

ORIGINAL

Decision No. 38741

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CHARLES B. HOLBROOK, doing business)
under the name of HOLBROOK TRANSIT)
COMPANY, for an extension of existing)
certificate of public convenience and)
necessity to operate passenger bus)
service and a re-routing and abandon-)
ment of a portion of a route.)

Application No. 26973

In the Matter of the Application of)
SOUTHERN CITIES TRANSIT, INC., a)
California Corporation for authority)
to operate certain schedules as a)
modification of service regulations)
and for a certificate of public)
convenience and necessity to operate)
a passenger stage service in the)
vicinity of Compton, Los Angeles)
County as an extension of Applicant's)
present operative rights.)

Application No. 27030

PHIL JACOBSON, for applicant in Application
No. 26973; protestant in Application No. 27030

HERBERT CALERON, for applicant in Application
No. 27030; protestant in Application No. 26973

EDWARD M. BEROL, for Long Beach Motor Bus Company;
P. J. SIEMONSMA, for Downey Chamber of Commerce;
L. A. GRETZ, for Bell Gardens Chamber of Commerce,
interested parties

BY THE COMMISSION:

O P I N I O N

The above-entitled matters were consolidated and
hearings were held at Los Angeles on January 17 and 18, 1946,
before Examiner Chiesa. Evidence having been adduced and
matters submitted, they are now ready for decision.

Applicants Charles B. Holbrook and Southern Cities
Transit, Inc. now operate as passenger stage corporations in

(1)
the same general area. Holbrook's present routes, material in the consideration of his application, are between Huntington Park and Downey via Bell Gardens, and between Downey and Bellflower. The Cities Transit routes, to be considered herein, are between Compton and Downey via Hollydale, and between Compton and Hynes.

Although each of said applicants is protesting the other's application, said applications contain requests for extensions of service, and a rerouting by Holbrook, which are not contested. The unprotected requests will be considered first.

Holbrook, as part of his application, seeks authority (1) to extend the Gage Avenue line from the intersection of Gage and Zindell Avenues to the intersection of Greenwood Avenue and Anaheim-Telegraph Road and (2) to reroute the Downey-Bellflower line between the intersection of Price Road and Alameda Street and the intersection of Gardendale Street and Cerritos Avenue by operating via Price Road, Downey Avenue, and Gardendale Street instead of Alameda Street, Lakewood Boulevard, and Cerritos Avenue.

The evidence of record is substantial and convincing that the proposed extension of the east Gage line would be in the public interest. The community proposed to be served is immediately north of Holbrook's terminus at Zindell Avenue and is known as Freeway Park. It is residential and industrial in character. There are approximately 106 homes and 500 residents in the area. The present line will be lengthened approximately seven-eighths of a mile and will connect with the Montebello Municipal Bus Line. No additional fare will be charged and the schedule will be hourly. There are no competing carriers.

(1) For convenience, applicants will hereinafter be referred to as Holbrook and Cities Transit.

The evidence also supports the proposed rerouting of Holbrook's Downey-Bellflower line. The only material source of revenue along the portion of the route proposed to be abandoned was the Consolidated-Vultee Aircraft Corporation plant located on Lakewood Boulevard, which has ceased operations. Otherwise, service along said route is not compensatory as this is a thinly settled area. Exhibit No. 16 shows that from December 23, 1945, to January 13, 1946, inclusive, applicant Holbrook picked up or discharged an average of only 12 persons daily along the route proposed to be abandoned which, on an average fare of 8½ cents (estimated) resulted in a daily revenue of one dollar and two cents (\$1.02). The secretary of the Downey Chamber of Commerce testified that he surveyed both routes and that there are approximately 597 homes along the new route as compared to not more than 50 scattered residences along the present line. If the new route is established a direct service to Downey and Bellflower will be available for hundreds of persons who are now without any public transportation facilities. No additional equipment will be necessary and there will be no change in fares and schedules except that the new fare-break point will be at the intersection of Gardendale Street and Imperial Highway.

(2) Applicant Cities Transit, as part of its application, as amended, requests a certificate for an alternate route between the intersection of Compton Boulevard and Garfield Avenue and the intersection of Main Street and Paramount Boulevard via Garfield Avenue, Gardendale Street, Center Street, and Main Street, in the

(2) Southern Cities Transit, Inc. was permitted to file a First Amended Application at the hearing. This amendment made a slight change in the proposed alternate route through Hollydale and requested authority to abandon service between the intersection of Imperial Highway and Rives Avenue and the intersection of Paramount Boulevard and Stewart & Gray Road. The additional route to serve Hollydale was not protested. The proposed abandonment and route change was vigorously objected to and will be discussed more fully in the body of this opinion.

community of Hollydale. This proposed service will operate through an area having approximately 2,600 homes and a population of 8,000. Applicant's present route along Compton and Paramount Boulevards, between the same intersections, will be continued but is not considered adequate for persons with homes and businesses located westerly of Paramount Boulevard. All of this proposed alternate route comes within one of applicant's present five-cent fare zones. A fifty-minute schedule will be maintained. Applicant estimates a gross revenue of \$51.52 and expense of \$45.90 per day at commencement of operations, with an increase in revenues as the new service becomes known to the public. Residents and businessmen of Hollydale testified in support of the application for the proposed alternate route. The evidence clearly shows a public need for the service.

We come now to the contested portions of said applications.

Applicant Holbrook proposes to extend his present operation from the intersection of Orchard and Flower Avenues in Bellflower westerly to the intersection of Thompson Street and Paramount Boulevard in Hynes, a distance of approximately two miles.

Applicant Cities Transit proposes to establish a new line from Compton easterly to Bellflower, via Hynes, terminating at the intersection of Bellflower Boulevard and Artesia Avenue, a distance of approximately six and a half miles. The proposed routes between Hynes and Bellflower are almost identical except that in Bellflower Holbrook proposes to operate along Flower Avenue and Cities Transit along Mayne Avenue, thence south on Bellflower Boulevard to Artesia Avenue. Cities Transit now operates a service between Compton and Hynes by way of Compton and Paramount Boulevards. Its new service between said cities will operate over Olive Street.

Between Hynes and Bellflower Holbrook's proposed fare

is seven cents and Cities Transit's is five cents. Holbrook would establish a half-hourly schedule from 5:15 a.m. to 6:50 p.m. and hourly thereafter, and Cities Transit will operate on a headway of 65 minutes between 5:45 a.m. and 11:15 p.m. Both operations will require an additional bus which applicants are ready and able to place in operation. Holbrook's proposed service would terminate at Hynes. On the other hand, passengers on the Cities Transit line could continue on to Compton or transfer to its other lines to Compton via Compton Boulevard, or to Clearwater, Hollydale, and Downey via Paramount Boulevard.

It is significant that applicant Holbrook called no public witnesses to testify in support of his application to establish a service between Bellflower and Hynes. (3) On the other hand, Cities Transit called five public witnesses to testify that its service is needed and would be more convenient for them than the service proposed by Holbrook. Counsel agreed by stipulation that an additional 30 persons who were present at the hearing would, if called, testify substantially to the same effect. The secretaries of the chambers of commerce of Bellflower, Hynes, and Compton testified that their respective organizations had considered the transportation services proposed by each applicant and that resolutions were passed favoring Cities Transit's proposed line between Compton, Hynes, and Bellflower. The evidence of record shows a need for bus transportation between said cities and that the route as proposed by applicant Cities Transit would furnish a more extensive service for which the public witnesses expressed a preference.

(3) On cross examination public witnesses called in support of the Cities Transit application stated that if Holbrook's service were established between Hynes and Bellflower they would avail themselves thereof to the extent of their needs. However, they all indicated a preference for the Cities Transit service because of its more extensive character.

As Long Beach Motor Bus Company operates a line from Long Beach to Bellflower, along Bellflower Boulevard, Cities Transit agreed to accept a restriction against local traffic on Bellflower Boulevard between Artesia and Mayne Avenues.

Both applicants have also requested authority to serve an area known as Downey Manor, located approximately two miles southwest of the city of Downey. This is a comparatively new residential community consisting of some 390 homes located between Rives and Julius Avenues and between Corey Street and Hondo Avenue. No public transportation is now available to residents in this community.

Holbrook proposes to serve Downey Manor and intermediate points by operating one additional bus westerly from Downey along 3rd Street, Old River School Road, Stewart & Gray Road, Rives Avenue, thence around the Manor on Hondo Street, Julius Avenue, and Rundell Street. Said line would also serve a residential area along Old River School Road north of the intersection of Pomeroy and Stewart & Gray Roads. ⁽⁴⁾ The proposed fare for this three-mile route is seven cents. The proposed service is from 5:45 a.m. to 11:50 p.m. with a 30- to 40-minute headway. The running time one way would be twelve minutes.

Cities Transit proposes a service to Downey Manor by rerouting its present Hynes-Clarwater-Downey line between the intersections of Imperial Highway and Rives Avenue, and Stewart

(4) Sixty persons residing along or near Stewart & Gray and Old River School Roads were present at the hearing to testify to need for a service as proposed by applicant Holbrook. Cities Transit was not protesting the establishment of a service to this area and it was stipulated that they would testify that there is a need for bus service north of Pomeroy Road as proposed by Holbrook.

& Gray Road and Paramount Boulevard, over Rives Avenue and Stewart & Gray Road instead of the present route along Imperial Highway and Paramount Boulevard. Rives Avenue is approximately three blocks westerly of and parallel to Paramount Boulevard. It constitutes the eastern border of the residential community known as Downey Manor. Applicant's present route in this territory, along Paramount Boulevard, serves approximately 300 homes west-ly, and some 94 homes easterly of said boulevard. If applicant is permitted to reroute over Rives Avenue several hundred residents who now have access to its Paramount Boulevard line would be deprived of a convenient service and it would become necessary for them to walk four to five blocks easterly to Downey Boulevard or two to four blocks westerly to Rives Avenue for transportation. Cities Transit presented no evidence that would justify an abandonment of its present operations along Paramount Boulevard. No showing was made that the line between Stewart & Gray Road and Imperial Highway is not remunerative. The record shows that there are approximately 400 homes within convenient walking distance of the present bus line. Furthermore, there is evidence that the residential area immediately east of the present route is rapidly developing, indicating a greater future need for the continuance of this operation.

Although Cities Transit's proposed route is somewhat shorter and its fare five cents, as compared to seven cents, all witnesses expressed a preference for the service which Holbrook desires to establish. ⁽⁵⁾ Not one public witness was called or appeared to testify for applicant Cities Transit's proposed route along Rives Avenue.

(5) Four public witnesses, and an additional 27 persons present at the hearing, by stipulation of counsel, supported Holbrook's proposed service between the city of Downey and Downey Manor.

The Downey Chamber of Commerce, by resolution (Exhibit No. 2), also supported the Holbrook application. Its secretary testified that there are 390 homes in Downey Manor and several hundred more residences intermediate thereof and the city of Downey along the proposed route; that he interviewed many prospective passengers concerning applicants' respective services and the choice greatly favored that offered by Holbrook.

The record is convincing that a need exists for passenger transportation service between Downey and the area known as Downey Manor and that a service as proposed by applicant Holbrook will more adequately meet the public need.

No other carriers appeared to protest the applications and no appearances were entered in behalf of any of the cities herein mentioned.

Upon consideration of the entire record in these proceedings we are of the opinion and find as follows:

(1) That public convenience and necessity require the establishment and operation of a passenger stage service between the city of Downey and Downey Manor, and between the intersection of Gage and Zindell Avenues and the intersection of Greenwood Avenue and Anaheim-Telegraph Road, as proposed by applicant Charles B. Holbrook; that the proposed route change between the intersection of Alameda and Price Road and the intersection of Gardendale and Cerritos Avenue is in the public interest; that public convenience and necessity do not require the establishment and operation of a passenger stage service between the cities of Bellflower and Hynes as proposed by applicant Charles B. Holbrook.

(2) That public convenience and necessity require the establishment and operation of a passenger stage service between the cities of Compton and Bellflower, and intermediate points, and between the intersection of Rosecrans and Garfield Avenues and the intersection of Main Street and Paramount Boulevard as proposed by applicant Southern Cities Transit, Inc.; that the proposed new route between the intersection of Imperial Highway and Rives Avenue and the intersection of Stewart & Gray Road and Paramount Boulevard and abandonment of the present operation between said intersections via Imperial Highway and Paramount Boulevard is not in the public interest.

Therefore, each of the applications herein will be granted in part and denied in part as hereinafter ordered.

In view of said findings applicant Holbrook's motion requesting a dismissal of the amended application of Southern Cities Transit, Inc., which requests authority to abandon a portion of its route along Paramount Boulevard and reroute via Rives Avenue, is denied.

Charles B. Holbrook and Southern Cities Transit, Inc., are 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.

ORDER

A public hearing having been held in the above-entitled proceedings, the Commission now being fully advised in the premises, and it having been found that public convenience and necessity so require,

IT IS ORDERED as follows:

I

(1) That a certificate of public convenience and necessity be, and it is hereby, granted to Charles B. Holbrook authorizing the establishment and operation of service as a "passenger stage corporation" as defined in Section 24 of the Public Utilities Act, for the transportation of passengers between Downey and Downey Manor, and intermediate points, and between his present terminal at the intersection of Gage and Zindell Avenues and the intersection of Greenwood Avenue and Anaheim-Telegraph Road, and intermediate points, as an extension and enlargement of his present operative rights.

(2) That in providing service pursuant to the certificate herein granted, Charles B. Holbrook shall comply with and observe the following regulations:

- (a) 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.
- (b) Applicant shall, within sixty (60) days from the effective date hereof and upon not less than one (1) day's notice to the Commission and the public, establish the service herein authorized and 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, tariffs and time schedules satisfactory to the Commission.

- (c) Subject to the authority of this Commission to change or modify such at any time, Charles B. Holbrook shall conduct said passenger stage operation over and along the following described route:

Beginning at the intersection of Downey Avenue and 2nd Street, in Downey, thence along 2nd Street, Paramount Boulevard, 3rd Street, Old River School Road, Stewart & Gray Road, Rives Avenue, Hondo Street, Julius Avenue, Rundell Street to its intersection with Rives Avenue.

Also, beginning at the intersection of Gage and Zindell Avenues, thence along Gage Avenue, Slauson Avenue, Greenwood Avenue to its intersection with Anaheim-Telegraph Road.

Applicant is authorized to turn his motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersection, or in accordance with local traffic rules.

- (3) That the description of Route 3 of the first ordering paragraph in Decision No. 32674, dated December 19, 1939, be, and it is hereby, amended to read as follows:

"3. Commencing at 3rd Street and Downey Avenue, thence along Downey Avenue, Alameda Street, Price Road, Donovan Street, Downey Avenue, Gardendale Street, Blodgett Avenue, Priscilla Street, Lakewood Boulevard, Gardendale Street to its intersection with Cerritos Avenue."

That in all other respects Decision No. 32674 shall remain in full force and effect.

- (4) That the first ordering paragraph in Decision No. 35318, dated May 5, 1942 be, and it is hereby amended to read as follows:

"IT IS ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Charles B. Holbrook, authorizing him to operate a passenger stage corporation, as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers and their baggage between the intersection of Gardendale Street and Cerritos Avenue in the county of Los Angeles, and the intersection of Bellflower Boulevard and Flower Avenue in Bellflower, serving all intermediate points, as an extension and enlargement of applicant's present operative rights."

That the route description in Paragraph 3 of the second ordering paragraph of said Decision No. 35318 be, and it is hereby, amended to read as follows:

"Beginning at the intersection of Gardendale Street and Cerritos Avenue, thence along Cerritos Avenue, Compton Boulevard, Bellflower Boulevard to its intersection with Flower Avenue in Bellflower."

That in all other respects Decision No. 35318 shall remain in full force and effect.

II

(1) That a certificate of public convenience and necessity be, and it is hereby, granted to Southern Cities Transit, Inc., a corporation, authorizing the establishment and operation of service as a "passenger stage corporation" as defined in Section 24 of the Public Utilities Act, for the transportation of passengers between Compton and Bellflower and intermediate points, and between Clearwater and Hollydale, and intermediate points, as an extension and enlargement of its present operative rights, subject to the following restriction:

(a) No passenger having both origin and destination along Bellflower Boulevard between Mayne Avenue and Artesia Street, both inclusive, shall be transported.

(2) That in providing service pursuant to the certificate herein granted, Southern Cities Transit, Inc. shall comply with and observe the following regulations:

(a) 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.

- (b) Applicant shall, within sixty (60) days from the effective date hereof and upon not less than one (1) day's notice to the Commission and the public, establish the service herein authorized and 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, tariffs and time schedules satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify such at any time, Southern Cities Transit, Inc., shall conduct said passenger stage operation over and along the following described routes:

1. Compton-Bellflower Route:

Beginning at the intersection of Compton Boulevard and Alameda Street, thence along Alameda Street, Olive Street to its intersection with Paramount Boulevard; also, beginning at the intersection of Paramount Boulevard and Jackson Street, thence along Jackson Street, Downey Avenue, Flower Street, Virginia Drive, Mayne Avenue, Bellflower Boulevard to its intersection with Artesia Street.

2. Clearwater-Hollydale Route:

Beginning at the intersection of Compton Boulevard and Garfield Avenue, thence along Garfield Avenue, Gardendale Street, Center Street, Main Street to its intersection with Paramount Boulevard.

Applicant is authorized to turn its motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersection, or in accordance with local traffic rules.

III

(1) That, except as authorized in Parts I and II of this Order, Application No. 26973 and Application No. 27030, as amended, are hereby denied.

The effective date of this order shall be twenty (20) days

from the date hereof.

Dated at San Francisco, California, this 5th
day of March, 1946.

Harold Ruden

Franklin Clark

Harold Rubel

Harold Hule

COMMISSIONERS