

Decision No. 33188 .

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.

**ORIGINAL**

33rd Supplemental  
Application No. 19179.

S. M. Haskins, General Counsel, Woodward M.  
Taylor, General Attorney, and Max E. Utt,  
Assistant General Attorney, for Applicant.

Clyde Woodworth, City Attorney, for the City  
of Inglewood, interested party.

BY THE COMMISSION:

SUPPLEMENTAL OPINION AND ORDER

The above entitled proceeding, filed by Los Angeles Railway Corporation, deals with a proposal to reroute, extend and abandon portions of its Fairview Heights motor coach line and Inglewood motor coach line and consolidate said operations into one line to be known as "Fairview Heights - Inglewood Motor Coach Line."

Public hearing was held before Examiner Ager at Los Angeles on May 27, 1940, at which time the matter was taken under submission, and it is now ready for decision.

Service on the Fairview Heights line was authorized by the Commission's Decision No. 20625, dated January 17, 1929, in Application No. 15309, and has been in continuous operation since February 16, 1929. Applicant's Inglewood line commenced operations on July 6, 1925, pursuant to the authority granted by Decision No. 15100, dated June 25, 1925, in Application No. 10973. Both lines are covered by the in lieu certificate granted by Decision No. 27052, dated May 14, 1934, in Application No. 19179. Minor changes have been made in the routes of each of these lines since the inception of the service but the same general areas are served as by the

original routes.

The record shows that during the past year substantial development has taken place in the territory known as Windsor Hills, located north of 59th Street and east of Overhill Drive and west of Escalon and Angeles Vista. A considerable portion of this area is in unincorporated territory of the County of Los Angeles and the remainder is in the City of Los Angeles. At the present time there are somewhat in excess of five hundred new homes located adjacent to Angeles Vista, most of which are now occupied, and the record indicates that the eventual development will result in there being more than one thousand new residences in this area. In addition, a shopping district to care for the needs of these persons is now under construction in the area bounded by Overhill Drive, Slauson Avenue and Angeles Vista Boulevard. Many requests have been made to the applicant for the establishment of service in the area.

Exhibit No. 6 shows that, for the period from February 16, 1929, to March 31, 1940, the Fairview Heights line was operated at a loss in excess of \$52,000 and this same exhibit shows that, for the period from July 6, 1925, to March 31, 1940, the Inglewood motor coach line operated at a loss of approximately \$123,000. Applicant introduced estimates purporting to show that, by consolidating the two routes in question and extending the service into the Windsor Hills area, better service and increased revenues would result. Exhibit No. 7 indicates that for the first year's operation the loss on the combined operation would be slightly less than \$8,000. The testimony further shows that it is anticipated that within twenty months after the commencement of the consolidated service, the line will be operating on a basis where it will pay its operating expenses and that from then on the operations should be conducted at a profit. As presently operated, the lines provide duplicate service to some of the area and the proposed consolidation will eliminate this. While some portions of each of the lines are to be

abandoned, Exhibit No. 5 shows that no one in the area now served will be more than one-quarter mile from the proposed new service and that considerable new area will be served. Numerous witnesses appeared and testified as to the need for the service and no opposition was expressed.

No changes in rates of fare will result from the proposed rerouting and consolidation but more frequent service will be provided and analysis of the record adduced at this hearing leads us to the conclusion that the proposal is in the public interest 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

Public hearing having been had, the matter having been submitted and the Commission being fully advised;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the consolidation of applicant's Fairview Heights motor coach line and Inglewood motor coach line into one line, to be known as the "Fairview Heights-Inglewood Motor Coach Line," for the transportation of passengers in the Cities of Los Angeles and Inglewood and in unincorporated territory of the County of Los Angeles, over a route described as follows:

Commencing at La Brea Avenue and Fairview Boulevard, Inglewood, thence via Fairview Boulevard, Buckler Avenue, Angeles Vista Boulevard, Valley

Ridge Avenue, 54th Street to 54th and Crenshaw Boulevard, thence via Crenshaw Boulevard, Slauson Avenue, Keniston Avenue, Gay Street, Hyde Park Boulevard, Florence Avenue, Centinella Avenue, La Brea Avenue, Queen Street to Market and Queen, Inglewood. Returning via Market and Regent Street to La Brea Avenue, thence over the route named in reverse direction to Fairview Boulevard and La Brea Avenue;

instead of over the routes authorized by Decisions Nos. 27052 and 28400, both in this proceeding. The certificate herein granted is to be included as 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 be and it 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 the date hereof.
- (2) Applicant shall commence the service herein authorized within a period of not to exceed ninety (90) days from the effective date hereof and shall file, in triplicate, and concurrently make effective, on not less than one (1) 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 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 (5) 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 municipalities may require.

For all other purposes, the effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 11<sup>th</sup> day of June, 1940.

Ray L. Rice  
Frederick W. Miller  
Raymond C. ...  
H. Baker  
Justus J. Calver  
Commissioners.