

Decision No. 327302

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GUY C. LYONS, doing business under the)
fictitious firm name and style of the)
Highland Transportation Company, for)
certificate of public convenience and)
necessity to extend and operate auto-)
motive passenger stage service from)
Compton Boulevard and Willowbrook)
Avenue (Compton) to Platt Avenue and)
Long Beach Boulevard (Lynwood) and)
intermediate points, to the inter-)
section of Palm Place and Seville)
Avenue (Southgate))

Application No. 23136

BEN A. HILL, for Applicant,

CHARLES A. RUBY, City Attorney, Lynwood, by
Robert A. Moffett, Special Counsel,

FRANK KARR and C. W. CORNELL, for Pacific
Electric Railway Company, Protestants,

GIBSON, DUNN & CRUTCHER, by Woodward M. Taylor
and Max W. Utt, for Los Angeles Railway
Corporation, Interested Party.

H. W. WILLIAMS, for Brotherhood of Railroad
Trainmen, Interested Party.

BY THE COMMISSION:

O P I N I O N

In this proceeding Guy C. Lyons, doing business as Highland Transportation Company, seeks a certificate of public convenience and necessity to operate an automotive passenger service from Compton through Lynwood to a connection with the "J" car line of the Los Angeles Railway Corporation at Palm Place and Seville Avenue in the city of South Gate.

A public hearing in this matter was conducted before Examiner Hunter at Los Angeles, on January 12, 1940, at which

time it was taken under submission and is now ready for decision.

The record shows that pursuant to authority granted by Decision No. 29341, dated December 7, 1936, in Application No. 20824, applicant now operates a service from Compton over Compton Boulevard to Paramount Boulevard, where the service divides, a portion going north to Downey and the other portion south to the Eynes district. The record also shows that applicant conducts an operation entirely within the city limits of the city of Compton which is not certified by this Commission, between Compton and a connection with the Long Transportation System of the city of Long Beach. The connection of these two operations is at the boundary line between Long Beach and Compton. It is alleged that the new area proposed to be served between Compton, Lynwood and South Gate is rapidly developing and is in need of public transportation.

Applicant proposes to operate on a base headway of 35 minutes until 6:30 P.M. when a 70-minute frequency is proposed, with the last trip leaving Compton at 9:50 P.M.

Applicant proposes a fare between Compton and South Gate of ten (10) cents, which, in combination with the seven (7) cent fare of the Los Angeles Railway Corporation from South Gate to the downtown section of Los Angeles makes a total fare from Los Angeles to Compton of seventeen (17) cents; this as opposed to the recent fares authorized by the Commission on the Pacific Electric Railway Company of twenty (20) cents ⁽¹⁾ between Los Angeles and Compton. Similarly, on applicant's line between Compton and the north city limits of Long Beach the fare is five (5) cents and this fare, in combination with

(1) Decision No. 32599, on Application No. 21656.

the five (5) cent fare of the Long Transportation Company, would provide potential riders with a combination through fare from Los Angeles to Long Beach of twenty-seven (27) cents as opposed to the one-way fare on Pacific Electric Railway Company's rail line of forty (40) cents, or a round-trip fare of fifty-four (54) cents as opposed to a sixty (60) cent round-trip fare via Pacific Electric Railway Company.

The record shows that the General Motors Corporation operates a large assembly plant in the area south of Tweedy Boulevard and west of Santa Fe Avenue. Two witnesses testifying on behalf of the applicant were of the opinion that a real necessity existed for the transportation of persons from the South Gate, Lynwood and Compton area to this plant. In this connection it might be well to note that two certificates were issued to the Pacific Electric Railway Company within the past two years for a service from a connection with the Pacific Electric Railway Company's Long Beach rail line in the Watts area, over 103rd Street and Tweedy Boulevard, for the purpose of serving this plant. Although this operation was on a five (5) cent basis both certificates were abandoned by authority of this Commission due to lack of patronage. There is nothing in this record that would show conditions have changed to such an extent that any considerable volume of patronage might be expected to flow to this applicant's service if it were inaugurated.

While it is true that there is no service on the identical streets over which this applicant proposes to operate, the record clearly shows that the Pacific Electric Railway Company maintains and operates a motor coach service from Huntington Park to Long Beach over Pacific Avenue and Long Beach Boulevard, which at many points

crosses the line proposed to be operated by this applicant, and at many other points is in proximity to this line. In addition, the proposed service would parallel the existing Santa Ana rail line of the Pacific Electric Railway Company in the city of Lynwood between the intersection of State Street and Flower Street, and Flower Street and Long Beach Boulevard at a distance of one short block to the south. The testimony shows that in this area the Pacific Electric Railway Company's rail line performs a local service.

The Pacific Electric Railway Company operates thirty-seven schedules daily between Huntington Park and Compton Boulevard, twenty-eight of which make the through trip to Long Beach. Headways of this service vary from a minimum of fifteen minutes during the peaks to a maximum of one hour during the late evening, and service is operated from 6:17 A.M. until 12:30 A.M.

Careful analysis of the record in this proceeding leads to the conclusion that there is justification for a service over the route and of the type proposed by this applicant between Compton and the business section of Lynwood, but we are of the opinion that the area between Lynwood and South Gate is provided with ample transportation by the Pacific Electric Railway Company's Huntington Park - Long Beach line. Based on this conclusion a certificate will be granted between Compton and Lynwood and the request for a certificate over the remainder of the proposed route will be denied.

Guy C. Lyons 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 limited in any respect to the number of rights which may be given.

O R D E R

A public hearing having been had in the above-entitled proceeding, 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 Guy C. Lyons of an automotive service for the transportation of passengers, as a passenger stage corporation, as that term is defined in section 24 of the Public Utilities Act, between Compton and Lynwood and intermediate points, as an extension and enlargement of the right heretofore created by Decision No. 29341, over the following described route:

Beginning at the intersection of Compton Boulevard and Willowbrook Avenue, thence in an easterly direction on Compton Boulevard to Santa Fe Avenue; north on Santa Fe Avenue to Flower Street; east on Flower Street to Long Beach Boulevard; north to Platt Avenue; east on Platt Avenue to California Avenue; north on California Avenue to the northerly end of the route at Imperial Highway.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby granted to Guy C. Lyons, subject to the following conditions:

1. The authority herein granted shall lapse and become void if applicant shall not have complied with all of the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.
2. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
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.

IT IS FURTHER ORDERED that the application herein in all other respects is hereby denied.

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

Dated at San Francisco, California, this 13th day of February, 1940.

Ray C. Rice
Stanley D. ...
Raymond ...
M. ...
Justus J. ...
COMMISSIONERS