

ORIGINAL

Decision No. 34648

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. )

Application No. 19179  
(40th Supplemental)  
(Extension and rerouting of  
Avenue 50 and El Paso Drive  
Line and renaming said line  
to be known as "Avenue 50  
and San Pascual Motor Coach  
Line No. 43").

BY THE COMMISSION:

OPINION AND ORDER

Los Angeles Railway Corporation on August 8, 1941, filed its application requesting authority to extend and re-route its Avenue 50 and El Paso Drive motor coach line No. 43 from its present terminus at the intersection of Avenue 50 and North Figueroa Street in the Highland Park district, north along Figueroa Street, Pasadena Avenue, and San Pascual Avenue to a new terminus at Ferrara Street in the district known as San Pascual Valley.

One motor coach is assigned to the present operation, the annual coach miles operated are 71,253, and the route which is 1.3 miles in length is as follows:

From Avenue 50 and North Figueroa Street via Avenue 50, El Paso Drive, and Toland Way to Mendota Avenue, Avenue 49, El Paso Drive, Avenue 50, Monte Vista, Avenue 50, and North Figueroa Street to Avenue 50.

To provide for the extension of two miles from Avenue 50 and North Figueroa Street to San Pascual Avenue and Ferrara Street, applicant states that one additional motor coach will be required and annual coach miles will be increased by 75,161. The only portion of the proposed route over which existing service is not already provided is along San Pascual Avenue for a distance of four-tenths of one mile.

In justification of the proposed service, applicant avoids reference to the probable effect the extension will have upon the financial showing of the line and states its position as follows:

"The proposed re-routing and extension is desired by applicant because of increasing demands for the extension of local service and connecting service to the San Pascual Valley located along and in the vicinity of San Pascual Avenue northerly from Pasadena Avenue, said demands having been recently increased by reason of the abandonment of service in this area formerly operated by the Asbury Rapid Transit System."

Several requests have been received from individuals and civic groups urging immediate granting of this application, without the formality of public hearing, upon the contention that there exists no opposition to the proposed extension, that the City of Los Angeles has authorized the service, that Los Angeles Railway is willing to provide the operation, and that the application is endorsed by numerous organizations and individuals having residences or business affiliations in the area affected.

Undoubtedly applicant has made a firm commitment to the people of the San Pascual valley to provide the service which they have requested, and has led them to believe this service will be inaugurated immediately. The application fails to show whether or not such a service can be rendered upon a compensatory basis. Considering the nature of the undertaking, a compensatory operation seems remote. Under ordinary circumstances, however, this would not necessarily be a controlling factor if other elements usually considered in determining public convenience and necessity were present. But where an applicant is before this Commission pleading financial distress,<sup>(1)</sup>

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(1) Application No. 22792, filed June 7, 1939, and amended April 10, 1940.

sound business management should compel a determination of the extent, if any, that the proposed service may become a burden on the other parts of the system. On the other hand, a definite promise by a utility to its patrons should not lightly be cast aside even though the management of the utility has failed to use sound judgment.

The application will be granted but the losses, if any, that may be attributed to the extension of this line, shall not be recognized as an element of this carrier's financial requirements when considering the matter of increased fares. Where the management of a utility, alleged to be in financial distress, blindly embarks upon doubtful ventures, its failure to exercise prudent judgment should be its responsibility and the losses, if any, should not be passed on to its patrons.

IT IS HEREBY ORDERED that:

I.

A certificate be and it is hereby granted to Los Angeles Railway Corporation for the operation of an automotive passenger stage service as that term is defined in Section 2 $\frac{1}{2}$  of the Public Utilities Act for the transportation of passengers between points in the City of Los Angeles, to be consolidated with the remainder of its operating rights, subject to the following conditions:

- (1) Written acceptance of the certificate herein granted shall be filed within a period of not to exceed thirty (30) days from the date hereof.
- (2) Said service shall commence within a period not to exceed ninety (90) days from the effective date hereof.

II.

In the operation of the passenger transportation service authorized under Section I above, Los Angeles Railway Corporation shall comply with and observe the following regulations:

- (1) Subject to the authority of this Commission to change or modify such at any time by further order, said passenger stage operation shall be conducted over and along the following described route:

Commencing at the intersection of San Pascual Avenue and Ferrara Street, thence via San Pascual Avenue, Pasadena Avenue, North Figueroa Street, Avenue 50, El Paso Drive, Toland Way to Mendota Avenue; return via Mendota Avenue, Avenue 49, El Paso Drive, Avenue 50, North Figueroa Street, Pasadena Avenue, San Pascual Avenue, Elgin Street, Avenue 67 and Ferrara Street to San Pascual Avenue.

For all other purposes, the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 7th day of October, 1941.

[Signature]  
[Signature]  
Justus J. Calender  
Francis J. Haverne  
[Signature]  
(Commissioners)