

Decision No. 13702

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
PACIFIC AUTO STAGES, a corporation,
for a certificate of public conven-
ience and necessity to operate passen-
ger auto stage service between San
Francisco, Napa, Calistoga and inter-
mediate points by way of Sausalito
and the Golden Gate Ferry.

Application No. 9526.

Devlin & Brookman, by Frank R. Devlin, for Applicant.
F. W. Mielke and L. Richardson, for Southern Pacific
Company, Protestant.
John T. York, for San Francisco, Napa & Calistoga
Railway, Protestant.
G. W. Tatterson, for California Transit Company, Protestant.
C. E. Smith, for Northwestern Pacific Railroad Company,
Protestant.
J. J. Deuel, for California Farm Bureau Federation, Pro-
testant.
Clarence N. Riggins, for Town of St. Helena, Protestant.
Raymond Benjamin, for Monticello Steamship Company, Pro-
testant.
Russell F. O'Hara, for City of Vallejo and Vallejo
Chamber of Commerce, Protestants.
Wallace L. Ware, for Santa Rosa, Petaluma & Sausalito
Auto Stage Company, Protestant.
C. E. Trower, Mayor of Napa, Protestant.
A. Walter Allen, for San Rafael and Sonoma Valley Auto
Stage Line, Protestant.
John D. Cochrane, for Napa Chamber of Commerce, Pro-
testant.
S. W. Bailhache, for Rutherford Grange, Protestant.
Mrs. Florence Baxter, for Women's Improvement Club of
St. Helena, Protestant.
Mrs. W. L. Blodgett, for Calistoga Civic Club, Protestant.
John Hartley, for Napa Grange, Protestant.
Arthur W. Imire, for Oak Knoll Farm Center, Protestant.
W. E. Hornaday, for Veterans' Home, Protestant.
E. C. Holden, for Napa Union High School, Protestant.
L. M. Lack, for St. Helena Chamber of Commerce, Protestant.
F. A. Randall, for Napa County Farm Bureau, Protestant.
Frank M. Silva, for certain residents of Calistoga.
Raymond T. McGlynn, for protestants in Shellville and
Sonoma.

SHORE, Commissioner:

O P I N I O N

In this proceeding Pacific Auto Stages, a corporation, now holding a certificate of public convenience and necessity to operate an automotive stage line between San Francisco and San Jose, applies to the Railroad Commission in its amended application for a certificate of public convenience and necessity authorizing it to operate an automotive stage line as a common carrier of passengers between San Francisco and Calistoga via Sausalito, San Rafael, Ignacio, Shellville, Napa, St. Helena and certain other intermediate points.

The Commission previously, in 1921, under Decision No. 9952, and again under Decision No. 9857, denied applications from two other applicants requesting authority to operate an automotive stage line over portions of this route between Sausalito and Napa or Calistoga. In order, however, to determine whether conditions had changed either with respect to the character of the proposed operation or with respect to the requirements of the public in the district involved, public hearings were held in the above entitled matter on January 28th, 29th and 30th, 1924, in Napa, and on February 15th, 25th and 26th, 1924, in San Francisco, at which last named date the matter was submitted on briefs. Briefs have been filed and the matter is now ready for decision.

The application was protested by the Southern Pacific Company, the San Francisco, Napa & Calistoga Railway, Northwestern Pacific Railroad Company, Monticello Steamship Company, California Transit Company, Santa Rosa, Petaluma & Sausalito Auto Stage Company, San Rafael and Sonoma Valley Auto Stage Line, California Farm Bureau

Federation, City of Napa, Napa Chamber of Commerce, Town of St. Helena, Rutherford Grange, and some eight other schools and public organizations.

The points on the route proposed by applicant and the portions of said route that would be involved in a duplication or paralleling of existing services are as follows:

San Francisco to Sausalito.

Applicant's proposed service would cover this portion of the route, from the Union Stage Depot at 5th and Mission Streets in San Francisco to the ferry slip of the Golden Gate Ferry Company at the foot of Hyde Street, thence on the ferry of the Golden Gate Ferry Company to Sausalito. This portion of the route is paralleled by the service of the Northwestern Pacific Railroad Company from the Ferry Building at the foot of Market Street in San Francisco to Sausalito. The trans-bay operations, in their connections by stage to points in Napa Valley, would also be parallel to the operation of the Southern Pacific Company's ferries from San Francisco to Oakland and trains from Oakland to Vallejo Junction, and ferries from Vallejo Junction to Vallejo, where connections are made with the Southern Pacific trains operating to Napa Valley points. It would also parallel the service of the Monticello Steamship Company, which operates ferries from the Ferry Building in San Francisco to Vallejo, where connection is made with the trains of the San Francisco, Napa & Calistoga Railway to Napa Valley points.

Sausalito to Calistoga.

Applicant's proposed service comes into competition with the operations of the Santa Rosa, Petaluma & Sausalito Auto Stage Company as to the through traffic between Sausalito and Calistoga.

Sausalito to Ignacio.

Applicant's proposed service would parallel the operations of three existing carriers; Santa Rosa, Petaluma & Sausalito Auto Stage Company, Northwestern Pacific Railroad Company and San Rafael and Sonoma Valley Auto Stage Line, the first two between Sausalito and Ignacio via San Rafael, the last between San Rafael and Ignacio.

Ignacio to Shellville.

Applicant's proposed service would parallel the operations of San Rafael and Sonoma Valley Auto Stage Line between Ignacio and Shellville via Black Point cut-off.

Napa, St. Helena and Calistoga.

Applicant's proposed service would directly parallel the operations of San Francisco, Napa & Calistoga Railway and

Southern Pacific Company between Napa, St. Helena and Calistoga, as well as indirectly parallel the operations of these carriers between Napa and San Francisco. Indirectly the operations of Dunham's Stage Line would be affected, inasmuch as this line operates between Napa and Sonoma, connecting at this point with the San Rafael and Sonoma Valley Auto Stage Line for Shellville and San Rafael points.

The application sets forth that applicant does not desire to operate any local service between any two points intermediate between San Francisco and Napa. It does, however, propose service between points in Marin County and San Francisco. The President of applicant corporation, however, testified that in his opinion there was no public necessity for service between San Francisco and points served by the Northwestern Pacific Railroad Company in Marin County. The application accordingly stands in effect as proposing the transportation of passengers to and from San Francisco and Marin County points on the one hand, and on the other hand Shellville, Napa and Calistoga and intermediate points between Napa and Calistoga. Outside of the minor transportation to and from Shellville, a small scattered community in Sonoma County already served by the San Rafael and Sonoma Valley Auto Stage Line to and from San Rafael where connection is made with either the Santa Rosa, Petaluma & Sausalito Auto Stage Company or with the Northwestern Pacific Railroad Company to Sausalito, the main issues as between applicant's proposed operations and those of the protestants affect principally the district of Napa Valley lying between Napa and Calistoga, a distance of twenty-three miles. This portion of the route (Napa to Calistoga) both as to intermediate points and as to through traffic between these points and Vallejo and San Francisco, is served by the San Francisco, Napa & Calistoga Railway in conjunction with the Monticello Steamship Company, and by the Southern Pacific Company.

The applicant filed petitions in support of its application, signed by over 2,000 people. Seventeen witnesses residing at San Anselmo, Shellville, Napa, Napa Soda Springs, St. Helena and Calistoga, testified in support of the application. A considerable number of the petitioners were minors or school pupils. A few of the petitioners notified the Commission that with fuller information they desired to withdraw their names from the petition. The preponderance of this testimony was based upon the understanding of witnesses and petitioners that there would be a considerable saving of time in the transportation proposed by applicant as compared with that now afforded by the railway lines. It was stated by applicant's representatives in circulating these petitions that there would be a saving of time to the extent of one-half an hour from Calistoga to San Francisco and it appears that some of the petitioners understood that there would be a saving of one-half an hour between Napa and San Francisco. Some of the witnesses also testified that they were interested in the fact that in the proposed operation they would be able to occupy seats on the stage through to the terminal or the shopping district of San Francisco without changing at ferry points.

Protestant, San Francisco, Napa & Calistoga Railway, offered testimony through fifteen witnesses in opposition to the granting of a certificate of public convenience and necessity to the applicant.

Eighteen other witnesses testified on behalf of various other protestants against the granting of the application. Official communications from various organizations in the Napa Valley, including Napa County Board of Supervisors, Napa City Council, Napa Chamber of Commerce, Napa County Real Estate Board, Napa County Farm Bureau, Napa Kiwanis Club, Napa Grange No. 307, St. Helena Town Board, St. Helena Chamber of Commerce, St. Helena Women's Improvement Club, St.

Helena Sanitarium, Calistoga Town Board, Calistoga District Chamber of Commerce, Lodi Farm Center, Tucker's Farm Center, Oak Knoll Farm Center, Salvador Farm Center, Rutherford Grange No. 371, protesting against the proposed operations by applicant, were filed with the Commission. In addition to the above witnesses, C. E. Brown, Vice-President and General Manager of the San Francisco, Napa & Calistoga Railway, and L. Richardson, Assistant General Passenger Agent of the Southern Pacific Company, testified on behalf of those carriers in protest of the application. Floyd Hanchett, President and General Manager of Pacific Auto Stages, testified for the applicant.

Copies of editorials of the four Napa Valley newspapers, Weekly Calistogian, St. Helena Star, Napa Daily Register, and Napa Journal, all expressing opposition to the proposed operation of applicant, were filed as exhibits in this proceeding.

As stated above, the general testimony in support of the application was directed chiefly to the expectation of witnesses that applicant's operation would provide a considerable saving of time between Napa Valley points and San Francisco and that some convenience would be provided in the continuous character of the operations without change. Some of the testimony suggested a disposition to favor additional competitive operation on the principle of "the more the merrier," and several of applicant's witnesses testified that they would not be in favor of the proposed operations by applicant if its operations would endanger the efficiency, continuity, and maintenance on its present schedules of the operations of the Electric Railway, which is regarded by all witnesses as the main transportation facility and asset of the Napa Valley..

The principal witnesses testifying on behalf of protestant, the San Francisco, Napa & Calistoga Railway, in opposition to the granting of the application, represented some of the largest commercial,

business, agricultural and public organizations of the Napa Valley and some of them represented the heavy taxpayers, or large property interests of the Valley.

While some of these protesting witnesses included in their testimony statements showing a sentimental attitude of Valley residents against motor bus transportation in general and others expressed their opposition on the ground of having paid the taxes assessed to provide for the original cost and maintenance of this Valley highway, the Commission does not attach material importance to such testimony. But the principal weight of testimony was directed in support of the adequacy of the existing service provided by the San Francisco, Napa & Calistoga Railway and as indicative of their concern lest the operation proposed by applicant should, if authorized by the Commission, divert such an amount of traffic from the San Francisco, Napa & Calistoga Railway, hereinafter called the Electric Railway, that either the continued operations of this railway might be jeopardized, thereby entailing serious consequences to the communities both from the standpoint of the hauling of freight and of passengers, or that the present number of schedule trains in daily operation might be materially reduced. It was pointed out in support of this latter contention that by order of the Railroad Commission in Decision No. 9355 the passenger train service of the Southern Pacific Company was in August, 1921, reduced to one train each way per day, it having been shown to the Commission that additional operations theretofore had were conducted at a serious loss to the carrier.

Applicant proposes to charge one-way rates between San Francisco and points from Napa to Calistoga, inclusive, practically identical with the combined existing rates via the Monticello Steamship

Company, hereinafter referred to as the Steamship Company, and the Electric Railway. It proposes a schedule of round trip rates between San Francisco and points within the same territory also practically identical with those now charged by the existing carriers, there being a difference of only 5 cents or 10 cents in several instances.

The principal points at issue accordingly relate, first, to applicant's claim that its proposed operations would provide a considerable saving of time in transportation between Napa Valley points and San Francisco, and secondly, to the Electric Railway's contention that the proposed operations by applicant, if authorized by the Commission, would seriously damage and possibly jeopardize the value and efficiency of this protestant's services to Napa Valley communities, which rely chiefly upon its services and facilities for the transportation both of passengers and of freight.

Applicant, in its revised time schedule, proposes to operate 2 round trips per day, leaving its San Francisco terminus, the Union Stage Depot at 5th and Mission Streets, at 9:20 a.m. and 3:20 p.m., arriving at Calistoga at 12:35 and 6:35 p.m.; leaving Calistoga at 1:15 and 7:40 p.m., arriving at San Francisco at 4:30 and 11:00 p.m.

The Electric Railway, in conjunction with the Steamship Company, serves this territory with 6 round trips per day, leaving San Francisco at 7:30 and 9:45 a.m., and 12:30, 3:25, 6:00 and 8:30 p.m. The 8:30 p.m. schedule operates only as far as Napa. There are 6 trains daily leaving Calistoga for San Francisco, these schedules leaving Calistoga at 5:50, 7:40 and 10:25 a.m., and at 1:15, 3:45 and 6:05 p.m. The running times of all schedules of the Electric Railway and the Steamship Company are somewhat longer than those proposed by applicant stage company, with one exception. The time of the applicant as set forth in its revised time schedule is 3 hrs. 15 min. between

termini with the exception of its last schedule leaving Calistoga, which is 3 hrs. 20 min., the average schedule of applicant from San Francisco to Napa being 2 hrs. 15 min. The average schedule for the combined services of the Steamship Company and the Electric Railway between San Francisco and Calistoga calls for 3 hrs. 55 min., and between San Francisco and Napa calls for 2 hrs. 13 min. On the return trip the average time of the Electric Railway and Steamship Company from Napa to San Francisco is 2 hrs. 34 min. as against the average of 2 hrs. 17½ min. proposed by applicant.

The practicability of applicant's proposed time schedule, however, was persistently challenged by all of the protesting carriers. Considerable testimony and time and several exhibits were devoted to a detailed analysis of this proposed time schedule.

In the first place it was pointed out that applicant allows in its time schedule only 30 min. from the time of departure from the Union Stage Depot at 5th and Mission Streets in San Francisco to the time of departure from Sausalito. This route would carry applicant's passengers from 5th and Mission Streets, through the Stockton Street Tunnel and over Columbus Avenue to the ferry slip at the foot of Hyde Street, where the stage will be obliged to board the ferry for transportation to Sausalito. There were submitted in evidence exhibits showing the elapsed time of operation of the Golden Gate Ferry Company's boats, which would have to be used by the applicant's stages. Boats operated on February 13, 1924, between 8:35 a.m. and 8:02 p.m. on half hour schedule of the Ferry Company, showed an average elapsed time of 28.9 min. from boat start to boat start. On the same date the elapsed time from boat tie-up to boat tie-up was 29.9 min. On the same date a report of time from first car off the ferry at Sausalito to first

car off the ferry at San Francisco showed an elapsed time of 29.6 min. and for the same date for the first car off the ferry at Sausalito to the first car on at San Francisco an average elapsed time of 29.7 min. The corresponding figures for February 14th showed an average of 30.1 min. in both directions. On the basis of this testimony it would appear to be impossible for applicant to maintain its proposed schedule of 30 minutes including stage operations through congested traffic areas in San Francisco together with the time necessary for the ferry trip from San Francisco to Sausalito.

Further exhibits were filed on behalf of Santa Rosa, Petaluma & Sausalito Auto Stage Company in connection with which it was testified that a stage similar to that proposed to be operated by applicant was driven in a test operation over the proposed route between San Francisco and Calistoga and that by operating in accordance with legal speed requirements, stopping at railroad crossings in accordance with a general order of the Railroad Commission and also allowing time for discharging and picking up passengers, and that this test operation required 3 hrs. 57 min. from corner of 5th and Mission Streets in San Francisco over the proposed route to Calistoga. This would equal or slightly exceed the time of the average schedule on the Electric Railway and Steamship line between San Francisco and Calistoga.

Mr. Hanchett, president of applicant corporation, testified that applicant's proposed time schedule was based upon test operations which he had personally made over the proposed route. On cross examination however it appeared that this test operation by applicant had not fully taken into account all of the road stops and ferry delays that might be expected in normal operations.

It was further shown that under applicant's proposed time schedule leaving Calistoga at 1:15 and 7:40 p.m., arriving at San Francisco at 4:30 and 11:00 p.m., such a service would not be of any

material value to residents of the Napa Valley visiting or shopping in San Francisco unless they were prepared both in time and money to remain in San Francisco over night.

It would therefore appear from the evidence in this proceeding that the applicant has not sustained its claim that public convenience and necessity require its operation from the standpoint of providing an additional convenience and a considerable saving in time in transportation to and from Napa Valley points from and to San Francisco and it was upon this claim of applicant and the statements of its representatives to the public and to its petitioners to that effect that most of the testimony in support of the application was based.

There was the additional statement by some of the applicant's witnesses that public convenience would be served by reason of transportation being provided by applicant's stages in such a manner that it would be unnecessary for the traveling public using them to make changes at ferry points. In view, however, of the general experience and custom of the public traveling to points on or beyond either side of the San Francisco Bay, making changes from train or street car to ferry and the reverse and having in mind the doubtful preference of having to sit through the ferry trip for 30 minutes in a crowded stage, the Commission is not convinced that much weight should be attached to this phase of the testimony.

While the Commission recognizes that motor transportation by auto stages has proved to be a matter of public convenience and necessity in many parts of this State so that the matter of mere local sentiment should not be considered as weighing heavily where actual public convenience and necessity exists, it appears that the weight of the testimony in this proceeding offered by witnesses on behalf of

the protesting carriers indicated an unusual sense, particularly on the part of the agricultural, business and other property interests of the Napa Valley, that a danger would be involved in the reduction of time schedules or in the imperiling of the financial standing and ability of the Electric Railway to maintain its services, which are vital to these communities.

C. E. Brown, Vice-President and General Manager of the San Francisco, Napa & Calistoga Railway, filed a considerable number of exhibits showing the traffic handled and the earnings and expenses of the Electric Railway over a period of years. These exhibits give the following figures covering a period of five years, 1919 to 1923, incl.

	<u>1919</u>	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>
Passengers carried...	690,732	660,986	593,230	454,085	397,734
Total earnings.....	\$338,704.	\$345,853.	\$328,448.	\$280,277.	\$260,392.
Passenger " incl.					
in above	293,387.	298,784.	283,136.	237,556.	210,790.
Total Expenses	271,690.	284,639.	306,605.	261,622.	251,556.
Gain	67,014.	61,214.	21,843.	18,655.	8,836.
Additional Gain, Mare					
Island freight...		1,564.	20,899.	2,856.	17,416.
Total Gain	67,014.	62,778.	42,742.	21,511.	26,252.
Additions &					
Betterments ...	34,062	49,185.	44,601.	7,964.	19,402.
Balance gained	32,952.	13,593.	1,859.*	13,547.	6,850.
			*Deficit		

The Electric Railway has never paid any dividends on its stock. It has, however, met all of its interest obligations, which, as pointed out by counsel for applicant, included interest on bonds, the majority of which are understood to be held by the same individual who is the owner of the majority of the stock. Counsel for applicant also contended that undue weight might be attached to the significance of the Electric Railway's declining figures with respect to earnings and to passengers carried in view of the fact that during certain years of that period an abnormal proportion of the traffic was due to Mare Island naval operations.

The evidence submitted by the Electric Railway, including the above figures, indicates a declining trend in the total business done and in the number of passengers carried by this company. While this fact alone might not in some instances constitute a ground upon which the requirements of public convenience and necessity for other forms of transportation should be foregone in behalf of an existing carrier, considerable weight in this instance must be attached to the fact that this Electric Railway, with its large amount of invested capital, is serving a limited territory and that it provides the principal facilities for the handling of both the passenger traffic and the freight traffic to and from Napa Valley communities. With the strong protests from the substantial interests, business and agricultural, of the Napa communities against the proposed operations by applicant and against any proposed new transportation which would tend to divert traffic from the Electric Railway in its present struggling financial condition and with the evidence in this proceeding tending to show that applicant's primary claim to be able to provide a substantial saving in operating time is not well founded and further that applicant's time schedules would not provide for the traveling public from Napa Valley points the convenience that is now provided by the time schedules of the Electric Railway, it does not appear that the applicant has sustained its claim that public convenience and necessity require its operation as proposed in this application. An Order will accordingly be entered herein.

O R D E R

Public hearings having been held in the above entitled matter, evidence submitted, briefs filed, and the Commission now being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity does not require the
operation by Pacific Auto Stages, a corporation, of an automotive
stage line as a common carrier of passengers between the termini of
San Francisco and Calistoga via Sausalito, San Rafael, Ignacio,
Shellville, Napa, St. Helena and certain other intermediate points,
and

IT IS HEREBY ORDERED that the above entitled application
be, and the same hereby is denied.

The foregoing Opinion and Order are hereby approved and
ordered filed as the Opinion and Order of the Railroad Commission of
the State of California.

Dated at San Francisco, California, this 16th day of
June, 1924.

C. L. Seaver
H. B. Brundage
Egerton Shore

Commissioners.