to the following conditions:

- (1) Said discontinuance of rail service shall be made effective concurrently with the establishment of the motor coach service as hereinbefore authorized.
- (2) Applicant shall afford the public at least ten (10) days' notice of the abandonment authorized herein, by posting notices on all cars operating on the line involved and at all stations affected.
- (3) Applicant shall, within thirty (30) days thereafter, advise this Commission, in writing, of the abandonment of the facilities authorized herein and of its compliance with the conditions hereof.

II. That Application No. 22949 is hereby dismissed.

III. That Application No. 23030 is hereby denied.

For all other purposes, the effective date of this Order shall be twenty (20) 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 Los Angeles, California, this 23<sup>rd</sup> day of January, 1940.

Ray & Rice  
James P. Rice  
Rapheal  
Justus J. O'Brien  
Commissioners.