

ORIGINAL

Decision No. 56998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SUNSET STAGES, a corporation, for a new certificate of public convenience and necessity for its routes presently served, and for authority to sell its operating rights together with all its equipment and inventory to SOUTHERN CITIES TRANSIT, INC., doing business as Cross Town Suburban Bus Lines.

Application No. 40136

O P I N I O N

By this application Sunset Stages, a corporation, operating a passenger stage service, generally, between Redondo Beach and Inglewood, and intermediate points, seeks an in lieu certificate for the purpose of clarifying its operating authority heretofore granted in numerous decisions of the Commission. It also requests authority to sell and transfer all of its operating rights, equipment and inventory to Southern Cities Transit, Inc., a corporation, doing business as Cross Town Suburban Bus Lines, also a passenger stage corporation, now operating suburban bus service in the area between Compton, Bellflower, Downey, Huntington Park, Whittier and La Mirada, as more specifically set forth in Decisions Nos. 55516 and 56588. The latter company has joined in the application.

The proposed in lieu certificate, with certain minor changes with which applicants concur, is recommended by the Commission's engineering staff. In view of the new residential

development along and westerly of Crenshaw Boulevard between Manchester Avenue and Century Boulevard, the Commission is of the opinion and finds that public convenience and necessity no longer require the retention of a restriction prohibiting service along said portion of the "Route No. 7 - Crenshaw Line."

As justification for the proposed transfer, it appears that Sunset Stages is encountering difficulties in maintaining the quality of service it has heretofore rendered and is desirous of retiring from the passenger stage business. The purchaser, Southern Cities Transit, Inc., on the other hand, is a larger and better integrated operation having lower operational costs and superior maintenance facilities. It has experienced management and personnel and its financial condition is sound. As of December 31, 1957, it had Total Assets of \$334,950.45, of which \$75,000 consisted of intangibles, and Total Liabilities of \$163,416.13, leaving a Net Worth of \$171,534.32, consisting of Capital Stock Outstanding \$45,000 and Surplus \$126,534.32. Its net profit in 1957 was \$7,720.83.

The agreement of sale, which was entered into subject to the approval of this Commission, provides for transfer and assignment, free and clear of any liens or encumbrances, of all of Sunset Stages' operating rights, equipment and inventory in consideration of the cancellation of a \$15,000 indebtedness now owing to Southern Cities Transit, Inc., by Sunset Stages. The operating right is valued at \$3,500 and the tangible property at \$11,500. Southern Cities Transit, Inc., has been operating Sunset Stages bus service

since May 1, 1958. It is proposed to continue said operations with the present rates, rules, regulations and schedules subject to any future desirable changes to be made with the further approval and consent of this Commission.

Having considered the matter the Commission is of the opinion and finds that public convenience and necessity require the granting of an in lieu certificate, and that the proposed sale and transfer of said operating authority, property and business is not adverse to the public interest. In making our order we place applicants on 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 as to the number of rights which may be given.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

In order to obviate some filings on the part of the seller, Sunset Stages, the Commission will first authorize the sale and transfer of the said operating rights and property to Southern Cities Transit, Inc., and the latter company will be granted a new certificate which will be in lieu of the present operating authority of Sunset Stages.

The application will be granted. A public hearing is not deemed necessary.

O R D E R

Application having been made, the Commission being fully advised in the premises, having found the facts as hereinabove set forth, and good cause appearing,

IT IS ORDERED:

(1) That Sunset Stages, a corporation, may sell and transfer, on or before sixty days after the effective date of this order, to Southern Cities Transit, Inc., a corporation, doing business as Cross Town Suburban Bus Lines, the operating authority, property and business hereinabove mentioned, said sale to be made substantially upon the terms and conditions as set forth in the agreement of sale filed as Exhibit B with this application, and Southern Cities Transit, Inc., may acquire said operating authority and shall continue the transportation service as herein authorized.

(2) That within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend tariffs on file with the Commission, naming fares, rules and regulations governing the operations involved in the preceding ordering paragraph (1) to show that Sunset Stages, a corporation, has withdrawn and Southern Cities Transit, Inc., a corporation, has adopted as its own said fares, rules and regulations.

(3) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern Cities Transit, Inc., a corporation,

authorizing the establishment and operation of service as a passenger stage corporation, as that term is defined in Section 226 of the Public Utilities Code, for the transportation of persons between the points and along the routes as set forth in Appendix A, attached hereto and made a part hereof, subject to the conditions and restrictions, if any, as set forth in said Appendix A.

(4) That the certificate of public convenience and necessity granted in paragraph (3) of this order is in lieu of and supersedes all existing certificates of public convenience and necessity or other passenger stage operating authority heretofore granted to or acquired by Sunset Stages, which certificates and rights are hereby revoked and cancelled.

(5) That in providing service pursuant to the certificate herein granted, Southern Cities Transit, Inc., shall comply 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. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 98, may result in a cancellation of the operating authority granted by this decision.
- b. Applicant shall continue to operate the service heretofore authorized until the effective date of this order, and within sixty days after said effective date, and on not less than five days' notice to the Commission and to the public, applicant shall continue the service herein authorized and file in triplicate, and concurrently make effective, appropriate tariffs and timetables.

(5) That in the event the authority herein granted is exercised, Southern Cities Transit, Inc., shall notify the Commission in writing of the fact within thirty days after the date of the transfer.

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

Dated at San Francisco, California,
this 15th day of July, 1958.

[Signature]
President

[Signature]

[Signature]

Commissioners

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Appendix A Southern Cities Transit, Inc.
(a corporation)

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Southern Cities Transit, Inc., by certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport persons between Redondo Beach, Hermosa Beach, Manhattan Beach, Hawthorne and Inglewood and territory intermediate and adjacent to said cities over and along the routes as hereinbelow described, subject to the following conditions:

That the authority to transport school children via alternate and special school routes is not an extension or enlargement of applicant's other certificated rights, but may be operated in conjunction therewith or separately for the transportation of school children only.

For operating convenience only, motor vehicles may be turned 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.

Subject to the authority of this Commission to change or modify said passenger stage operation at any time, applicant shall conduct said operation over and along the following route or routes:

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REGULAR PASSENGER ROUTESRoute No. 1 - Grant Line

Beginning at the intersection of Reese Road and Doris Way, thence along Reese Road, Linda Drive, Sharynne Lane, Doris Way, Roberts Road, Pacific Coast Highway, Avenue "I" Elena, Pacific Coast Highway, Torrance Boulevard, Pacific Avenue, Harbor Drive, Hermosa Avenue, Pier Avenue, Pacific Coast Highway, Pier Avenue, Redondo Beach Boulevard, 174th Street, Hawthorne Boulevard, La Brea Avenue and Market Street to its intersection with Regent Street.

Also, Diamond Street and Pacific Coast Highway between Pier Avenue and Pacific Avenue.

Also, Pacific Coast Highway between Elena and Avenue "I".

Return via reverse of the above.

Route No. 2 - Aviation Line

Beginning at the intersection of Pacific Coast Highway and Elena, thence along Pacific Coast Highway, Avenue "I", Elena, Pacific Coast Highway, Torrance Boulevard, Pacific Avenue, Harbor Drive, Hermosa Avenue, Pier Avenue, Redondo Beach Boulevard, Aviation Boulevard, Robinson Street, Aviation Boulevard, Manhattan Beach Boulevard, Johnston, Dow Avenue, Manhattan Beach Boulevard, Hawthorne Boulevard, La Brea Avenue and Market Street to its intersection with Regent Street.

Also, Manhattan Beach Boulevard between Johnston and Dow Avenue.

Also, Gould Lane, Pacific Coast Highway, Diamond Street between Pier Avenue and Pacific Avenue.

Return via reverse of the above.

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REGULAR PASSENGER ROUTES (Continued)Route No. 3 - Manhattan-Ocean Gate Line

Beginning at the intersection of Pacific Avenue and Torrance Boulevard, thence along Pacific Avenue, Harbor Drive, Hermosa Avenue, Greenwich Village, Manhattan Avenue, Manhattan Beach Boulevard, Highland Avenue, Rosecrans Avenue, Sepulveda Boulevard, Marine Avenue, Aviation Boulevard, Rosecrans Avenue, Ocean Gate Avenue, El Segundo Boulevard, Anza Avenue, Stacy Street, Tahoe Avenue, 124th Street, Broadway, Hawthorne Boulevard, La Brea Avenue and Market Street to its intersection with Regent Street.

Also, 12th Street and Manhattan Avenue between Highland Avenue and Manhattan Beach Boulevard.

Return via reverse of the above.

Route No. 4 - Inglewood Avenue Line

Beginning at the intersection of Pacific Avenue and Torrance Boulevard, thence along Pacific Avenue, Harbor Drive, Hermosa Avenue, Pier Avenue, Pacific Coast Highway, Gould Lane, Redondo Beach Boulevard, Vail Avenue, Robinson Street, Inglewood Avenue, El Segundo Boulevard, Hawthorne Boulevard, La Brea Avenue, and Market Street to its intersection with Regent Street.

Also, beginning at the intersection of Diamond Street and Pacific Avenue, thence along Diamond Street, Pacific Coast Highway, Pier Avenue, Manhattan Avenue, and 10th Street to its intersection with Hermosa Avenue.

Return via reverse of the above.

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REGULAR PASSENGER ROUTES (Continued)

Route No. 5 - Hawthorne Local Line

Beginning at the intersection of Hawthorne Boulevard and Redondo Beach Boulevard, thence along Hawthorne Boulevard, La Brea Avenue, and Market Street to its intersection with Regent Street.

Alternate Route for Transportation of
School Children Only

Beginning at the intersection of Hawthorne Boulevard and Rosecrans Avenue, thence along Rosecrans Avenue, Jefferson Street, and 142nd Street to its intersection with Hawthorne Boulevard.

Return via reverse of the above.

Beginning at the intersection of 182nd Street and Hawthorne Boulevard, thence along Hawthorne Boulevard, La Brea Avenue, and Market Street to its intersection with Regent Street.

Alternate Route for Transportation of
School Children Only

Beginning at the intersection of Hawthorne Boulevard and 147th Street, thence along 147th Street, Avis Avenue, and Rosecrans Avenue to its intersection with Hawthorne Boulevard.

Return via reverse of the above.

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REGULAR PASSENGER ROUTES (Continued)

Route No. 7 - Crenshaw Line

Beginning at the intersection of Redondo Beach Boulevard and Hawthorne Boulevard, thence along Redondo Beach Boulevard, and Crenshaw Boulevard to its intersection with Manchester Boulevard.

Return via reverse of the above.

Alternate Routes for Transportation of
School Children Only

Beginning at Manchester Boulevard, thence along Crenshaw Boulevard, 8th Avenue, 80th Street, and Crenshaw Boulevard to its intersection with Manchester Boulevard.

Beginning at Crenshaw Boulevard, thence along Century Boulevard, Yukon Avenue, and 104th Street to its intersection with Crenshaw Boulevard.

Route No. 8 - North Redondo Line

Beginning at the intersection of Torrance Boulevard and Pacific Avenue, thence along Pacific Avenue, Diamond Street, Maria Avenue, Beryl Street, Flagler Lane, Harriman Lane, and Rindge Lane to its intersection with Redondo Beach Boulevard.

Return via reverse of the above to the intersection of Diamond Street and Pacific Coast Highway, thence along Pacific Coast Highway and Torrance Boulevard to its intersection with Pacific Avenue.

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REGULAR PASSENGER ROUTES (Continued)

Route No. 9 - Airport Line

Beginning at the intersection of Torrance Boulevard and Pacific Avenue, thence along Pacific Avenue, Harbor Drive, Hermosa Avenue, Greenwich Village, Manhattan Avenue, Manhattan Beach Boulevard, Highland Avenue, Rosecrans Avenue, Sepulveda Boulevard, Imperial Highway, Aviation Boulevard, and Century Boulevard to Los Angeles International Airport.

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

Also, along 12th Street and Manhattan Avenue between Highland Avenue and Manhattan Beach Boulevard.

Return via reverse of the above.

Route No. 10 - Prairie Avenue Line

Beginning at the intersection of 174th Street and Prairie Avenue, thence along Prairie Avenue, Broadway, Hawthorne Boulevard, La Brea Avenue, and Market Street to its intersection with Regent Street.

Return via reverse of the above.

Route No. 11 - Kornblum Avenue Line

Beginning at the intersection of Doty Avenue and Manhattan Beach Boulevard, thence along Doty Avenue, Compton Boulevard, Kornblum Avenue, El Segundo Boulevard, Prairie Avenue, Broadway, Hawthorne Boulevard, La Brea Avenue, and Market Street to its intersection with Regent Street.

Return via reverse of the above.

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SPECIAL SCHOOL ROUTES FOR THE
TRANSPORTATION OF SCHOOL CHILDREN ONLY

Morningside and St. Joseph Schools - Route A

Beginning at the intersection of Manchester Boulevard and Crenshaw Boulevard, thence along Crenshaw Boulevard, 8th Avenue, 80th Street, 5th Avenue, Century Boulevard, Yukon Avenue, 104th Street, Crenshaw Boulevard, 135th Street, Prairie Avenue, 120th Street, Birch Avenue, 119th Street, and Acacia Street to 120th Street.

Return via reverse of the above.

Morningside and Monroe Schools - Route B

Beginning at the intersection of Manchester Boulevard and Crenshaw Boulevard, thence along Crenshaw Boulevard, 80th Street, 5th Avenue, Century Boulevard, Yukon Avenue, 104th Street, Crenshaw Boulevard, 88th Street, 5th Avenue, 84th Place, 8th Avenue, Crenshaw Boulevard, 104th Street, and 10th Avenue to Crenshaw Boulevard.

Return via reverse of the above.

Leuzinger and St. Joseph Schools - Route C

Beginning at the intersection of Redondo Beach Boulevard and Hawthorne Boulevard, thence along Hawthorne Boulevard, Rosecrans Avenue, Jefferson Avenue, 142nd Street, Inglewood Avenue, El Segundo Boulevard, Hawthorne Boulevard, 120th Street, Birch Avenue, 119th Street, and Acacia Street to 120th Street.

Return via reverse of the above.

St. Joseph School - Route D

Beginning at the intersection of Isis Avenue and Rosecrans Avenue, thence along Rosecrans Avenue, Ocean Gate Avenue, El Segundo Boulevard, Anza Avenue, Stacy Street, Tahoe Avenue, 124th Street, Broadway, Hawthorne Boulevard, 120th Street, Birch Avenue, 119th Street, and Acacia Street to 120th Street.

End of Appendix A

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