

ORIGINAL

Decision No. 44341

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 INGLEWOOD CITY LINES, a California)
 corporation, for authority to abandon)
 certain passenger service presently)
 operated by it wholly within the City)
 of El Segundo.) Application No. 31114

In the Matter of the Application of)
 DEAN, WILLIAM K., AND DAVID M. CARSON,)
 individuals doing business as copartners,)
 under the firm name of CROSS TOWN BUS)
 LINES, for a certificate of public con-)
 venience and necessity, authorizing the)
 operation of a passenger stage business)
 between Hawthorne, California, on the one)
 hand, and El Segundo, California, on the)
 other hand, including certain intermediate)
 points (extension of operations).) Application No. 31289

In the Matter of the Application of)
 LOS ANGELES TRANSIT LINES for authority to)
 discontinue Los Angeles Airport Motor Coach)
 Line No. 68.) Application No. 31293

In the Matter of the Application of)
 SUNSET STAGES, a corporation, to alter and)
 extend existing service and for a certifi-)
 cate of public convenience and necessity to)
 operate passenger and bus service as a com-)
 mon carrier within the County of Los Angeles)
 (Airport Extension-Second).) Application No. 31305

Spencer and Harris, by Vernon P. Spencer, for applicant in Application No. 31114, and interested party in other combined matters; Gibson, Dunn & Crutcher, by Max Eddy Utt and Stanley M. Lanham, for applicant in Application No. 31293, and interested party in other combined matters; Ratzler and Bridge, by Collamer A. Bridge for applicant in Application No. 31305, and interested party in other combined matters; K. L. Kellough for North American Aviation Company, Robert A. Houseman, and K. Charles Bean for the City of Los Angeles, C. E. Smith for Douglas Aircraft, interested parties.

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O P I N I O N

The four named applications were consolidated for hearing inasmuch as all concerned passenger service to or from the same general locale. Applications No. 31114, Inglewood City Lines, and No. 31293, Los Angeles Transit Lines, request authority to abandon service, and Applications No. 31289, Cross Town Bus Lines, and No. 31305, Sunset Stages, request authority to extend service.

A public hearing was held on the four consolidated applications on June 1, 1950, at El Segundo, before Examiner Rogers. At that time and place evidence was presented on each application and the matters were submitted. They are now ready for decision.

In Application No. 31114, Inglewood City Lines, notice of the hearing and of the proposed abandonment was, according to the record, duly posted in applicant's terminals and in the bus affected by the proposed abandonment. There was no objection to the proposed abandonment other than by representatives of the North American Aviation Company and Douglas Aircraft Plant, both in El Segundo. The city of El Segundo has no objection to the proposed abandonment provided the abandoned service is replaced by a comparable service.

By Decision No. 36351, dated May 11, 1943, as amended by Decision No. 37523, dated December 5, 1944, this applicant was granted authority to operate a passenger stage service over and along the following route:

Beginning at the intersection of Queen Street and Market Street (Inglewood), thence southerly along Market Street to Manchester Boulevard, thence along Manchester Boulevard, Eucalyptus Avenue, Arbor Vitae Street, Inglewood Avenue, Imperial Highway, Sepulveda Boulevard, Maple Avenue, Main Street (El Segundo), Grand Avenue, Concord Street, Pine Street, terminating at its intersection with Main Street (El Segundo).

Said applicant proposes to abandon all of this route along Imperial Highway westerly from Douglas Street in the City of El Segundo, and along Sepulveda Boulevard, Maple Avenue, Main Street, and Grand Avenue.

By Decision No. 42334, dated December 21, 1948, this applicant was given authority to operate a passenger stage service along the following route:

Beginning at the intersection of Main Street and Maple Avenue, thence along Maple Avenue, Virginia Street, Grand Avenue to its intersection with Concord Street. Also, beginning at the intersection of Main Street and Mariposa Avenue, thence along Mariposa Avenue, Maryland Street, Palm Avenue, and Sierra Street to its intersection with Mariposa Avenue.

Said applicant proposes to abandon all of its services along the latter two routes. All portions sought to be abandoned are in the city of El Segundo with the possible exception that all or part of Imperial Highway between Douglas Street and Sepulveda Boulevard may be in the city of Los Angeles.

The evidence shows that, for the period from March, 1949, through April, 1950, the revenue arising out of the portions sought to be abandoned was \$7,235.30, an average of 12.78 cents per mile for 56,610 miles traveled. During the same period, the operating cost over the portion sought to be abandoned was \$19,207.77, an excess of \$11,972.47 over revenue. (1)

A traffic check made on April 26, 1950, showed a total of 97 passengers using this applicant's buses, over the routes sought

(1) Exhibit No. 4

to be abandoned, from Imperial Highway and Aviation Boulevard to Maryland Street and Mariposa Avenue⁽²⁾. The same check showed that 122 passengers used applicant's buses from El Segundo to Imperial Highway and Aviation Boulevard⁽³⁾. Applicant operates 18 round trips per day over the routes sought to be abandoned. During the said check period, applicant transported an average of under five and a half passengers per trip from Imperial Highway and Aviation Boulevard to Maryland Street and Mariposa Avenue, and an average of slightly under seven passengers per trip between Maryland Street and Mariposa Avenue and Imperial Highway and Aviation Boulevard.

The granting of the authority to make the requested abandonment will not leave the present passengers completely without public transportation. The Pacific Electric Railway Company operates a bus service making 41 round trips per day, as compared with applicant's 18, between the city of Redondo Beach and the city of Los Angeles, serving, enroute, the city of El Segundo. By means of public transportation it will be possible, although not as convenient as present transportation, to secure public transportation to or near the points now served by applicant and between which it now seeks to abandon service.

Upon full consideration of the record concerning Application No. 31114, it is found as a fact that applicant's service, proposed to be abandoned, has not recently been profitable and that public interest will not be adversely affected by the proposed abandonment. Accordingly, the application will be granted.

In Application No. 31293, Los Angeles Transit Lines, notice of the hearing and of the proposed abandonment was, according to

(2) Exhibit No. 3
(3) Exhibit No. 2

the record, duly posted in applicant's affected buses.

The city of Los Angeles stated it had no objection to the proposed abandonment provided it were shown that (a) revenues are not adequate to meet expense of operation and (b) other public transportation will be available in the area.

By Decision No. 35099, dated March 3, 1942, as amended by Decision No. 37238, dated August 1, 1944, as further amended by Decision No. 42412, dated January 12, 1949, this applicant was granted authority to operate a passenger stage service over and along the following route:

Commencing at the intersection of Imperial Highway and Hawthorne Avenue (west side), 116th Street, Hawthorne Avenue (east side) and Imperial Highway to the entrance road to Los Angeles Municipal Airport (about a half mile westerly from Inglewood-Redondo Road); also, from the intersection of Imperial Highway and Douglas Street, southerly on Douglas Street approximately one mile to the beginning of a highway constructed on private property.

Also, commencing at its present easterly terminal at the intersection of Imperial Highway and Hawthorne Boulevard, thence via Hawthorne Boulevard, La Brea Avenue, Market Street, Redondo Boulevard, Florence Avenue, and Crenshaw Boulevard to the intersection of Crenshaw Boulevard and 54th Street.

This applicant proposes to abandon all service along the routes described.

The authority granted by Decision No. 35099, as amended, expires 90 days after the declaration of peace following World War II, and applicant is not permitted to transport any passengers having both origin and destination in the area between the entrance to the Los Angeles Airport and the intersection of Firmona Avenue and Imperial Highway.

The service proposed to be abandoned was instituted in 1942, primarily for the purpose of serving war plants near the Los Angeles Airport. In 1943, this line transported 868,356

passengers, earning gross income of \$67,316.00, or 52.94 cents per bus mile. During the year 1949, 62,322 passengers were transported over this line, grossing, for the applicant, \$4,182.00, or 18.12 cents per mile. In April, 1950, 3,593 passengers were transported, grossing applicant \$242.00, or 13.42 cents per bus mile⁽⁴⁾. It costs applicant 38 cents per bus mile to maintain the service.

Abandonment of service as herein proposed will not leave employees of plants located on Imperial Highway without transportation to their homes located in Los Angeles, and intermediate points, including Inglewood, as Inglewood City Lines will continue to operate east on Imperial Highway from Douglas Street and into Inglewood, at which point public transportation is available into Los Angeles.

Upon full consideration of the record concerning this application, it is found as a fact that applicant's service, proposed to be abandoned, was originated in 1942 primarily for the purpose of serving war plants located in the vicinity of the Los Angeles Airport; that since the actual cessation of hostilities in World War II said line has been operating at a loss; and that public interest will not be adversely affected by the proposed abandonment. Accordingly, the application will be granted.

Application No. 31289, Cross Town Bus Lines, was unopposed. Applicant presently operates a service along Imperial Highway from Atlantic Avenue on the east to Hawthorne Avenue on the west. Applicant proposes to extend service along Imperial Highway from Hawthorne Avenue to California Street and thence southwest to Grand Avenue and Richmond Street in the city of El Segundo. Applicant has ample equipment to provide the service proposed⁽⁵⁾, and is an experienced passenger stage operator.

(4) Exhibit No. 8

(5) Exhibit B, Application No. 31289

One witness called by applicant to demonstrate a need for the services proposed was a representative of the Southern California Conference of Seventh Day Adventists. This witness stated that there are five Seventh Day Adventist schools located in Los Angeles, Inglewood, Gardena, and Lynwood. Forty students from El Segundo and vicinity attend these various schools. Of these 40, approximately one-half live east of Hawthorne Avenue, the present westerly terminus of applicant's line. There are thus only 20 of the Seventh Day Adventist pupils who might be benefited by applicant's proposed service in the event these schools should discontinue carrying children in the schools' own buses. At the present time, all the Seventh Day Adventist pupils are transported in equipment furnished by the schools. Witnesses representing Douglas Aircraft Company and North American Aviation Company testified that these plants, located on Imperial Highway between El Segundo Boulevard and Sepulveda Boulevard, had employees living in El Segundo who would need transportation into that city. They could, however, give no estimate of the number of employees who needed or desired public transportation from El Segundo Boulevard west along Imperial Highway into the city of El Segundo. The traffic check made on April 26, 1950, by the Inglewood City Lines⁽⁶⁾, shows that, with 18 round trips per day from Imperial Highway and Aviation Boulevard into El Segundo and reverse, Inglewood City Lines averaged less than five and a half passengers per trip from Imperial Highway and Aviation Boulevard into El Segundo, and less than seven passengers per trip from El Segundo to Imperial Highway and Aviation Boulevard.

(6) Exhibits 2 and 3, Application No. 31114, supra

Dean Carson, one of the partners in the applicant's bus company, stated that the applicant is willing to lose money in order to provide the service for which a certificate is requested. However, applicant is, at present, rendering extended service in the vicinity of Los Angeles and applicant's profit and loss statement⁽⁷⁾ reflects an operation carried on a very small margin of profit, the net income for 1949 being shown as \$1,956.53.

Upon full consideration of the record concerning this application, it is found that public convenience and necessity do not require the inauguration of a service as proposed and that the inauguration of such service will jeopardize applicant's existing services. The application will, therefore, be denied without prejudice.

Under Application No. 31305, Sunset Stages now operates a passenger stage service between Redondo Beach, Hermosa Beach, Manhattan Beach, Los Angeles Municipal Airport, Hawthorne, and Inglewood. It seeks to enlarge its present service by furnishing transportation along Imperial Highway between Aviation Boulevard and Sepulveda Boulevard, and along Sepulveda Boulevard between Imperial Highway and Rosecrans Avenue.

This applicant states that the reason it has requested the proposed extension is that it has received numerous requests from persons residing in the cities of Redondo Beach, Hermosa Beach, and Manhattan Beach and adjacent territory, for transportation service between said cities and Los Angeles International Airport by more direct route than that presently provided by applicant, and that said transportation between said points be reduced in point of time required between them. The evidence also showed that there

(7) Exhibit C, Application No. 31289

have been developments in Manhattan Beach in the past few months which will require additional transportation to North American and Douglas Aircraft, and, further, that there have been recent housing developments along the east side of Aviation Boulevard which make additional transportation along Sepulveda Boulevard necessary. Applicant proposes to orient and coordinate the proposed extension with its presently rendered service.

Applicant has submitted proposed fares between Redondo Beach and the Los Angeles Airport, with suggested fare-break points.

There was no objection to the granting of the application.

Full consideration having been given to this matter, we are of the opinion, and find, that the proposed extension is required by public convenience and necessity and, therefore, this application will be granted.

Sunset Stages 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

Applications as entitled having been filed, a public hearing having been held thereon, the matters having been submitted, the Commission being fully advised in the premises and hereby finding that public convenience and necessity so require,

I

IT IS ORDERED:

(1) That Inglewood City Lines, a California corporation, be, and it hereby is, authorized to abandon and discontinue its passenger stage service over and along the following described route:

Beginning at the intersection of Douglas Street and Imperial Highway, along Imperial Highway, Sepulveda Boulevard, Maple Avenue, Main Street (El Segundo), Grand Avenue, Concord Street, Pine Street to its intersection with Main Street.

(2) That the operating rights conferred under authority of the certificate of public convenience and necessity granted to Inglewood City Lines, a California corporation, in the order in Decision No. 36351, dated May 11, 1943, as amended by Decision No. 37523, dated December 5, 1944, over the route described in paragraph I (1) of this order be, and the same hereby are, revoked and rescinded.

In all other respects, Decision No. 36351, dated May 11, 1943, as amended by Decision No. 37523, dated December 5, 1944, shall remain in full force and effect.

(3) That Inglewood City Lines, a California corporation, be, and it hereby is, authorized to abandon and discontinue its passenger stage service over and along the following described route:

Beginning at the intersection of Main Street and Maple Avenue, along Maple Avenue, Virginia Street, Grand Avenue to its intersection with Concord Street. Also, beginning at the intersection of Main Street and Mariposa Avenue, along Mariposa Avenue, Maryland Street, Palm Avenue, and Sierra Street to its intersection with Mariposa Avenue.

(4) That the applicant be, and it hereby is, authorized to cancel all fares, rules and regulations, and schedules applying to said described lines.

(5) That the operating rights conferred under authority of the certificate of public convenience and necessity granted to Inglewood City Lines, a California corporation, in the order in Decision No. 42334, dated December 21, 1948, over the route described in paragraph I (3) of this order be, and the same hereby are, revoked and rescinded.

In all other respects, Decision No. 42334, dated December 21, 1948, shall remain in full force and effect.

(6) That Inglewood City Lines, a California corporation, be, and it hereby is, authorized to cancel all fares, rules, regulations, and schedules applying to said portions of said passenger stage lines which it is authorized by paragraphs I (1) and I (3) of this order to abandon and discontinue.

II

IT IS HEREBY FURTHER ORDERED:

(1) That Los Angeles Transit Lines be, and it hereby is, authorized to abandon and discontinue its passenger stage service over the route described as follows:

Commencing at the intersection of Imperial Highway and Hawthorne Avenue, thence via Hawthorne Avenue (west side), 116th Street, Hawthorne Avenue (east side), and Imperial Highway to the entrance road to Los Angeles Municipal Airport (about a half mile westerly from Inglewood-Redondo Road); also, from the intersection of Imperial Highway and Douglas Street, southerly on Douglas Street approximately one-fourth mile to the beginning of a highway constructed on private property.

Also, commencing at its present easterly terminal at the intersection of Imperial Highway and Hawthorne Boulevard, thence via Hawthorne Boulevard, La Brea Avenue, Market Street, Redondo Boulevard, Florence Avenue, and Crenshaw Boulevard, to the intersection of Crenshaw Boulevard and 54th Street.

(2) That the applicant be, and it hereby is, authorized to cancel all fares, rules, regulations, and schedules applying to said described lines.

(3) That the operating rights conferred under authority of the certificate of public convenience and necessity granted to applicant in the order of Decision No. 35099, dated March 3, 1942, as amended by Decision No. 37238, dated August 1, 1944, as further amended by Decision No. 42412, dated January 12, 1949, over said described routes, be, and the same hereby are, revoked and rescinded.

(4) Nothing in subdivision II of the order shall be construed as a cancellation of the certificate issued by the Commission in its Decision No. 27552, dated November 26, 1934.

III

IT IS HEREBY FURTHER ORDERED:

That the application of Dean, William K. and David M. Carson, individuals doing business under the firm name of Cross Town Bus Lines, for a certificate of public convenience and necessity authorizing the operation of a service as a passenger stage corporation, as defined in Section 2 $\frac{1}{4}$ of the Public Utilities Act, be, and the same hereby is, denied without prejudice.

IV

IT IS HEREBY FURTHER ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to Sunset Stages, a corporation, authorizing the establishment and operation as a passenger stage corporation,

as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of persons along Imperial Highway between Aviation Boulevard and Sepulveda Boulevard and along Sepulveda Boulevard between Imperial Highway and Rosecrans Avenue, serving intermediate points, as an extension and enlargement of, and to be consolidated with, its present operative rights.

(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, Sunset Stages shall conduct said passenger stage operation over and along the following described route:

Along Imperial Highway between Aviation Boulevard and Sepulveda Boulevard, and along Sepulveda Boulevard between Imperial Highway and Rosecrans Avenue.

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 intersections, or in accordance with local traffic rules.

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

Dated at San Francisco, California, this 20th
day of June, 1950.

R. F. Indurain

Joseph L. Powell

Harold H. Hill

Herbert L. Potter
COMMISSIONERS