

Decision No. 23685.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of Asbury Rapid Transit System, a corporation, for Authority to operate its Authorized Transportation Common Carrier Service Between the City of Los Angeles on the one hand, via Glendale and Burbank, to San Fernando, on the other hand, via Certain Alternate Routes.

ORIGINAL

Application No. 23685.

- Rodney F. Williams, for Applicant.
- Max Eddy Utt, Assistant General Attorney, for Los Angeles Railway Corporation, Interested Party.
- H. O. Marler, for Pacific Electric Railway Company, Interested Party.
- Max Eddy Utt and H. O. Marler, for Los Angeles Motor Coach Company, Interested Party.
- Hyman Smith, for Airplane Manufacturing & Supply Corporation, Interested Party.
- C. C. Richards, Jr., for the Burbank Chamber of Commerce, Interested Party, and for City Manager Stites of the City of Burbank, Interested Party.
- Aubrey N. Irwin, City Attorney, by A. L. Lawson, Assistant City Attorney, for the City of Glendale, Interested Party.

BY THE COMMISSION:

O P I N I O N

The above numbered application, filed by the Asbury Rapid Transit System, seeks the Commission's authority to operate a common carrier transportation service between the City of Los Angeles, on the one hand, via Glendale and Burbank, and the City of San Fernando on the other hand, over an alternate route via Riverside Drive.

Public hearing was held before Examiner Ager at Los Angeles on October 18th, at which time the matter was duly submitted, and it is now ready for decision.

The application was verbally amended at the hearing in three respects, viz:

- (1) The proposed timetable was amended indicating that eight schedules per day would be provided instead of the three schedules as shown on Exhibit "C" attached to the application.
- (2) A minor change in the proposed route was made in the immediate vicinity of the Union Air Terminal at Burbank, so as to provide direct service to the Air Terminal Administration Building.
- (3) Exhibit No. 2, which is a complete passenger tariff and rules and regulations governing same between all points on applicant's system in Los Angeles County, was filed in lieu of Exhibit "B" attached to the application.

The record shows that applicant, pursuant to certificates of public convenience and necessity issued by this Commission, now operates, and for many years last past has operated, a motor coach service for the transportation of passengers from the City of San Fernando, on the one hand, to the City of Los Angeles, on the other hand, such service being rendered in the main over San Fernando Road and serving those portions of Burbank and Glendale directly tributary to that artery. It now appears that, due to substantial increases in the residential development, particularly in the City of Burbank west of Southern Pacific Company's main line tracks and south of the point where San Fernando Road crosses the Southern Pacific tracks, a need has arisen for rapid transportation to and from the City of Los Angeles. This need is accentuated by the further fact that tremendous development has taken place and is now taking place in the airplane industry, particularly at the Lockheed and Vega plants in the vicinity of San Fernando Road and Empire Avenue, and Empire Avenue and Hollywood Way, respectively. Further than this, the Union Air Terminal at Burbank is the scene of practically all of the arrivals and departures of commercial airplanes in the metropolitan area of the City of Los Angeles and there are some 850 terminal employees at this location who at the present time are entirely dependent upon private means of transportation between their homes and places of employment.

A witness testifying for the Vega Airplane Company stated that his organization is now erecting a building in the vicinity of Empire Avenue and Hollywood Way which, when completed, will enclose an area 25 acres in extent under one roof. Immediately upon completion of this one structure, 10,000 employees will be placed at work in the plant. Further plans for major extensions to the plant above described are now being developed. Similarly a witness for the Lockheed Aircraft Corporation testified that the number of employees engaged by his company had increased from 6,500 to 13,000 during the past year, with the probability that this number would be further increased to 25,000 before another year had passed.

The record is replete with evidence that one of the major problems incident to the growth of industry in these areas is the traffic problem and it is the universal opinion of persons apparently qualified to testify that the institution of mass transportation service through the area will, in a measure at least, tend to alleviate this condition. These same witnesses testified that the absence of public transportation results in an unsatisfactory condition because areas now needed for the development of their respective plants must be devoted to parking areas for employees' automobiles and this results in the creation of an almost unsurmountable obstacle in the way of traffic tie-ups at times when shifts are being changed. Further than this, lack of transportation has a serious effect upon the employment problem at these plants. At the present time the initial question which must be propounded to a prospective employee is whether or not he or she has means of traveling to and from the plant and a negative answer to this question precludes the possibility of employment.

The record indicates that, at a Council meeting held in Burbank on Tuesday, October 15th, the city went on record as endorsing the proposal to establish this service. The Commission's file contains a letter from the City Manager of the City of Burbank to this effect.

Many public witnesses appeared at the hearing and testified to the need for the service and many others have directed communications to the Commission in this same vein. Pacific Electric Railway Company and Los Angeles Railway Corporation, through their respective counsels, offered no objection to the granting of the certificate, provided applicant was willing to accept the restriction contained in Section VIII of the application. Applicant stipulated its willingness to accept a certificate with such a restriction.

The Pacific Electric Railway representative directed the Commission's attention to the fact that hearings on its application to operate service over the Arroyo Seco Parkway between Los Angeles and Pasadena were discontinued and removed from the Commission's calendar for the reason that, in the Commission's opinion, there was little to be served by issuing a certificate for such operation unless and until additional facilities were provided for handling traffic at the Los Angeles end of the proposed Parkway, where the Figueroa Street tunnels serve to bottle traffic to such an extent that at times the condition becomes almost intolerable. This does not appear to be an analogous situation, however, for the reason that whereas the opening of the Arroyo Seco Parkway will result in a tremendous volume of additional vehicular traffic presenting itself at the Figueroa Street tunnels for distribution, the application in which we are here concerned involves only the proposal to route a comparatively few additional motor coaches through these tunnels and we do not believe that this would add unreasonably to the congestion which now exists in this vicinity during peak hours.

There is no intention on the part of applicant to curtail the existing service between San Fernando and Los Angeles by way of the San Fernando Road route and thorough consideration of the evidence adduced at the hearing leads us to the conclusion that public convenience and necessity will be served by the establishment of the alternate route as proposed herein. The certificate will be granted.

Asbury Rapid Transit System 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.

ORDER

A public hearing having been held, 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 establishment and operation by Asbury Rapid Transit System of an automotive passenger stage service, as that term is defined in Section 22 of the Public Utilities Act, for the transportation of passengers and baggage over the following described alternate route, between the City of Los Angeles, on the one hand, and the City of San Fernando on the other hand:

Commencing at Union Bus Depot, 5th and Los Angeles Streets; thence via Los Angeles Street to Marchessault Street to Sunset Boulevard, thence via Sunset Boulevard to Castelar Street, thence via Castelar Street to North Figueroa Street, thence via North Figueroa Street to Riverside Drive, thence via Riverside Drive to Victory Boulevard, thence via Victory Boulevard to Victory Place, thence via Victory Place to the intersection of Empire Avenue and San Fernando Road, thence via Empire Avenue to an unnamed street just west of Hollywood Way, thence north to Union Air Terminal, thence over a private street to Hollywood Way, thence via Hollywood Way to San Fernando Road, thence via San Fernando Road to San Fernando; returning via the reverse of the going route to the intersection of Los Angeles Street and Fifth Street, thence east via Fifth Street to Maple Avenue, thence south via Maple Avenue to the entrance to the Union Bus Depot.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Asbury Rapid Transit System for automotive passenger stage service for the

transportation of passengers and baggage over the route above described, subject to the following conditions:

- (1) Applicant shall file its 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 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 (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, rules and regulations which, in volume and effect, shall be identical with the proposed rates, rules and regulations shown in the application, in so far as they conform to the certificate herein granted, or rates, rules and regulations 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 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.
- (4) The certificate herein issued is subject to the restriction that no passengers will be carried locally between the Union Bus Depot and the intersection of Riverside Drive and Victory Boulevard (Glendale-Los Angeles city limits).
- (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 under the certificate granted herein, unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (7) Applicant shall notify the Commission, in writing, within thirty (30) days after the establishment of service over the alternate route.
- (8) If the service herein authorized has not become effective within one year from the date

hereof, the authorization herein granted shall then lapse and become void, unless further time is granted by subsequent order.

- (9) The Commission reserves the right to issue such other and further orders in this matter as to it may appear just and proper or as may be required by public convenience and necessity.

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

Dated at San Francisco, California, this 7th day of December, 1940.

Ray L. Rice
Frank D. Weller
H. Baker
Justice D. Cameron
Commissioners.