

Decision No. 32860

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the LOS ANGELES TRANSIT LINES for authority to temporarily discontinue street railway operation on a portion of Rail Line "F" and substitute therefor motor coach operation;

) Application No. 27211

and

In the Matter of the Application of the LOS ANGELES TRANSIT LINES for an in lieu certificate for its motor coach lines.

) Sixty-Fourth Supplemental Application No. 19179 (Temporary operation of Motor Coach Shuttle Line "F"-40)

Gibson, Dunn & Crutcher, by Max Eddy Utt, for applicant Charles W. Jones, Division of Highways, State of California, interested party.

O P I N I O N

In the above-numbered application, Los Angeles Transit Lines seek the Commission's authority to temporarily discontinue street railway passenger service on a portion of its "F" line and substitute therefor motor coach service.

Hearing in this matter was held before Examiner Hunter at Los Angeles on March 8, 1946, at which time it was duly submitted and is now ready for decision.

The record shows that on August 23, 1945, an informal conference was held, at which there were in attendance representatives of the City of Los Angeles, the Bridge Department of the Division of Highways of the State of California, and the Los Angeles Transit Lines, for the purpose of discussing the construction of certain bridges over freeways to be built in and about the metropolitan area of the City of Los Angeles. Three of these bridges involve streets carrying rail lines of Los Angeles Transit Lines. The primary

purpose of the conference was to determine, if possible, whether or not the carrier intended to perpetuate operation or to substitute motor coach service on these lines. If rail service was to be continued it would be necessary that the bridges incorporate certain features of design so as to permit them to carry the additional load imposed by rail traffic. Exhibit No. 1 shows that the parties participating in this conference had in mind that any such additional construction costs should be assessed to the Transit Lines. If, on the other hand, buses were to be operated as a substitute for rail service, the bridges could be designed accordingly and none of the costs assessed to the carrier.

The instant application is the result of a determination on the part of the Los Angeles Transit Lines to seek authority to temporarily discontinue rail service on that portion of its "F" line, operating on East 4th Street, east of Anderson Street, and substitute bus service. During the construction of the 4th Street bridge, it is proposed to terminate the "F" rail line on 4th Street immediately east of Anderson Street. Under this plan passengers would be required to transfer to the newly inaugurated bus line, the route of which is described as follows:

Commencing at the intersection of 4th Street and Anderson Street, thence via Anderson Street, 3rd Street, Boyle Avenue, 4th Street, Fresno Street, 2nd Street, Dacotah Street and 1st Street to the intersection of 1st Street and Fresno Street; return via Fresno Street, 4th Street, Boyle Avenue, 3rd Street, Glass Street and 4th Street to the point of commencement.

A witness for the Division of Highways of the State of California testified that the construction period would require approximately 450 days and that a second contract would permanently close 3rd Street. It therefor appears that the bus route as set

forth above should not be made permanent and that applicant should be permitted to make such deviations from this route as may be necessary during this construction period. Because of the uncertainty as to which streets may be closed or limited as to use during construction, it would seem that sufficient latitude should be allowed so as to permit applicant to operate over such streets in the vicinity of the westerly terminus as may be necessary. It therefore appears appropriate that in lieu of the specific route as described in the application, applicant should be permitted to make such deviations in the area bounded by 4th Street, State Street, 1st Street and Anderson Street as may from time to time become necessary by the exigencies of the occasion.

No changes in fares or transfer privileges are contemplated and headways on the proposed bus line will be equal to or greater than those now operated by the rail service.

The testimony indicates that this proposal is a portion of a four-year program on the part of applicant to substitute motor coaches for rail operation on approximately sixty-eight percent of its lines. The testimony further indicates that a request for complete abandonment of service on the "F" line has not been made at this time because of a desire on the part of applicant to withhold final decision pending the City's action based, among other things, upon the recommendations of a "Transportation Clinic" now engaged in studying the general transportation situation in Los Angeles.

Advertising for bids for construction of the 4th Street bridge was commenced shortly after date of the conference in August, 1945, and as a result, the contract was awarded. On February 4, 1946, the contractor advised applicant that the "F" line would be cut on

February 7 so as to permit construction to proceed, thereby necessitating motor coach service as of that date.

The Board of Public Utilities and Transportation of the City of Los Angeles at its meeting on February 1, 1946, approved the proposal, and a review of the record justifies the conclusion that the proposed bus operation will provide reasonable service to the public under prevailing conditions. The application will be granted.

Los Angeles Transit Lines 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. The 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

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

IT IS HEREBY ORDERED:

I. That Los Angeles Transit Lines is hereby authorized to temporarily discontinue rail passenger service over that portion of its "F" Rail Line east of the intersection of 4th Street and Anderson Street in the City of Los Angeles.

II. That a certificate of public convenience and necessity

be, and it is hereby, granted to Los Angeles Transit Lines authorizing it to establish and operate a passenger stage service as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers as a substitute for rail service on its "F" line east of Anderson Street, to be considered as a portion of the in lieu certificate granted by Decision No. 27052 in Application No. 19179.

In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following regulations:

- 1- Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty days from the effective date hereof.
- 2- The authority herein granted is temporary only and intended to cover that period during which construction on the bridge over the Santa Ana Freeway by the Department of Public Works of the State of California is in progress. In no case is this authority to cover a period in excess of eighteen months from the effective date hereof, unless further time is granted by subsequent order.
- 3- Subject to the authority of the Commission to change or modify it by further order, applicant shall conduct operations, pursuant to the certificate herein granted over and along the following route:

Commencing at the intersection of 4th Street and Anderson Street, thence via Anderson Street, 3rd Street, Boyle Avenue, 4th Street, Fresno Street, 2nd Street, Decotah Street and 1st Street to the intersection of 1st Street and Fresno Street; return via Fresno Street, 4th Street, Boyle Avenue, 3rd Street, Gless Street and 4th Street to the point of commencement;

provided, however, that during the construction period applicant is authorized to make such deviations from the route above described in the area bounded by State Street, 1st Street, Anderson Street and 4th Street, as necessity may demand, but the Commission shall be notified promptly of any such deviations.

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

Dated at San Francisco, California, this 26th
day of March, 1946.

Harold Anderson

Justus F. Greene

Ernest W. Clark

James H. Lowell

COMMISSIONERS