

Decision No. 33653

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Long Beach Motor Bus Company, a Cali-
fornia corporation, for an order of
this Commission authorizing the aban-
donment of one of applicant's motor
coach lines heretofore and now being
operated in Long Beach and environs
known as the Obispo Avenue line; and
for an order of this Commission auth-
orizing a change in the route of appli-
cant's motor coach line operating be-
tween Long Beach and Seal Beach.

First Supplemental
Application No. 23322.

ORIGINAL

BY THE COMMISSION:

Pursuant to the authority granted by this Commission's Decision No. 32933, dated March 26, 1940, in this proceeding, Long Beach Motor Bus Company operates a motor coach service between the City of Long Beach on the one hand and the City of Seal Beach on the other hand. The present easterly terminus of this line is at the intersection of Main Street and Electric Avenue in the City of Seal Beach. Case No. 4551, filed by the City of Seal Beach on September 4, 1940, names as defendants the Long Beach Motor Bus Company and asks that certain adjustments in fares and service as now rendered be made in the Seal Beach area for the benefit of potential Seal Beach patrons of the line involved.

Formal hearing in this proceeding was conducted before Commissioner Craemer at Seal Beach on Wednesday, November 6, 1940, and at this hearing the motor bus company agreed to make an extension of the line involved for a trial period of thirty days in an attempt to determine the volume of traffic originating in the area in question. The instant application is filed in compliance with the understanding reached at the hearing on Case No. 4551. No

changes in rates of fare are involved, no other carriers are affected and the parties are all in agreement as to the merits of the proposed trial operation. It appears that this is not a matter in which a public hearing is necessary and that the temporary certificate prayed for should be granted.

Long Beach Motor Bus 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 and operation by Long Beach Motor Bus Company of an automotive passenger stage service, as that term is defined in Section 24 of the Public Utilities Act for the transportation of passengers and baggage over the following described route, as an extension of the route as set forth in Decision No. 32933, dated March 26, 1940, in this proceeding:

From the present easterly terminus at the intersection of Main Street and Electric Avenue in the City of Seal Beach along Electric Avenue to Bay Boulevard, returning via reverse of the going route.

O R D E R

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service is hereby granted to Long Beach Motor Bus Company as an extension and enlargement of its existing

operations over the above described route.

This order is subject to the following conditions:

(1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed five (5) days from the date hereof;

(2) Applicant shall commence the service herein authorized within a period not to exceed five (5) days from effective date hereof, and shall retain in force and effect existing time schedules and tariff or tariffs containing rates, rules and regulations heretofore authorized by this Commission.

(3) The certificate herein granted for the extension shall be for a trial period of thirty (30) days from the date of commencement of service and if upon expiration of the trial period it is found that the revenue does not meet the out-of-pocket cost of providing the service the operation of the extension may be discontinued without further order of this Commission. In the event it appears desirable to discontinue such service, the public and the Commission shall be afforded one day's notice, said notice to the Commission to show the operating revenues and expenses of the extension during the thirty day trial period, and after that time service will continue to be operated over the route prescribed in Decision No. 32933 in this proceeding.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 9th day of November, 1940.

Ray A. Allen
Robert A. Allen
James J. Allen
Commissioners.