

Decision No. 37539

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)	
VICTORY RIDERS' CLUB, a corporation)	
for certificate of public convenience)	
and necessity to operate passenger bus)	Application No. 26289
service between Los Angeles and)	
Wilmington, California.)	

CLARENCE A. JONES, for applicant.

MAX EDDY UTT, Attorney for Los Angeles
Railway Corporation, protestant.

E. L. E. BISSINGER, for Pacific Electric
Railway Company, protestant.

BY THE COMMISSION:

O P I N I O N

Applicant, Victory Riders' Club, a California corporation, requests authority to establish and operate a service, as a common carrier for the transportation of passengers, between Los Angeles and the California Shipbuilding Corporation yard on Terminal Island, Wilmington, subject to local restrictions.

This matter was heard at Los Angeles before Examiner Chiesa on October 6 and 20, 1944. Evidence having been adduced and the matter submitted, it is now ready for decision.

The proposed route begins at the intersection of 35th Place and Western Avenue, thence along Western, Jefferson, Avalon, Pacific Coast Highway, Alameda and Henry Ford Avenue to "Calship" yard. The service is to be restricted to employees of California Shipbuilding Corporation and students of a welding school located on Avalon Boulevard near the intersection of Pacific Coast

(1) Highway. Applicant will operate two round trips daily, serving the daytime and "swing" shifts. Applicant plans to use two busses with a maximum capacity of approximately 64 passengers. The operation is at full capacity of the equipment, and as the passengers want to be assured of regular round-trip transportation, it is proposed that the fare will be on a weekly basis only. Tickets good for 12 rides (6 days) will be sold for \$3. No one-way nor daily round-trip fares are proposed. The lack of a provision for redemption or refund of unused commutation tickets was not justified. Applicant will be required to make appropriate provisions for such redemption.

C. F. Cotton testified that he is the president, a director, and manager of applicant corporation; that although the company has two other officers and directors, he is the only person having any financial interest in the corporation;

(1) The protestants withdrew after ascertaining that applicant did not propose to establish local service intermediate of said termini and that all passengers would either be destined to or originate at said shipyard or school.

(2) Proposed Schedule:

Leave Los Angeles	5:15 A.M. and 2:45 P.M.
Leave Calship	5:45 P.M. " 2:15 P.M.

Time for one-way trip approximately one hour and 30 minutes. Distance one way approximately 30 miles. When operating only one bus it will be necessary to "dead head" back to Los Angeles.

(3) A 1931 Studebaker bus with 1938 Buick engine and a bus with a 1940 La Salle motor. Applicant has a certificate of war necessity issued by the Office of Defense Transportation for the Studebaker only.

(4) As of August 31, 1944, applicant's financial condition was as follows:

<u>Assets:</u>		<u>Liabilities:</u>	
Cash	\$ 310.60	Accounts Payable	\$210.00
Machinery & Equipment	600.00		
Autos & Trucks	5,853.00		
	<u>\$6,763.60</u>		<u>\$210.00</u>

number of passengers now being carried averages about 60 per day; that estimated weekly gross revenue is \$180 and weekly operating expense about \$90.

Three witnesses testified that they use and need applicant's service; that they work at "Calship" and that this route is more direct and that applicant's service is otherwise more convenient and satisfactory than other available means of travel. The evidence also shows that nearly all of the workers who will use this service live near the intersection of Western Avenue and Jefferson Boulevard; that the only other means of public transportation is by street railway car to a transfer point with the Maritime Commission service operated by Pacific Electric Railway Company which takes 15 to 30 minutes longer and would cost \$3.18 per week. The testimony disclosed other factors favoring applicant's service.

While it appears that C. F. Cotton has been operating this service, first as an individual and later as applicant corporation, without a certificate of public convenience and necessity, it is also true that this resulted from his misunderstanding of the requirements of the Public Utilities Act and that upon being informed of the provisions of said Act, he had his attorney file this application. In view of the circumstances and the showing of an urgent public need for this proposed service, we believe the taint of illegality attached to his prior operations has been sufficiently overcome.

A review of the record herein appears to justify the conclusion and a finding that the proposed service is a necessary one, and is in the public interest. The application, therefore, will be granted.

Victory Riders' Club, a corporation, is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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 to the number of rights which may be given.

O R D E R

Public hearing having been held in the above-entitled proceeding, the matter having been submitted, and the Commission being fully informed,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity is hereby granted to Victory Riders' Club, a corporation, authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers between Los Angeles and the California Shipbuilding Corporation yard on Terminal Island, subject to the following condition:

Service shall be limited to the transportation of employees of the California Shipbuilding Corporation at Terminal Island and students of the welding school located on Avalon Boulevard near the intersection of Pacific Coast Highway, and all passengers must either be destined to or originate at said shipyard or school.

(2) That applicant is hereby authorized to establish the fare referred to in the foregoing opinion except that such fare shall be made subject to appropriate redemption and refund provisions.

(3) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
2. Applicant shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time schedules within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify it at any time by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following route:

Beginning at the intersection of 35th Place and Western Avenue in Los Angeles, thence along Western Avenue, Jefferson Boulevard, Avalon Boulevard, Pacific Coast Highway (U. S. Highway No. 101), Alameda Avenue, Henry Ford Avenue, to the California Shipbuilding Corporation yard on Terminal Island.

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

Dated at San Francisco, California, December 12, 1944

Richard K. Karcher
Justus J. Cialuoni
Francis L. Havener
James E. Clark
Wm. H. Wallace
 COMMISSIONERS