

**ORIGINAL**Decision No. 44162

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 JOHN W. CLAYTON, doing business as )  
 Santa Ana-Garden Grove Bus Line, for ) Application No. 30444  
 a certificate of public convenience )  
 and necessity to operate a new passen- )  
 ger bus service. )

John W. Clayton in propria persona; H. O. Marler  
and R. O. Christensen for Pacific Electric Railway  
Company, interested party.

O P I N I O N

Applicant herein requests authority to conduct a passenger stage operation under Section 24 of the Public Utilities Act, for the transportation of passengers between Fourth and Main Streets in Santa Ana, on the one hand, and on the other, the intersection of Huntington Beach and Garden Grove Boulevards.

A public hearing was held in this matter at Santa Ana before Commissioner Craemer and Examiner Syphers, on January 10, 1950.

John W. Clayton is presently employed as the manager of the Santa Ana Bus Line, a local operation conducted entirely within the city limits of Santa Ana. While he proposes to continue in this capacity, he has no financial interest in the Santa Ana Bus Line other than that of an employee.

The equipment proposed to be used is a 1935 Fageol 29-passenger bus which is owned by applicant. It will be driven by Ralph O. Clayton, the son of applicant, and arrangements have been

made for the bus to be repaired in the shops of the Santa Ana Bus Line. The proposed operation will cover a route of approximately 8.8 miles in length. A minimum frequency of one hour is proposed, and the operation can be conducted with one bus.

The territory proposed to be served, while sparsely settled in part, is developing. The route will go through the community of Garden Grove and three housing developments in addition to the terminal points. The only existing service is that provided by the Pacific Electric rail line. This Commission has this day issued a decision in connection with the Pacific Electric Railway Company's Application No. 30095 wherein that company has been authorized to discontinue its rail passenger service between Bellflower and Santa Ana. Accordingly, when that decision becomes final there will be no service in the area other than that proposed by applicant. At the hearing, the Pacific Electric Railway Company appeared as an interested party and stated that there were no objections to this application provided that company's Application No. 30095 were granted so far as this territory is concerned. In addition to the territory now served by Pacific Electric Railway Company, this proposal will provide service to a new area near Huntington Beach Boulevard.

The fares<sup>(1)</sup> proposed for this operation appear reasonable and comparable with existing fares for similar services, and, according to this record, applicant is financially able to carry on the

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(1) In addition to the proposed fares set out in the application, an amendment was submitted at the hearing whereby applicant proposes to establish an overlapping zone in the vicinity of Euclid and Century Boulevards in the Garden Grove area.

proposed operation. If it should become necessary for an emergency bus to be used, the record indicates that applicant could secure one of the busses of the Santa Ana Bus Line for this purpose.

Upon full consideration of the evidence submitted in this record, we find that applicant's proposal is in the public interest and, accordingly, will be granted.

John W. Clayton 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. 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 filed, a public hearing having been held thereon, the Commission being fully advised in the premises and hereby finding that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to John W. Clayton, doing business as Santa Ana-Garden Grove Bus Line, authorizing the establishment and operation of a service as a passenger stage corporation, as

that term is defined in Section 2 $\frac{1}{4}$  of the Public Utilities Act, for the transportation of persons and their baggage, between Fourth and Main Streets, in the city of Santa Ana, on the one hand, and the intersection of Huntington Beach and Garden Grove Boulevards, on the other.

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

- (a) Within thirty (30) days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within sixty (60) days after the effective date hereof, and upon not less than five (5) days' notice to the Commission and the public, applicant shall 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, John W. Clayton shall conduct said passenger stage operation over and along the following described route:

Commencing at the intersection of North Main Street and West Fourth Street, in the city of Santa Ana, thence via Fourth Street, Broadway, Fifth Street, English Street, Seventeenth Street, Verano Street, Century Boulevard, Euclid Avenue, Garden Grove Boulevard, Jefferson Street, Larson Avenue, Huntington Beach Boulevard to its intersection with Garden Grove Boulevard, and return via the same route to the intersection of Fifth Street and Broadway in Santa Ana, thence via Fifth and Main Streets to the point of beginning.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day of May, 1950.

R. E. [Signature]  
Justus F. [Signature]  
Wesley [Signature]  
Harold [Signature]  
Fernando [Signature]  
COMMISSIONERS