

ORIGINALDecision No. 38861

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of the)
 Stephens Transportation to establish two)
 bus routes in the handling of passengers)
 their baggage and express between Laguna)
 Beach and the Santa Fe Railroad Station)
 at Irvine, California, over unnumbered) Application No. 27136
 highway, known as "Laguna Canyon Road",)
 and the other route over highway 101 be-)
 tween the gate to Three Arch Bay and the)
 terminal at 219 Ocean Avenue, Laguna)
 Beach, California.)

O P I N I O N

(1)
 H. R. Stephens and J. Frank Wharton, copartners,
 doing business as Stephens Transportation, request authority
 to establish service as a common carrier for the transpor-
 tation of persons and their baggage or express in the city
 of Laguna Beach and vicinity.

H. R. Stephens has operated a motor bus service
 within the city of Laguna Beach since 1942 and it is now pro-
 posed to extend service in county territory to Irvine, via
 Laguna Canyon Road, and to Three Arch Bay along Coast Boulevard.

The proposed operation is favored by the city of
 Laguna Beach and civic organizations. Common carriers now
 serving in the area offer no objection to the application.

(1) The second amended application and documents filed in
 support thereof show that applicants have become partners
 in Stephens Transportation.

Two routes are now operated within the city; a so-called "boulevard run" along Coast Boulevard (U. S. Highway 101-A) from north to south city limits, and a "residential run" from downtown Laguna Beach over various streets east of Coast Boulevard. Said routes will be continued and, in addition thereto, it is proposed to inaugurate two new services from Laguna Beach, one northerly to Irvine, a distance of approximately 10 miles, and another southerly to Three Arch Bay, a distance of approximately three miles. Baggage or express incidental to the transportation of passengers will occasionally be carried.

Applicants state that the population of Laguna Beach is about 8,000; that no other strictly local passenger bus service is available to the residents of this vicinity; that a service is needed along the proposed route to Irvine for persons desiring to make train connections at Irvine and for some 650 persons living along said route between Laguna Beach and El Toro Road; that there are approximately 1,050 persons in business or residing along the proposed extension southerly along Coast Boulevard to Three Arch Bay.

Proposed fares within the city of Laguna Beach will be ten cents (10¢) with half fare for children under 12 years of age. The fare to Three Arch Bay and to El Toro Road, each approximately three miles distant from the city terminal, will also be ten cents (10¢). The fare to Irvine will be thirty cents (30¢) one way and fifty-five cents (55¢) round trip.

At present only one schedule will be operated to Irvine, at 1:45 p.m., to meet a northbound Santa Fe train to Los Angeles. Schedules to El Toro Road will be on an hourly headway between 7:45 a.m. and 9:45 p.m. The Three Arch Bay schedule will also operate hourly between 7:15 a.m. and 10:15 p.m. The present "boulevard route" schedule is half-hourly between 7:00 a.m. and 10:30 p.m. and the "residential route" hourly from 9 a.m. to 6:20 p.m.

Now in use are two 1939 Dodge, 21-passenger buses and one 1937 International, 19-passenger bus. It is proposed to add one 1941, 33-passenger Dodge and one 25-passenger Ford bus.

Both applicants are experienced in the type of operation proposed herein.

Having fully considered this matter, the Commission is of the opinion and finds that the proposed service is necessary and in the public interest and, therefore, the application will be granted. A public hearing is not necessary.

H. R. Stephens and J. Frank Wharton 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.

O R D E R

Application having been made in the above-entitled matter, and the Commission having found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to E. R. Stephens and J. Frank Wharton, copartners, authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 2½ of the Public Utilities Act, for the transportation of persons and baggage or express incidental to the transportation of passengers, and limited to 100 pounds per shipment transported on passenger-carrying vehicles, between Laguna Beach, on the one hand, and Irvine and Three Arch Bay, on the other hand, and intermediate points.

(2) That in providing service pursuant to the certificate herein granted, the following service regulations shall be complied with:

- (a) Applicants 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) Applicants 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 Orders No. 79, No. 80, and Part IV of 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, E. R. Stephens and J. Frank Wharton shall conduct said passenger

stage operation over and along the following described streets, highways, or routes, or any combination thereof:

Beginning at the north city limits of Laguna Beach on Coast Boulevard (U. S. Highway 101-A) thence along Coast Boulevard to Three Arch Bay.

Beginning at the intersection of Coast Boulevard and Ocean Avenue, thence along Ocean Avenue, Third (3rd) Street, Laguna Canyon Road, Laguna Avenue, U. S. Highway 101, Central Avenue (in Irvine), to the Atchison, Topoka and Santa Fe Railway Company station.

Beginning at the intersection of Coast Boulevard and Broadway, thence along Broadway, Beach Street, Forest Avenue, First (1st) Street, Park Avenue, Saint Ann's Drive, Wilson Street, Thalia Street, Temple Terrace, Oak Street, Catalina Street, Cress Street, Carmelita Street, Mountain Road, Catalina Street, Calliope Street, Gleneyre Street, Bluebird Canyon Drive, Catalina Street, Ruby Street, Gleneyre Street, Diamond Street to its intersection with Catalina Street. Also, along Catalina Street between Cypress and Cress Streets. Also, beginning at the intersection of Catalina and Oak Streets, thence along Catalina Street, Thalia Street, Gleneyre Street, Forest Avenue to its intersection with Beach Street.

Beginning at the intersection of Broadway and Beach Street, thence along Broadway, Cliff Drive, Rosa Bonheur Drive, Cypress Drive, Linden Street, High Drive, Hawthorne Road, Monterey Drive to its intersection with Cypress Drive.

Applicants are authorized to turn their 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.

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

Dated at Los Angeles, California, this 16th day of April, 1946.

Harold Rubin
Justus F. Craven
Francis Gray
Harold H. Kule
COMMISSIONERS