

Decision No. 39143

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC  
ELECTRIC RAILWAY COMPANY, and LOS ANGELES  
TRANSIT LINES (LOS ANGELES MOTOR COACH LINES)  
to exercise rights and privileges under a  
bus franchise granted by City of Los Angeles.

ORIGINAL  
Application  
No. 27454

C. W. CORNELL, Attorney, for Pacific Electric Railway  
Company.

GIBSON, DUNNE & CRUTCHER, by MAX EDDY UTT, Attorneys,  
for Los Angeles Transit Lines.

K. CHARLES BEAN, Chief Engineer, Department of Public  
Utilities and Transportation, and ROGER ARNEBERG,  
Assistant City Attorney, for the City of Los Angeles.

O P I N I O N

Pacific Electric Railway Company and Los Angeles Transit Lines make appli-  
cation for certificate to exercise a franchise granted to them jointly by the City  
of Los Angeles by Ordinance No. 90279, adopted March 25, 1946, which franchise  
permits the joint operation by these two corporations of motor coach service under  
the designation of Los Angeles Motor Coach Lines.

Separate decisions are being rendered this day granting certificates to  
each of these applicants to exercise franchises covering their respective street  
railway and motor coach operations, exclusive of the motor coach operations which  
they conduct jointly under the fictitious title of Los Angeles Motor Coach Lines.  
The decision being rendered in Application 27425 of Los Angeles Transit Lines  
sufficiently explains the circumstances leading up to the granting of the franchise  
here involved.

The motor bus operations conducted under the designation of Los Angeles  
Motor Coach Lines have been authorized by this Commission by certificates granted  
to these applicants jointly. The separate franchise now granted by the City of

Los Angeles to the two applicants jointly is in recognition of the Commission's precedents in the treatment of these joint bus operations as a distinct operating entity. With the granting of the franchise here involved, therefore, Pacific Electric Railway Company and Los Angeles Transit Lines will have been granted franchises covering all of the street railway operations and motor coach operations conducted by them either severally or jointly within the City of Los Angeles.

The provisions of the instant franchise are essentially the same as those incorporated in the other franchises obtained by each in so far as they cover their motor coach operations. The 2½% gross revenue fee provision is based upon the bus revenue miles operated under the franchise, and this is represented to constitute 91.62 percent of the total bus miles operated by Los Angeles Motor Coach Lines. The resulting annual payment to the City, based on the 1945 operations, is estimated to be \$92,298.00. The accrued fees since January 1, 1944 amount to \$216,748.39. The total cost incurred in procuring the franchise is \$750.00.

The Commission having found that a certificate should issue permitting these applicants to exercise the franchise granted for the conduct of their separately operated street railway and motor coach lines within the City, it is evident that a similar certificate should be given to exercise the franchise granted for their joint motor bus operations.

ORDER

Pacific Electric Railway Company and Los Angeles Transit Lines having filed a joint application for a certificate to exercise the rights and privileges under a motor bus franchise granted by the City of Los Angeles by Ordinance No. 90279, adopted March 25, 1946, and a public hearing have been had upon such application, the matter considered, and it appearing to the Railroad Commission and being found as a fact that public convenience and necessity so require,

IT IS ORDERED that those two companies be and hereby are granted jointly a certificate to exercise the rights and privileges granted by the City of Los Angeles by Ordinance No. 90279; this certificate, however, being subject to the following conditions:

1. That no claim of value for such franchise or the authority hereby granted in excess of the actual cost thereof shall ever be made by the grantees, their successors, or assigns, before this Commission or before any court or other public body.

2. The certificate hereby granted shall be without prejudice to the right and authority of this Commission hereafter to exercise fully all jurisdiction vested in the Commission by law with respect to the regulation of the operations and service of the applicant utilities.

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

Dated at Los Angeles, California, this 25<sup>th</sup> day of June, 1946.

Edward Rader  
Justin F. Casner  
Frank W. C... ..  
John M. Powell  
Harold S. ... ..

Commissioners.