

ORIGINAL

Decision No. 48606

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HENRY LANDSHUT for certificate of)
public convenience and necessity to)
operate a bus service as a common)
carrier, around Lake Elsinore,)
commencing at Park Arms Hotel,)
Elsinore, California, and proceeding)
along Main Street to Graham Avenue;) Application No. 34162
thence along Graham Avenue to Lake-Shore)
Drive; thence on Lake-Shore Drive to)
Riverside Drive; thence along Riverside)
Drive to Grand Avenue; thence along)
Grand Avenue to Corydon Road; thence)
along Corydon Road to Highway 395; thence)
along Highway 395 back to Park Arms Hotel.)

O P I N I O N

Applicant requests authority to establish and operate a passenger stage service as a common carrier of passengers around Lake Elsinore, Riverside County, commencing at the Park Arms Hotel in Elsinore, and operating in a counterclockwise direction only, a distance of 21 miles to the starting point. The proposed service is not competitive.

As justification for the granting of this application, as amended, applicant states that local civic organizations and business establishments and residents have requested the service and have agreed to subsidize the operation for a period of not less than one year; that applicant will receive between two and three hundred dollars per month from various groups, businessmen, and others in exchange for advertising space and the assurance of public transportation for residents, visitors, and prospective customers; that additional estimated passenger revenue justifies inauguration of the service; and that the proposed bus service is in the public interest.

Six trips are proposed, leaving the Park Arms Hotel at 7:30 a.m., 9:30 a.m., 1:00 p.m., 3:00 p.m., 6:00 p.m., and 9:30 p.m. Applicant is now operating a successful taxicab business in Elsinore and vicinity and, if this application is granted, intends to buy a 16-passenger bus and make arrangements for leasing an additional bus to be used as a spare.

A financial statement filed as an amendment to the application shows applicant's tangible assets and liabilities to be \$29,200 and \$3,450, respectively, resulting in a net worth of \$24,750, not including the good will of his present taxicab business.

The City of Elsinore, Lake Elsinore Valley Chamber of Commerce, Lake Elsinore Realty Board, Grand Avenue Civic Association, Sedco District Association and the First National Bank of Elsinore are supporting applicant's request for a certificate of public convenience and necessity.

Applicant proposes to establish five zones and charge fares as set forth in amended exhibits "A" and "D". Fares begin at 15 cents for the first zone and additional 10 cents for each of the next two zones. Then the fares would be reduced 10 cents for each of the remaining two zones, this reduction being justified on the grounds of a one-way loop operation and the corresponding distances from the starting point.

The proposed zones and fares are as follows:

| Between: Zone and Zone | 1a | 2a | 3 | 2b | 1b |
|---------------------------------|-----------|-----------|-----------|-----------|----|
| 1a | 15 | | | | |
| 2a | 25 *45 | 15 | | | |
| 3 | 35 *65 | 25 *45 | 15 | | |
| 2b | 25 *45 | 35 *65 | 25 *45 | 15 | |
| 1b | 15 | 25 *45 | 35 *65 | 25 *45 | 15 |

* Round-trip fare

- Zone 1a - Between Park Arms Hotel and Loomis Beach.
- Zone 2a - Between Loomis Beach and the intersection of Lincoln Street and Riverside Street.
- Zone 3 - Between the intersections of Lincoln Street and Riverside Street and Corydon Street and Highway 71.
- Zone 2b - Between the intersections of Corydon Street and Highway 71 and Railroad Canyon Road and Highway 71.
- Zone 1b - Between the intersection of Railroad Canyon Road and Highway 71 and Park Arms Hotel.

This fare structure, although unusual, appears to be necessary as the proposed service would operate in one direction only and is requested on the theory that the amount of fare charged should be based on the shortest distance between the point of origin and the point of destination instead of the distance traveled and, also, because a passenger should not be penalized when having to involuntarily travel out of his way. Under the proposed fares some passengers would be charged more for a shorter distance than others for a longer distance.

Although Section 460 of the Public Utilities Code prohibits a carrier from charging or receiving a greater compensation for the transportation of persons for a shorter distance than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, said section also grants to this Commission the power to authorize a carrier to charge less for longer than for a shorter distance for the transportation of persons, upon application and in special cases, after investigation.

A Commission engineer has investigated applicant's proposed route, zones and fares and has reported favorably thereon.

Applicant having requested permission to charge the rates hereinbefore set forth, and the request having been investigated

and approved, we find this to be a special case meriting favorable consideration, and, therefore, authority to establish fares, as hereinabove set forth, will be granted.

The Commission having considered the application as amended, and the facts and circumstances pertaining thereto, finds that public convenience and necessity require the establishment and operation of a passenger stage service as proposed. The application will be granted. A public hearing is not necessary.

Henry Landshut 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, the Commission being fully advised in the premises and having found that public convenience and necessity require the proposed bus service and having also found special facts and circumstances meriting favorable consideration of applicant's proposed fares,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to Henry Landshut authorizing the establishment and operation of a passenger stage service, as defined

in Section 226 of the Public Utilities Code for the transportation of persons between the City of Elsinore and points and places situated on or in the vicinity of Lake Elsinore and intermediate points.

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

- a. Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- b. Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate and concurrently make 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, Henry Landshut shall conduct said passenger stage operation over and along the following described route:

Beginning at the Park Arms Hotel in the City of Elsinore, thence along Main Street, Graham Avenue, Lakeshore Drive, Riverside Drive, Grand Avenue, Corydon Road, Highway 71 (sometimes designated as Highway 395), to point of beginning.

(3) That applicant be, and he hereby is, authorized to charge fares as hereinabove set forth and to such extent, and until the further order of this Commission, he is relieved from the operation and requirements of Section 460 of the Public Utilities Code.

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

Dated at San Francisco, California, this 19th day of May, 1953.

R. J. [Signature]
President
Justus J. [Signature]
Harold S. [Signature]
[Signature]
[Signature]
Commissioners