

ORIGINAL

Decision No. 33053.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
LOS ANGELES RAILWAY CORPORATION for an
in lieu certificate for its motor coach
lines.

34th Supplemental
Appl. No. 19179.

BY THE COMMISSION:

SUPPLEMENTAL OPINION AND ORDER

In the above numbered supplemental proceeding, Los Angeles Railway Corporation seeks the Commission's authority for the temporary substitution of motor coach service for the "L" line rail service between Olympic Boulevard and Westmoreland Avenue and between Olympic Boulevard and Muirfield Road.

The City of Los Angeles has been making certain street improvements upon and along Olympic Boulevard at and near Vermont Avenue and at and near Gramercy Drive. Applicant has received notice from the City of Los Angeles that on the 29th day of April, 1940, it will be necessary for the City of Los Angeles to sever the rail line of the "L" rail service and to remove the car tracks thereof at or about the intersection of Olympic Boulevard and Vermont Avenue and at or about the intersection of Gramercy Drive. Efforts have failed to obtain a postponement of said removal of car tracks, in order that the motor coach service of Los Angeles Motor Coach Company, as authorized by this Commission's Decision No. 32748, dated January 23, 1940, on Sixteenth Supplemental Application No. 18820, might be instituted.

Due to the continuing construction work on Olympic Boulevard which, during the temporary service, may interfere with that portion of the route which is to be operated on Olympic

Boulevard, applicant also desires authority to reroute said temporary motor coach service, as occasion demands, either one block to the north or one block to the south of the route heretofore followed by the "L" rail line between Olympic Boulevard and Westmoreland Avenue and Olympic Boulevard and Muirfield Road.

No changes in fares or headways are proposed and the application has been approved by the Board of Public Utilities and Transportation of the City of Los Angeles.

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

Los Angeles Railway Corporation 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.

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 applicant, as a passenger stage corporation as defined in Section 2½ of the Public Utilities Act, of an automotive passenger stage service for the transportation of passengers over the following route:

Commencing at Olympic Boulevard and Westmoreland Avenue, where a connection will be made with the temporary end of the "L" Rail Line service, thence via Olympic Boulevard, Elden Avenue, 11th Street, Catalina Street, Olympic Boulevard, Manhattan Place, San Marino Street, Westchester Place and Olympic Boulevard to Muirfield Road and Olympic Boulevard, returning via the same route in reverse direction;

to be considered as a part of the in lieu certificate granted by Decision No. 27052, dated May 14, 1934, in this proceeding.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service is hereby granted to Los Angeles Railway Corporation, 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) Rates of fare in volume and effect shall be identical with the rates and rules now in effect on said "L" rail car line.
- (3) The certificate of public convenience and necessity herein granted is temporary, only, and shall expire on June 15, 1940, or upon institution of service by Los Angeles Motor Coach Company under the provisions of Decision No. 32748, if said service is established prior to June 15, 1940.
- (4) Applicant is authorized to deviate one block either to the north or to the south of the route above described, if, during the construction period, conditions arise which may warrant such deviation.
- (5) 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.
- (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.
- (7) 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 be effective on the date hereof.

Dated at San Francisco, California, this 30th day of April, 1940.

Ray L. Bailey
Frank A. Allen
Raymond A. ...
H. ...
Justin J. ...
Commissioners.