Decision No. 13177

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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| In the Matter of the Application of A.B.Watson, doing business under the firm name and style of Crown Stages, for authority to sell and transfer operative rights for the operation of automobile passenger and express service between Los Angeles and Santa Ana and intermediate points to Pickwick Stages, Northern Division, a corporation; and of the latter corporation to acquire and purchase the rights aforesaid together with certain equipment and personal property and to operate said service aforesaid in connection with and as a part of its auto transportation system both as a local and through service; and of the Application of Pickwick Stages, Northern Division, a corporation for a certificate of public convenience and necessity to operate an auto stage service for the transportation of passengers and express packages between Los Angeles and Anaheim and intermediate points; Santa Ana and Anaheim and intermediate points, and the right to serve any and all locals on a through route; and the right to establish any and all additional service between terminals and all intermediate points; and the right to establish any and all service between the terminal on one route and/or the terminal of another; and/or between an intermediate point of one route and/or between an intermediate point on another. | Application No.8431. |
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| In the matter of the Application of A.B.Watson, transacting business under the name of Crown Stages, for a certificate of public necessity and convenience. | Application No.7513. |
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| In the Matter of the Application of Motor Transit Company, a corporation, for a certificate of public convenience and necessity authorizing it to operate automobile stage lines for the transportation of persons, their baggage and express matter locally between the cities of Anaheim and Santa Ana, California, and in conjunction with and as a part of all other portions of applicant's existing stage line system. | Application No.8357. |



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| A. B. Watson, doing business under the name of Crown Stages,<br><br>Complainant,<br><br>vs.<br><br>Motor Transit Company, a corporation,<br><br>Defendant. | Case No. 1829. |
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| Motor Transit Company, a corporation,<br><br>Complainant,<br><br>vs.<br><br>A. B. Watson, doing business under the fictitious name of Crown Stages,<br><br>Defendant. | Case No. 1706. |

Kidd and Hardy, by Herbert W. Kidd, for Motor Transit Company, Complainant in Case 1706, Protestant in Applications Nos. 7513 and 8431, Applicant in Application No. 8357, and Defendant in Case No. 1829.

Clyde Bishop, Warren E. Libby and J. E. McCurdy for A. B. Watson, Proprietor Crown Stages, Complainant in Case No. 1829, Protestant in Application No. 8357, Applicant in Applications Nos. 8431 and 7513, and Defendant in Case No. 1706.

C. W. Cornell, for Pacific Electric Railway Company, Intervenor in Cases Nos. 1706 and 1829, Protestant in Applications Nos. 7513, 8431 and 8357.

C. W. Cornell and L. N. Bradshaw, for Southern Pacific Company, Protestant in Application No. 7513.

Mark Thompson, A. B. Roehl and Edward Stern, for American Railway Express Company, Protestant in Applications Nos. 8357, 7513 and 8431.

A. L. Whittle, for San Francisco-Oakland Terminal Railways, Protestant in Applications Nos. 8357, 7513 and 8431.

E. T. Lucey, for Atchison, Topeka & Santa Fe Railway Company, Protestant in Applications Nos. 8357, 7513 and 8431.

Devlin and Brookman, by Frank R. Devlin, for Franchise Carriers' Association, Protestant in Applications Nos. 8357 and 7513.

G. L. Hoodenpyle, City Attorney, for City of Long Beach, an interested party in Application No. 7513.

BY THE COMMISSION:

## O P I N I O N

In Application No. 8431, as amended, A. B. Watson, operating under the fictitious name of Crown Stages, requests the approval of the Commission authorizing the sale and transfer to Pickwick Stages, Northern Division, a corporation, of certain operative rights, equipment, furniture and fixtures and other personal property.

The operative rights proposed to be transferred cover a route extending from No. 515 North Main Street, Santa Ana, over the public highways to and through the City of Orange, City of Anaheim, City of Fullerton, Town of Buena Park, County of Orange, Town of La Mirada, Norwalk, Norwalk State Hospital, and Santa Fe Springs, in the County of Los Angeles, to a depot located at No. 558 South Los Angeles Street in the City of Los Angeles. Pickwick Stages, Northern Division, a corporation, joins in the application to purchase, acquire and hereafter operate over the route hereinbefore described, and separately and on its own behalf applies for a certificate of public convenience and necessity to operate auto stage service for the transportation of passengers and express packages between Los Angeles and Anaheim and intermediate points, Santa Ana and Anaheim and intermediate points, including the right to serve any and all local points on a through route and the right to establish any and all service between terminals and all intermediate points, and to establish any and all

service between the terminal on one route and/or the terminal of another, and/or between intermediate points of one route and/or between an intermediate point of another route. The intermediate points proposed to be served as shown by Exhibit "A" as a portion of the application are Bandini, Rio Hondo, Santa Fe Springs, Norwalk, La Mirada, Standard Oil Station, Northam, Buena Park, Fullerton, Anaheim, Sub Station, County Hospital, Orange Junction and Orange.

In Application No. 7513, as amended, A. B. Watson, operating under the fictitious name of Crown Stage, petitions the Railroad Commission for a certificate of public convenience and necessity authorizing the connecting up of service for the transportation of passengers and property by the merging of two routes heretofore operated, one between Los Angeles and Anaheim, the other between Anaheim, Orange and Santa Ana. This application, in effect, requests authority for the joining and thereafter operating as a through service without change of cars of two individual operating rights so as to result in a through service between Santa Ana and Los Angeles.

In Application No. 8357, Motor Transit Company, a corporation, petitions the Railroad Commission for an order declaring that public convenience and necessity require the

operation by it of an automobile stage service for the carriage of persons and property between Anaheim and Santa Ana over a route beginning near Center Street, Anaheim, thence southerly over the state highway to a point just south of the Orange County Hospital, thence easterly on Chapman Avenue to Orange Junction (the intersection of Chapman Avenue and Main Street), thence southerly on Main Street to Sixth Street, thence easterly on Sixth Street to Bush Street, thence southerly on Bush Street to the proposed station of the applicant company at Fifth and Bush Streets, Santa Ana. Applicant also requests authority to operate said service in conjunction with and as a component part of its existing stage line system.

In Case 1829, A. B. Watson, doing business under the fictitious name of Crown Stages, complains of Motor Transit Company, a corporation, and alleges that the public convenience and necessity require the establishment of joint rates from Santa Ana and points intermediate on the complainant's lines to Anaheim to points reached by the lines of the defendant, and prays for an order of the Commission establishing such public convenience and necessity, together with the through rates to be charged, the connecting schedules to be observed and the division of the through rates to accrue to the

participants therein. Defendant duly filed its answer denying the material allegations of the complaint and alleging that if through rates are necessary to care for the demands of the public, defendant is prepared to furnish not alone through rates but through service; that public convenience and necessity require operation by defendant between Santa Ana and Los Angeles and that defendant has therefore filed an application for an extension of its service from Anaheim to Santa Ana. Complainant filed herein his formal offer to join with defendant in the establishment of joint rates between Santa Ana and Los Angeles on the basis of the fares to be allocated to the respective lines on a mileage prorate; to run special connecting cars between Santa Ana and Anaheim to connect with such schedules of the defendant as the Commission may decide warranted by the volume of business and to increase or decrease such special service upon a showing satisfactory to the Commission; to hold southbound connecting cars at Anaheim for late arrival of defendant's schedules for such time as may be designated by the Commission; and to have cars connecting with through service deliver interline passengers to and receive passengers from the Motor Transit Company's depot or station in Anaheim.

In Case No. 1706, Motor Transit Company, a corporation, complains of A. B. Watson, doing business under the fictitious name of Crown Stages, and alleges that defendant is illegally operating between Santa Ana and Los Angeles in that such operation was not being conducted by defendant, in good faith or at all, on or prior to May 1, 1917 or July 22, 1919, the dates prescribed by the state statutes in Chapter 213, Laws of 1917, and Chapter 280, Laws of 1919; that no certificate for such operation has been granted by the Railroad Commission; that

separate operative rights between Los Angeles and Anaheim and between Anaheim and Santa Ana were combined and since on or about March 1, 1920 have been operated as a through route without authority and the issuance of a certificate of public convenience and necessity by this Commission; that defendant entered into a written agreement on or about May 4, 1918 with the A. R. G. Bus Company, predecessor in interest to complainant, by which agreement defendant, for a valuable consideration, promised and agreed not to thereafter operate any automobile stage lines between Santa Ana, Anaheim and Los Angeles. Complainant prays for an order of the Commission directing defendant to cease the alleged unlawful operation.

Defendant duly filed its answer herein alleging therein that the method of operation complained of was not in violation of the statutory law or the regulations of the Commission and that as to the joining of separate routes an application for authority so to do had been duly filed with the Commission.

Public hearings on these matters were conducted by Examiner Handford at Los Angeles at which time, by stipulation of all parties, the matters were consolidated for the purpose of receiving evidence and decision, the matters were thereafter duly submitted, have been fully considered and are now ready for decision.

A brief outline of the stage operation of A. B. Watson, proprietor of the Crown Stages, and the Motor Transit Company in the territory covered by these proceedings is necessary for a proper understanding of the matters here at issue.

F. P. Ogden and Francis Wilson, co-partners operating under the fictitious name of Valley Stage Line filed with the

Railroad Commission their Local Passenger Tariff No. 1 (C.R.C. No. 1) issued February 27, 1917 and effective March 1, 1917 showing local rates and joint rates with Crown Stage Line from Anaheim to Orange and Santa Ana. The intermediate points between Anaheim and Los Angeles as shown by this tariff were Fullerton, Buena Park, Standard Oil Station, Northam, La Mirada, Norwalk, State Hospital, Santa Fe Springs, Rio Hondo and Bandini. This tariff was superceded by C.R.C. No. 2 issued June 23, 1917 effective July 1, 1917, showing local rates and also joint rates with the Crown Stages to points between Anaheim, Orange and Santa Ana. On February 11, 1920 F. P. Ogden, as proprietor of Valley Stage Line, and A. B. Watson, as proprietor of Crown Stages, filed their joint application with the Railroad Commission for an order authorizing the transfer of the Valley Stage Line between Anaheim and Los Angeles to A. B. Watson. The Commission by its Decision No. 7143 on said application (No. 5342) dated February 13, 1920 authorized the transfer of property and operative rights, and in such decision recognized the transfer and assignment of Francis Wilson as a co-partner of the firm of F. B. Ogden and Francis Wilson, to F. B. Ogden such assignment and transfer having been made on August 8, 1918. Under date of February 20, 1920, A. B. Watson, proprietor of Crown Stages, filed his Supplement No. 1 to C.R.C. No. 2, Local Passenger Tariff No. 2, issued February 19, 1920, effective February 25, 1920, adopting the fares, rules and regulations theretofore filed by Valley Stage Line - a copartnership, as required by the provisions of the Commission's Decision No. 7143 dated February 13, 1920.

A. B. Watson, as proprietor of Crown Stages, filed original tariff covering operation between Anaheim, Orange and

Santa Ana on February 27, 1917. Local Tariff No. 1, C.R.C. No.1, issued February 26, 1917, effective March 1, 1917 and covering one way, round trip and commutation fares between Santa Ana, Orange, Orange County Hospital, Sub Station, Anaheim and Fullerton, and joint fares between Anaheim and Los Angeles via the White Bus Line or the Valley Stage Line. This tariff also covered other points on the Crown lines which are not pertinant to these proceedings.

None of the tariffs above referred to contained any reference to the carriage of express matter.

The tariff filings as applicable to the operative rights of the Motor Transit Company as existing on May 1, 1917 or acquired from others lawfully operating at such date were fully considered by the Commission in connection with Case No. 1442, A. B. Watson, Complainant, vs. White Bus Line, a corporation, et al, Defendants, Decision No. 9065, decided June 27, 1921. By the order in such case defendants were required to desist from the transportation of persons or property as a transportation company between Santa Ana and Anaheim and intermediate points. This decision was sustained by the California Supreme Court in its Case No. S.F. 10099 (64 Cal. Dec. 278). There is no authorization for the carriage of persons or property between Los Angeles and Santa Ana as regards local passengers originating in or destined to the portion of the line between Santa Ana and Anaheim. The lines of the Crown Stages and the Motor Transit Company parallel over the highway between Fullerton and Anaheim.

The practice of joining routes which were acquired by transfer of existing rights, either when same were acquired by operation in good faith as of May 1, 1917 or granted by

certificate thereafter, and of thereafter operating through service over the acquired routes was prohibited by the Commission in its Decision No. 9892 on Application No. 5274 dated December 20, 1921 (California Railroad Commission Reports, Vol. 20, 1038) in which it was held that, in the absence of express authorization therefor by the Commission, the linking up and combining of local operations was not lawful. The Commission in its opinion recognized that the conclusion would possibly affect the existing operations of many transportation companies and signified its intention to allow a reasonable time in which applications might be received for certificates of public convenience and necessity to join operative rights for the purpose of furnishing through service over routes covered by separate rights originally held or acquired by certificate. The applications herein considered are based in part on the requirement of the Commission as contained in its Decision No. 9892, supra, and in part to bring the operations of Motor Transit Company, and A. B. Watson, operating under the fictitious name of Crown Stages, within the provisions of the statutory enactment and regulations of the Commission and to place such operations on a basis that will eliminate the allegations of the complaints herein.

The questions at issue for the determination of the Commission in these combined proceedings are as follows:

I. Does the public convenience and necessity require the operation by A. B. Watson, operating under the fictitious name and style of Crown Stages, through cars and service for the transportation of passengers and express packages between Los Angeles and Santa Ana, over a combination of routes, one between Los Angeles and Anaheim, via Bandini, Rio Honda, Santa Fe Springs, Norwalk, La Mirada, Northam, Buena Park and Fullerton; the other between Anaheim, Orange and Santa Ana.

II. Does the public convenience and necessity require the operation by Motor Transit Company, a corporation, of local service between Anaheim and Santa Ana, either in connection with its through cars now operated on its Los Angeles-San Diego line, or as an extension of its local Los Angeles-Anaheim service now operated and serving the intermediate stations of Whittier, La Habra, Brea and Fullerton; and in connection with other points on the Motor Transit Company's system.

III. Should the proposed transfer of the operative rights of A. B. Watson between Los Angeles and Santa Ana as now existing or as may be authorized by the Commission by its decision on these proceedings be made to the Pickwick Stages, Northern Division, a corporation, be approved by the Commission in accordance with the lease contract and agreement under which the transfer is proposed.

We will consider each of the above issues.

I. DOES THE PUBLIC CONVENIENCE AND NECESSITY REQUIRE THE OPERATION BY A. B. WATSON, OPERATING UNDER THE FICTITIOUS NAME AND STYLE OF CROWN STAGES, THROUGH CARS

AND SERVICE FOR THE TRANSPORTATION OF PASSENGERS AND EXPRESS PACKAGES BETWEEN LOS ANGELES AND SANTA ANA, OVER A COMBINATION OF ROUTES, ONE BETWEEN LOS ANGELES AND ANAHEIM, VIA BANDINI, RIO HONDA, SANTA FE SPRINGS, NORWALK, LA MIRADA, NORTHAM, BUENA PARK AND FULLERTON: THE OTHER BETWEEN ANAHEIM, ORANGE AND SANTA ANA.

The operative rights of A. B. Watson, operating under the fictitious name and style of Crown Stages, as regards operations between Santa Ana, Orange and Anaheim, were those acquired by operation in good faith on May 1, 1917 and continuously thereafter; those between Anaheim and Los Angeles were acquired from F. P. Ogden, formerly operating under the fictitious name and style of Valley Stage Line, the transfer being approved by this Commission's Decision No. 7143 on Application No. 5342, decided Feb. 13, 1920, in which decision the Commission recognized the transfer by assignment of the interest of Francis Wilson as a co-partner in the firm of Ogden and Wilson. The record in such proceeding also shows a waiver by said Wilson of all his right, title and interest in the operative right between Los Angeles and Anaheim via Santa Fe Springs, Norwalk, Buena Park and Fullerton.

No right for the carriage of express packages is established by the record of tariff filings of A. B. Watson or his predecessors who operated the so-called Valley Stage Line, and although it appears that express was carried it was without any authority conferred by the statutory law or any order of this Commission, and the present

public convenience and necessity to be served, as well as the necessity for the joining of the two independent operative rights to form a through line between Los Angeles and Santa Ana, will require establishment by the testimony, exhibits and record herein.

Exhibits filed herein show the total number of tickets sold for points on the Crown Stage Line and covering passage between the separate routes herein sought to be connected, and for the period from August 15, 1921 to October 17, 1922, both dates inclusive, provided for the transportation of 299,297 passengers, all classes of tickets -- one way, round trip and commutation -- being considered, and while some refunds were made on unused tickets, the total of such refunds represented but 608 one way passengers, or a net of 298,689 passengers, and an average of 21,335 passengers per month. In the opinion of the Commission the record of the number of passengers heretofore carried during the above period, between the separate routes herein sought to be combined clearly establishes the necessity for the continuance of the service heretofore rendered and is a sufficient basis for the granting of a certificate, insofar as the passenger business is concerned.

As to the matter of express and packages, the exhibits herein filed show that the number of express packages handled between Los Angeles and Santa Ana and intermediate points for the months of June, 1922 and January, 1923 were 1719 and 2669, or a daily average of 57 and 86.

Several witnesses testified as to the convenience and satisfactory service enjoyed by the facilities heretofore offered by applicant. It appears from the testimony of these witnesses that the service desired covers the transportation of packages and reasonably small shipments, rather than the general carriage of express and from the evidence we are of the opinion and hereby find as a fact that applicant has justified the granting of a certificate for the carriage of express matter between Los Angeles and Santa Ana and intermediate points when such packages do not exceed 30 lbs in weight, and provided further that such shipments are to be carried on the passenger stages of applicant, there appearing no present justification for the authorization of a general express business necessitating the operation of stages or trucks solely for such carriage.

II. DOES THE PUBLIC CONVENIENCE AND NECESSITY REQUIRE THE OPERATION BY MOTOR TRANSIT COMPANY, A CORPORATION, OF LOCAL SERVICE BETWEEN ANAHEIM AND SANTA ANA, EITHER IN CONNECTION WITH ITS THROUGH CARS NOW OPERATED ON ITS LOS ANGELES-SAN DIEGO LINE, OR AS AN EXTENSION OF ITS LOCAL LOS ANGELES-ANAHEIM SERVICE NOW OPERATED AND SERVING THE INTERMEDIATE STATIONS OF WHITTIER, LA HABRA, BREA AND FULLERTON: AND IN CONNECTION WITH OTHER POINTS ON THE MOTOR TRANSIT COMPANY'S SYSTEM.

Evidence was received from a number of witnesses as to the inconvenience caused by the transfer at Fullerton and Anaheim to or from the Crown Stages by passengers originating on or destined to points on the Motor Transit Company's line

between Los Angeles and Anaheim, particularly from local points between Los Angeles and Anaheim. These witnesses complain as to the inconvenience arising from the necessity to change cars, the loss of time by reason of proper connecting schedules not being available and as to the condition of equipment operated by the Crown Stage Line as to its comfort in comparison with the type of equipment as operated by the Motor Transit Company. Resolutions endorsing the application of the Motor Transit Company were received from the Montebello Chamber of Commerce, La Habra Chamber of Commerce and the Ebell Club of Fullerton.

From an exhibit filed by Motor Transit Company covering the period from August 15, 1921 to October 17, 1922, both dates inclusive, the ticket sales provided for transportation in the district between Santa Ana and Anaheim either locally or originating at, or destined to, points on the line of the Motor Transit Company between Anaheim and Los Angeles as follows:

| Form of Ticket | No. Sold | Equivalent in One Way Trips |
|---|---|---|
| Half Fare One Way | 552 | 552 |
| Half Fare Round Trip | 705 | 1410 |
| Full Fare One Way | 33,204 | 33,204 |
| Full Fare Round Trip | 23,891 | 47,782 |
| 10 Ride Commutation | 259 | 2,590 |
| 30 Ride Commutation | 462 | 13,860 |
| | Total | 99,398 |

The through passengers between Los Angeles and Santa Ana during the same period were represented by the following ticket sales:

| Form of Ticket | No. Sold | Equivalent in One Way Trips |
|---|---|---|
| Half Fare One Way | 137 | 137 |
| Half Fare Round Trip | 85 | 170 |
| Full Fare One Way | 9,908 | 9,908 |
| Full Fare Round Trip | 7,255 | 14,510 |
| 10 Ride Commutation | 1 | 10 |
| 30 Ride Commutation | 4 | 120 |
| Total | | 24,855 |

We have carefully considered the evidence and exhibits regarding the passenger traffic and are of the opinion and hereby find as a fact that public convenience and necessity require the extension of the present local service of the Motor Transit Company between Los Angeles and Anaheim to the district between Anaheim and Santa Ana for the accommodation of local passengers only. There has been no showing justifying the transportation of through passengers by the Motor Transit Company between Los Angeles and Santa Ana and the order herein will so restrict the operative right granted.

The first tariff of White Bus Line, Local Passenger Tariff No. 1, (C.R.C. No. 1), issued Feb. 28, 1917 and effective March 1, 1917, covering passenger fares between Los Angeles, Anaheim, Santa Ana and intermediate points contained no rates for the transportation of baggage, packages or express; Local Passenger Tariff No. 2 of White Bus Line, Inc. issued Feb. 15, 1918 and effective Feb. 20, 1918 (C. R. C. No. 2 cancelling C. R. C. No. 1) contained in the Rules and Regulations, under the caption "Baggage", the following:

> "Hand baggage not over 30 lbs. carried free.
> Packages and excess baggage, when not too large to be safely handled, will be carried at the rate of 3 cents per pound. Minimum charge for package 15 ¢, for baggage 25 ¢."

From the above it is apparent that on May 1, 1917 there was no holding out to the public of an offer to transport baggage, parcels or express for compensation and no certificate of public convenience and necessity has since been applied for or granted. The tariffs of the A. R. G. Bus Company contained no reference to the carriage of baggage, express or parcels over the routes herein considered as of May 1st, 1917. The applicant, Motor Transit Company, is successor in interest, by authority of the Commission, to the rights and privileges owned by the A. R. G. Bus Company and White Bus Company as of May 1, 1917, and both such applicant and this Commission are bound by the decision of the California Supreme Court in its Case No. S. F. 10099 (64 Cal. Dec. 278) that no elaboration or increase of operative rights can now be claimed which were not actually being given, in good faith, on May 1, 1917 unless authority therefor has been granted by this Commission in an appropriate proceeding.

Exhibits filed by Motor Transit Company show express matter to have been handled during the month of August 1922, over the territory for which operating right is herein sought as follows:

| From | To | No. Shipment | Revenue |
|---|---|---|---|
| Los Angeles | Santa Ana | 472 | $ 123.25 |
| Whittier | " " | 23 | 3.45 |
| Fullerton | " " | 24 | 3.60 |
| Anaheim | " " | 31 | 5.90 |
| Santa Ana | Los Angeles | 67 | 14.64 |
| " " | Whittier | 27 | 12.15 |
| " " | Brea | 12 | 1.40 |
| " " | La Habra | 12 | 1.40 |
| " " | Fullerton | 67 | 9.35 |
| | Total | 735 | $ 165.14 |

A statement, filed as an exhibit of Motor Transit Company, for the period August 15, 1921 to October 17, 1922, inclusive, shows the total shipments originating or terminating in the district for which express privilege is herein requested to be extended to be 6218 producing a revenue of $1619.95. This is an average of 444 shipments per month with an average monthly revenue of $115.71. Other than the data shown in exhibits herein filed there is no evidence of witnesses bearing on the need for express service by the Motor Transit Company between Santa Ana and Anaheim, and in view of the limited amount of business as shown by the record herein, the fact that no express or local passengers are now being transported by Motor Transit Company between Anaheim and Santa Ana; that no authorization has been shown or is revealed by an inspection of the Commission's records for any transportation of express or packages; and the further fact that the express rights and the matter of the public convenience and necessity for the transportation of parcels and express matter by the Motor Transit Company are now the subject of investigation by this Commission in another proceeding, we are of the opinion that no showing has been made herein justifying the granting of the desired certificate insofar as it refers to the carriage of express and parcels between Santa Ana and Anaheim, or between such territory and other points on the lines comprising the operative system of said Motor Transit Company.

III. SHOULD THE PROPOSED TRANSFER OF THE OPERATIVE RIGHTS OF A. B. WATSON BETWEEN LOS ANGELES AND SANTA ANA AS NOW EXISTING OR AS MAY BE AUTHORIZED BY THE COMMISSION BY ITS DECISION ON THESE PROCEEDINGS BE MADE TO THE PICKWICK STAGES, NORTHERN DIVISION, A CORPORATION, BE APPROVED BY THE COMMISSION IN ACCORDANCE WITH THE LEASE CONTRACT AND AGREEMENT UNDER WHICH THE TRANSFER IS PROPOSED.

Applicants, A. B. Watson, operating under the fictitious name and style of Crown Stages, and Pickwick Stages, Northern Division, a corporation, by their amended application filed herein have petitioned for an order of this Commission approving a lease and transfer of the operative rights for the transportation of persons and property as may be now owned by applicant, Watson, or as may be authorized by this Commission in its determination, decision and order on the proceedings herein, and covering transportation of persons and property by auto stages between Los Angeles and Santa Ana, via Orange, Anaheim, Fullerton, Northam, La Mirada, Norwalk, State Hospital Santa Fe Springs, Rio Hondo and Bandini.

The lease and option agreement attached to and forming a part of the amended application provides for the payment of $10,000 upon the execution of the agreement, $20,000 within ten days after the approval of the agreement by the Railroad Commission and $1700 per month on the fifteenth day of each and every month thereafter until the full sum of $109,900 shall have been paid, and that when the full principal sum shall have been paid said Pickwick Stages, Northern Division, shall have the option to purchase for

the sum of $1.00 all the right, title and interest of said A. B. Watson in the operative rights for the conduct of the stage line for the transportation of persons and property between Los Angeles and Santa Ana and the equipment and personal property more specifically described in inventories "A", "B" and "C" attached to and forming a part of the agreement herein made a portion of the application.

There appears nothing in the proposed lease contract, or the agreement made a part thereof that is contrary to the public policy or interest and it appears from the testimony herein that applicant, Pickwick Stages, Northern Division, is financially able to comply with the terms imposed by the agreement and to satisfactorily render service to the public. The Commission will, in its order, require applicant to waive any claim for value of any operative rights as regards any rate or valuation proceeding and will regard any value for operative rights, going concern or good will as being applicable only for the purpose of the lease contract and transfer herein sought.

# O R D E R

Public hearings having been held in the above entitled proceedings, the matter having been duly submitted and the Commission now being fully advised and basing its order on the statements and findings of fact as herein fully set forth in the opinion which precedes this order,

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity requires the operation by A. B. Watson, operating under the fictitious name and style of Crown Stages, of an automobile stage line as a common carrier of passengers and express packages between Los Angeles and Santa Ana and the intermediate points of Orange, Anaheim, Fullerton, Buena Park, Northam, La Mirada, Norwalk, Santa Fe Springs, Rio Honda, and Bandini, provided, however, that the transportation of express packages shall be confined to such packages as do not exceed a weight of thirty (30) pounds and that such packages are carried only on the passenger stages. No authorization is hereby conveyed for the establishment of a general express business or the operation of stages or trucks devoted to such carriage of parcels or express.

THE RAILROAD COMMISSION HEREBY DECLARES that the public convenience and necessity require the operation by Motor Transit Company, a corporation, of an automobile stage line as a common carrier of passengers between Anaheim and Santa Ana as an extension of its present local service between Los Angeles and Anaheim, such authorization, however, not to include the right to transport through passengers between the termini of Los Angeles and Santa Ana.

IT IS HEREBY ORDERED:

I. That a certificate of public convenience and necessity be, and the same hereby is issued to A. B. Watson, operating under the fictitious name of



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Crown Stages, for the operation of passenger automobile stage service as a common carrier of passengers and express parcels between Los Angeles and Santa Ana serving the intermediate communities of Orange, Anaheim, Fullerton, Buena Park, Northam, Norwalk, State Hospital, Santa Fe Springs, Rio Honda and Bandini; provided, however, that the transportation of express packages hereby authorized shall be confined to those not exceeding a weight of thirty (30) pounds each, and that such packages be carried only on the passenger stages of applicant.

II. That a certificate of public convenience and necessity be and the same hereby is granted to Motor Transit Company, a corporation, for the operation of an automobile stage line as a common carrier of passengers between Los Angeles and Santa Ana as an extension of applicants' present operative rights for the carriage of passengers between Los Angeles and Anaheim, provided, however, that no through passengers may be carried between the termini of Los Angeles and Santa Ana.

III. That the lease contract agreement between A. B. Watson, operating under the fictitious name and style of Crown Stages, and Pickwick Stages, Northern Division, a corporation, for the lease of operative rights for the operation of a stage line for the transportation of passengers and express packages between Los Angeles and Santa Ana, as more particularly set forth in Paragraph I of this order, be and the same hereby is approved, except as to any value placed on equipment, personal property, operative rights, good will or going concern value as appearing



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in the agreement made a portion of the application for transfer by lease contract and such statements of value shall never be claimed as having received the approval of this Commission before it or any judicial or regulatory body in any valuation or rate fixing proceeding, the values being only considered as those satisfactory to the contracting parties for the purpose of the agreement and in no wise binding upon or approved by this Commission in any other manner than the approval of the lease contract by which the line is transferred.

IV. (A) That applicants herein shall file with this Commission within ten (10) days from the date of this order their written acceptance of the terms and conditions of this order, such acceptance to state the date, or dates, upon which the operation herein authorized will commence, which date shall not be more than sixty (60) days from the date of this order unless same be extended by a supplemental order herein.

(B) That applicants will comply with all necessary tariff and schedule filings, or cancellations of tariffs which may be superseded by this order, and in accordance with the provisions of this Commission's General Order No. 51, such filings and cancellations to be made at least ten (10) days prior to the commencement of operation as herein authorized.

(C) The rights and privileges herein authorized may not hereafter be sold, assigned, transferred, leased or hypothecated unless such sale,

assignment, transfer, lease or hypothetication has first received the written approval of this Commission.

(D) No vehicle may be operated by any applicant herein over any route herein authorized unless such vehicle is owned by said applicant or is leased by such applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

V. That as to all matters not hereinbefore covered by the preceding paragraphs of this order, Application Nos. 8431, 7513 and 8357 be and the same hereby are denied.

That as to all matters not hereinbefore covered by the preceding paragraphs of this order, Cases Nos. 1706 and 1829 be and the same hereby are dismissed.

The effective date of this order is hereby fixed as of March 1, 1924.

Dated at San Francisco, California, this 19th day of February, 1924.

Commissioners.