

Decision No. 37988

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of the)
LOS ANGELES RAILWAY CORPORATION for a)
certificate to exercise rights and)
privileges under a street railway)
franchise granted by the city of Vernon,)
California.)

Application No. 26514

GIBSON, DUNN & CRUTCHER, by Max Eddy Utt,
for applicant.

THOMAS B. CASSIDY, City Attorney, for city
of Vernon, interested party.

BY THE COMMISSION:

O P I N I O N

Los Angeles Railway Corporation, now known as Los Angeles Transit Lines, a California corporation, requests a certificate that public convenience and necessity require the exercise of the rights and privileges under a franchise granted to applicant by the city of Vernon, being Franchise Ordinance No. 576 of said city.

A public hearing on this application was held before Examiner Chiesa in Los Angeles on May 10, 1945. No one appeared in opposition to the granting of the requested authority.

Franchise Ordinance No. 576 was adopted on December 5, 1944, became effective on January 7, 1945. It grants a franchise to applicant, its successors and assigns, to install, construct, maintain, and renew a double track railway over and along Santa Fe Avenue from the north city line of the city of Vernon to the south city line of said city. As to manner of operation, the franchise provides that the railway may be used for the transportation of persons and property and that the City Council may restrict or

regulate speed, kind of motive power, switching operations, type of equipment, quality and amount of service, location of passenger stops, etc. It also provides that the grantee shall pay to the city two per cent (2%) of the portion of the total gross receipts of grantee attributable to this franchise. ⁽¹⁾ The expiration date of said franchise is fifty (50) years from the effective date thereof. As required, applicant has filed with the City Clerk a faithful performance bond in the sum of twenty thousand (\$20,000) dollars. Other terms and conditions need not be detailed herein.

Applicant has operated street cars over Santa Fe Avenue for many years as part of its intercity transportation service. Tracks along this street were first installed between 1903 and 1906 under a franchise granted by the county of Los Angeles (Ordinance No. 79, New Series) which expired August 18, 1943. The original franchise contained no payment provisions but merely required the grantee to maintain the track area and keep the street in repair. Payments under the new franchise amount to \$1,006.01 for the period from August 14, 1943, to December 31, 1943, and \$2,939.37 for the year ending December 31, 1944.

(1) Section 13 of Franchise Ordinance No. 576 provides, in part, as follows:

"....the total gross receipts of grantee shall be the total gross receipts collected or received or in any manner gained or derived by the grantee from all transportation and from all other sources from the entire railway system owned or operated by grantee of which the tracks under this franchise are a part or to which they connect. The portion of the gross receipts attributable to said franchise, on which the two percent (2%) payment shall be made, shall be in the proportion which the total mileage under the franchise bears to the total mileage of the entire railway system owned or operated by grantee of which the tracks under this franchise are a part or to which they connect;....."

As applicant has operated its street railway services upon Santa Fe Avenue in the city of Vernon for many years, we find that public convenience and necessity require the continuance of said service.

The record shows that the aggregate cost to applicant of acquiring the new franchise and the certificate herein sought does not exceed \$200.

The authority granted herein shall be without prejudice to the exercise of all regulatory jurisdiction vested in the Commission over applicant common carrier.

The certificate of public convenience and necessity issued herein is subject to the provision of law that the Commission shall have no power to authorize the capitalization of the franchise involved herein, or this certificate of public convenience and necessity, or the right to own, operate, or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof, as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

O R D E R

A public hearing having been held upon the above application, and it being found that public convenience and necessity so require,

IT IS ORDERED that Los Angeles Transit Lines, a corporation, be and it is hereby authorized to exercise the rights and privileges granted by the city of Vernon pursuant to Ordinance No. 576, adopted December 5, 1944.

This order shall become effective on the twentieth day after the date hereof.

Dated at San Francisco, California, this 19th day of June, 1945.

R. Harold Redman
Justin F. Carpenter
Richard H. Hulse
Francis Brown
Leah L. Lavelle
COMMISSIONERS