

Decision No. 15201.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
AUTO TRANSIT COMPANY, a California )  
corporation, for a certificate of ) Application No. 10483  
public convenience and necessity to )  
consolidate certain operative rights )  
and operate same as one system. )

J. E. Mc Curdy, for Applicant,  
Edw. Stern for American Railway Express Company,  
Protestant,  
Warren E. Libbey and Chas A. Beck, by Chas. A.  
Beck, for Pickwick Stages, Northern Division,  
Protestant.

BY THE COMMISSION -

OPINION

In this proceeding Auto Transit Company, a corporation, seeks a certificate of public convenience and necessity authorizing it to consolidate its operative rights and to conduct the same as one unified system. In general, applicant requests permission to establish service for the transportation of passengers and express packages as a common carrier, between San Francisco and Santa Cruz, via Sunnyvale and Saratoga; between Santa Cruz and Monterey; and between Watsonville and Hollister, via Chittenden, Castroville and Salinas. It is alleged that the consolidation will better enable applicant to serve the public by rendering such through and local service as may be required; and that it will result in reduced operating costs, which should affect the rates now charged to the traveling public.

A public hearing was held before Examiner Austin at San Francisco on April 7, 1925, when evidence was offered, the matter was duly submitted, and it is now ready for decision.

The operative rights now owned by the applicant, and herein sought to be consolidated are as follows;

1- The right to operate an automobile stage line as a common carrier of passengers between San Francisco and Santa Cruz and intermediate points, subject to the limitation that no local business shall be handled by applicant herein between Menlo Park or Camp Fremont and San Francisco unless there are vacant seats in its automobiles, which are not required by through passengers between Santa Cruz and San Francisco, and that no local runs or service may be established between Menlo Park or Camp Fremont and San Francisco.

The route followed by applicant in conducting this service is not shown in the decision granting a certificate for this operative right, but it appears from the instant application and the record herein that the line is operated via Sunnyvale and Saratoga.

A certificate for this service was granted to Auto Transit Company by this Commission's Decision No.5900, on Application No.3669, dated November 4, 1918.

2- The right to operate an automobile passenger stage service between Santa Cruz and Salinas via Watsonville, serving as intermediate points, Soquel, Aptos, Freedom, Watsonville, Moss and Castroville; and in connection therewith, the right to operate an automobile passenger stage service between Castroville and Monterey, serving as intermediate points, Neponset, Marina, Gigling and Del Monte.

A certificate covering the route between Santa Cruz and Salinas via Watsonville was originally granted to John Nelson and George E. Harter by this Commission's Decision No.7550, on Application Nos.5586 and 5587, decided May 10, 1920. Both Nelson and Harter were authorized by this decision to operate

Independently of each other over the same route.

By the Commission's Decision No.8844, on Application No.6464, dated April 9, 1921, Nelson and Harter, respectively, were authorized to operate the line between Castroville and Monterey in connection with their existing service between Santa Cruz and Salinas.

The operative rights above described held by Nelson and Harter were transferred to C. L. Simonds and O. A. Moon, pursuant to authority granted by this Commission's Decision No.10137, on Application No.7590, dated February 27, 1922.

Subsequently Simonds and Moon, who had operated this line under the fictitious name of Coast Transit Company, were permitted to transfer their operative rights to Auto Transit Company, applicant herein, pursuant to authority granted by this Commission's Decision No.13,813 on Application No.9907, dated July 18, 1924.

3- The right to operate an automotive stage line as a common carrier of passengers and express packages between Watsonville and Hollister, via Aromas, Chittenden and San Juan.

A certificate for this service was granted to J. S. Nickols (who conducted the line under the fictitious name of Red Star Auto Stage Line) by this Commission's Decision No.13,502, on Application No.10,014, dated May 1, 1924.

By this Commission's Decision No.13,813, supra, Nickols, operating as the Red Star Auto Stage Line, was authorized to transfer this operative right to Auto Transit Company, applicant herein.

In Decision No.13,813, the Commission expressly declined to permit a consolidation of the operative rights therein authorized to be acquired by Auto Transit Company from O. A. Moon and C. L. Simonds, and from J.S.Nickols, respectively. In the pending application, Auto Transit Company seeks a consolidation of all the operative rights which have been described.

At the hearing applicant called a number of witnesses, including its own officers and employes, and stage operators connected with other lines, who described the convenience to the public and the operating economies attendant upon the consolidation of applicant's system.

Mr. G. H. Higgins, President and Manager of Auto Transit Company, testified that inquiries were received daily from the public regarding through service, and that passengers expressed a desire to avoid transfers enroute. By reason of the elimination of the necessity for transfers enroute the proposed consolidation will be a great convenience to vacationists, sight-seers, tourists and salesmen, carried over applicant's line. At present it is necessary to change cars at Santa Cruz, Watsonville and Castroville. Furthermore, it will result in operating economies, such as a reduction in the number of cars operated and a saving in accounting, which will be reflected in a reduction of the rates. The traffic over applicant's lines is heaviest on the route between San Francisco and Santa Cruz, via Los Gatos. The fares shown in the statement (Exhibit A) accompanying the application will be adopted for the consolidated service; so far as possible the present time schedules will be followed, there being no intention of expanding or abandoning any of the existing operative rights; and applicant will continue the use of its present equipment, with such additional cars as the service may require.

Applicant's ticket agent at San Francisco, Mr. I. O. Smeltzer, testified that he received frequent inquiries from the public relative to through service, and that when informed that transfers were necessary, many people inquired as to through service over other lines. Similar testimony was given by Mr. J.S. Nickols, formerly owner of the Red Star Line and now a stockholder and employee of applicant. Many passengers, he stated, preferred other longer routes at higher fares, where transfers enroute were avoided. In his judgment the unification of the system will result in a saving

of from 10 to 50 percent. As economies to be effected he mentioned the centralization of repair work in one shop, lower office expenses, less equipment, and a reduction in the number of drivers. To the same effect was the testimony of Mr. O. A. Moon and Mr. C.L. Simonda, formerly owners of the operative right between Santa Cruz, Salinas and Monterey, and now employed by applicant. Transfers at junction points, it was stated, sometimes resulted in loss of baggage, and caused frequent complaints among passengers due to their obtaining less desirable seats in the stages. Mr. Joseph B. Held, President and General Manager of Peerless Stages, operating out of Oakland, and Mr. O. L. Swett, an experienced stage operator, both testified generally as to the economies and public advantages resulting from consolidation.

The granting of this application was protested by Pickwick Stages System and American Railway Express Company. The latter, however, withdrew its protest upon the stipulation of applicant that it sought no express rights additional to those it now owned.

Upon cross examination of applicant's witnesses, counsel for Pickwick Stages System elicited admissions that the most direct route from San Francisco to Hollister is by way of San Jose and San Juan; also that there is no great public need for through service to Hollister or Salinas via Santa Cruz. This protestant also submitted a statement showing a comparison of the round trip and one way fares, and time schedules of applicant and protestant, respectively, between San Francisco and Monterey, Salinas, San Juan and Hollister. This indicates that in some instances the fares of protestant are substantially higher than those of applicant, but the running time is nearly the same.

From the record in this case, we believe that applicant should be authorized to consolidate its lines with respect to the operation of passenger service. However, in view of applicant's stipulation, its express rights will not be extended.

Upon full consideration of the evidence, we are of the opinion and hereby find as a fact that public convenience and necessity require the consolidation and unification of the operative rights of Auto Transit Company, a corporation, and the operation, as one unified system, of through service for the transportation of passengers between all the termini and intermediate points, served by and along its present several routes, which routes are as follows:

1. Between San Francisco and Santa Cruz and intermediate points, via Sunnyvale and Saratoga, subject to the limitation that no local business shall be handled by applicant between Menlo Park and San Francisco unless there are vacant seats in its automobiles, which seats are not required by through passengers between Santa Cruz and San Francisco, and that no local runs or service are, or is, hereby authorized or may be established between Menlo Park and San Francisco; operated pursuant to authority granted by this Commission's Decision No.5900 on Application No.3669, dated November 4, 1918.

2. Between Santa Cruz and Salinas via Watsonville, serving as intermediate points, Soquel, Aptos, Freedom, Watsonville, Moss and Castroville; and in connection therewith, between Castroville and Monterey, serving as intermediate points, Neponset, Marina, Gigling and Del Monte; operated pursuant to authority granted by this Commission's Decision No.13,813, on Application No.9907, dated July 18, 1924.

3. Between Watsonville and Hollister, via Aromas, Chittenden and San Juan; operated pursuant to authority granted by this Commission's Decision No.13,813, in Application No.9907, dated July 18, 1924.

In view of the fact that Camp Fremont has long since been abandoned, it is deemed unnecessary to continue in effect the limitations upon the handling of traffic to and from that point, <sup>ed</sup> express<sub>ed</sub> in the Commission's Decision No.5900, which granted to

applicant the right to operate between San Francisco and Santa Cruz.

And upon full consideration of the evidence we are of the opinion and hereby further find as a fact that public convenience and necessity do not require the extension of the right to transport express beyond or in addition to the right to transport express now held and enjoyed by Auto Transit Company in connection with its right to operate an automotive stage line as a common carrier of passengers and express packages between Watsonville and Hollister, via Aromas, Chittenden and San Juan, operated pursuant to authority granted by this Commission's Decision No.13,813, on Application No.9907, dated July 18,1924.

An order will be entered accordingly.

O R D E R

A public hearing having been held in the above entitled application, the matter having been duly submitted, the Commission being now fully advised, and basing its order on the findings of fact appearing in the opinion which precedes this order:

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require the consolidation and unification of the operative rights of Auto Transit Company, a corporation, and the operation, as one unified system, of through service for the transportation of passengers between all the terminal and intermediate points, served by and along its present several routes, which routes are as follows:

1. Between San Francisco and Santa Cruz and intermediate points, via Sunnyvale and Saratoga, subject to the limitation that no local business shall be handled by applicant between Menlo Park and San Francisco unless there are vacant seats in its automobiles, which seats are not required by through passengers between Santa Cruz and San Francisco, and that no local runs

or service are, or is, hereby authorized or may be established between Menlo Park and San Francisco; operated pursuant to authority granted by this Commission's Decision No.5900, on Application No.3669, dated November 4, 1918.

2. Between Santa Cruz and Salinas via Watsonville, serving as intermediate points, Soquel, Aptos, Freedom, Watsonville, Moss and Castroville; and in connection therewith, between Castroville and Monterey, serving as intermediate points, Neponset, Marina, Gigling and Del Monte; operated pursuant to authority granted by this Commission's Decision No.13,813, on Application No.9907, dated July 18, 1924.

3. Between Watsonville and Hollister, via Aromas, Chittenden and San Juan; operated pursuant to authority granted by this Commission's Decision No.13,813, on Application No.9907, dated July 18, 1924.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and the same is hereby granted to Auto Transit Company, a corporation, to consolidate the operative rights described in the foregoing declaration, and to enable it to render through service under the aforesaid consolidated operative rights.

IT IS FURTHER ORDERED, that said application of Auto Transit Company, insofar as it seeks permission to consolidate or extend its present operative rights for the transportation of express, be and the same is hereby denied, excepting that authority for the carriage of newspapers over all the lines of applicant as herein authorized to be consolidated is hereby granted.

The authority herein granted is subject to the following conditions:

1. Applicant herein shall file with the Railroad Commission its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof; shall file, in duplicate, tariff of rates and time



schedules within a period of not to exceed ten (10) days from date hereof, such tariff of rates and time schedules to be identical with those attached to the application herein; and shall commence operation of said service within a period of not to exceed fifteen (15) days from date hereof.

2. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
3. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
4. For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 22<sup>nd</sup> day of July, 1925.

H. B. Blanding

C. Deane

George D. Squires

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COMMISSIONERS.