

Decision No. 16609

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
AUTO TRANSIT COMPANY, a corporation,
for a certificate of public convenience
and necessity to operate an auto stage
line for the transportation of passengers,
for compensation, between Palo Alto,
Mayfield, Mountain View, Sunnyvale,
Cupertino, Saratoga, Los Gatos, Lexington,
Alma, Holy City, Summit, Glenwood, Sand Hill,
Vine Hill Road and Felton Road, California,
and between said points and points north
and south thereof on applicant's present
route, or routes, between San Francisco and
Santa Cruz, Monterey, Hollister and Salinas,
California, and intermediate points via
Palo Alto, Sunnyvale and Los Gatos, California.

ORIGINAL

Application
No. 11726

Herbert C. Jones, Gilbert D. Boalt, and Sanborn and
Roehl and De Lancey C. Smith by A.B. Roehl, for
Applicant,
F.E. Chapin and W.F. James, for Peninsular Railway
Company, Protestant,
Harry A. Encell and Jas. A. Miller, by Harry A. Encell,
for Peerless Stages, Inc., Protestant,
J.E. McCurdy, for Peninsula Rapid Transit Company and
Pacific Auto Stages, Protestants,
H.W. Hobbs, for Southern Pacific Company, Protestant,

BY THE COMMISSION -

O P I N I O N

Auto Transit Company, a corporation, has petitioned the
Railroad Commission for an order declaring that public convenience
and necessity require the continuance of operation by it as a
common carrier of passengers by automobile stages between inter -
mediate points on its authorized route between San Francisco and
Santa Cruz, via Los Gatos, and between such intermediate points
and the termini of San Francisco and Santa Cruz, on said route;
and also for authority to transport passengers between said inter -
mediate points on its San Francisco-Santa Cruz route and points
south and east of Santa Cruz, i.e., Monterey, Hollister, Salinas
and intermediate points.

Public hearings on this application were conducted by Examiner Handford at San Francisco, the matter was duly submitted and is now ready for decision.

Applicant's service between San Francisco and Santa Cruz was originally authorized by this Commission's Decision No.5900 on Application No.3669, as decided November 4, 1918, said decision authorizing the transportation of passengers between San Francisco and Santa Cruz and intermediate points, and providing that no local passengers should be carried between Menlo Park or Camp Fremont and San Francisco unless vacant seats were available, and providing, further, that no local service should be established between Menlo Park or Camp Fremont and San Francisco.

On September 12, 1925, the Commission by its Decision No.15391 in Case No.2102 found that applicant had no authority to serve intermediate points on its route between Santa Cruz and San Francisco excepting the intermediate points of Menlo Park and Camp Fremont and restricted as to such points by the limitation that vacant seats must be available.

Applicant alleges that in good faith, and relying on its interpretation of the order in Decision No.5900 on Application No.3669, it established on July 17, 1919, its service between San Francisco and Santa Cruz and intermediate points; that public convenience and necessity require the continuance of service between the intermediate points on its Santa Cruz-San Francisco route and the termini, and also between such intermediate points and points south and east of Santa Cruz, i.e., Monterey, Salinas, Hollister and intermediate points.

Applicant proposes to charge fares in accordance with a schedule marked "Exhibit A"; to operate on a time schedule marked "Exhibit B", both exhibits being attached to and forming a part of the application herein. The equipment proposed to be used consists of Fageol, Pierce-Arrow and Packard cars with an aggregate total seating capacity of 201 passengers.

Mr. Geo. H. Higgins, President of applicant corporation, testified that he first became connected with the company in December, 1920, by reason of acquiring a half interest. At the time of his becoming interested in the company the operation was suspended, under authority of the Commission, account the winter season and adverse road conditions. When service was resumed in the spring of 1921 all intermediate points to and south of Palo Alto were served and such service of intermediate points was continued thereafter. Witness further testified that additional equipment was purchased to care for passengers to and from intermediate points which would not have been required for the through business; that if through business only were to be authorized an investment of \$17,500 in two new cars would be unnecessary; that adequate service had been rendered to intermediate points, extra cars being sent out to care for overflow traffic as regards both through and intermediate passengers; that the present property value of the company is \$76,000 with \$41,000 stock outstanding; and that the company is able to finance the purchase of additional equipment should the demands of traffic require.

Dr. Chas. S. Arnold, Superintendent and resident physician of the Odd Fellows' Home at Saratoga, testified that he had found the service of applicant to fill a particular need as regards transportation between Saratoga and San Francisco; that it was used for residents of the home and was desirable in that no transfer was necessary; and that he had heard no complaint as to inadequate seating facilities. The witness preferred to use the stages of applicant rather than his own car.

Col. C.E.S. Wood, residing at San Francisco, testified that he had a summer residence at Los Gatos and patronized the stage line of applicant, preferring such service rather than the use of his private car, and disliking transfer at Palo Alto required on most schedules of the railroad.

Mr. Edwin S. Williams, residing at Palo Alto, is engaged in the development of real estate in the Santa Cruz mountains and

is in favor of the application, believing that the highway transportation should be developed particularly between intermediate communities. Witness does not own an automobile and prefers stages to the electric railway service between Palo Alto and Los Gatos.

Mr. Geo. A. Trux, residing two miles north of Los Gatos, testified that although he has used the stages of applicant but once, they are frequently used by his wife, his guests and friends and in his opinion the service heretofore rendered has been very desirable.

Mr. E.B. Lakin, President of the Chamber of Commerce of Palo Alto testified that he was familiar with the stage service heretofore rendered by applicant; that he had a summer residence at Carmel and if the service was not to be continued he would be obliged to use the trains of Southern Pacific Company. Witness had no complaints regarding any inadequacy of service on stage line of applicant.

Mr. Harry Ryan, residing at "Call of the Wild Ranch", about $3\frac{1}{2}$ miles south of Los Gatos and near Alma, has a subdivision in the Santa Cruz mountains known as "Call of the Wild" of which 80 lots have already been sold and 20 cottages erected. The subdivision was opened about 15 years ago and is visited by lot owners and vacationists. Another land subdivision is about to be placed on the market by this witness near Glenwood, which will also be served by applicant's line.

Mr. John H. Beckman, postmaster at Patchen Postoffice, located on the highway between Los Gatos and Santa Cruz, testified that it would be a serious personal inconvenience if the service heretofore rendered by applicant were to be discontinued as his location is $4\frac{1}{2}$ miles from railroad service.

Mr. W.E. Riker, residing at Holy City and engaged in general business activities at such point, testified that he had used the stages of applicant; that Holy City was a community on the highway at which persons from the off-highway points in the Santa Cruz Mountains boarded or left stages when enroute to or from Santa

Cruz or San Francisco and intermediate points. Witness further testified that the permanent population at Holy City was 35 people and that the summer population was a considerably greater number, and that, in his opinion, 99 percent of the people visiting that point came in privately owned automobiles.

Mrs. C. B. Rowell, residing at Los Gatos, and in business at that point, testified that she was familiar with the service heretofore rendered by applicant; that she used the service between Los Gatos and San Francisco practically every week, sometimes more frequently; that she was acquainted with other methods of transportation but preferred that of applicant for the reason that the trip was direct and consumed less time than that of other carriers.

Mrs. May Mac Miken, residing at Los Gatos, testified that she had a large house and cared for convalescents; that she had used all methods of transportation both for herself and her patients; that there was no other service available without change which made delivery in the business section of San Francisco. The witness disliked a service requiring a change of stages or a change from electric train to Southern Pacific train, and believed the direct service preferable, particularly for patients destined to or from her institution.

Mrs. E. J. Lund, residing on a ranch at the summit near Woodwardia, testified that she had used the service of applicant to San Francisco, Los Gatos, Lexington, and occasionally to Santa Cruz. Witness lives off the highway and in her visits to Lexington, which are frequent, always takes the last car to Summit on her return journey and always has been furnished a seat. She has used the stages of protestant, Peerless Stages, Inc., between Summit and Los Gatos but found them often crowded and sometimes she could not get a seat. Other residents in her locality depend on stage service for their transportation.

Mrs. Chas. Bell, residing at Saratoga, and engaged in the real estate business, testified as to her familiarity with the stage service heretofore rendered by applicant. Witness has her own automobile but frequently uses stage service and does not like transfers, preferring direct service. Witness expressed the opinion that if the service heretofore given by applicant were not continued and authorized to serve Saratoga as an intermediate point on the route between San Francisco and Santa Cruz a serious inconvenience would be caused to the community at Saratoga.

Mr. Fred R. Miller, a resident of Saratoga, and proprietor of an art store and tea room, testified as to his familiarity with applicant's service which he uses once weekly between San Francisco and Saratoga; that he had used the combination steam railroad and electric car service between these points but prefers the stage service for the reason that he prefers through service without transfer; that he had heard no complaint as to the character of service heretofore rendered by applicant; and that he would be willing to pay a reasonably higher rate of fare rather than be obliged to dispense with the through service.

Mrs. W. Blabon, residing about 1½ miles south of Cupertino, between Saratoga and Sunnyvale, testified that she used the service of applicant practically daily; that she formerly used the electric car line to Palo Alto prior to the establishment of applicant's service; that she finds the stage service a great convenience in that she usually has bundles or hand baggage which interfere with easy transfers; and that she has also used the service to Santa Cruz. This witness expressed the opinion that ranch life would be unbearable without the continuance of a stage line.

Mrs. J.E. Hough, residing near Nippon Mura, testified that she used the stage service of applicant to Palo Alto and thence the stages of the Peninsular Company; and that she prefers a stage service without transfer.

Mr. F. Adamson, residing at Los Gatos, testified that he was familiar with the service of applicant between Los Gatos and San Francisco, having used the stages averaging once a week; that he disliked delays at Meridian on the electric line and delay and transfer at Palo Alto between the trains of the Southern Pacific Company and the Peninsular Railway; that he preferred a direct line of stages rather than a transfer at San Jose; that he has had to use taxi service for transfer between stage depots at San Jose and also requires taxi service at San Francisco when using Southern Pacific Company service which is not necessary in the use of applicant's stages which deliver him so close to his destination that taxi service is unnecessary. Witness further testified as to the quality of service rendered by applicant in that he was always provided with a seat; that extra cars were furnished in case of overloads and that on some occasions a special car has been furnished for him when seating capacity had been exhausted on the regularly scheduled stage.

Two witnesses, residing at Saratoga, testified as to their familiarity with the service of applicant between Saratoga and San Francisco and as to their desire and need for a continuance of a through service without change.

Two witnesses residing at Glenwood testified in support of applicant's service to Santa Cruz, Los Gatos and San Francisco. Both witnesses knew of service as offered by the trains of the Southern Pacific Company and the stages of Peerless Stages, Inc., and both used the service of the latter company but not that of the Southern Pacific Company by reason of train operating at inconvenient hours. Both witnesses were of the opinion that all present service should be continued.

Two witnesses, residing at Summit (also known as Woodwardia), testified regarding the mountain summer resort at such point and the need for service by week-end patrons from San Francisco and other points. This point is served exclusively by stage, being located $4\frac{1}{2}$ miles from the nearest railroad station. Witnesses

also knew of and patronized the stage service of protestant, Peerless Stages, Inc.

Resolutions endorsing the service of the applicant and requesting the granting of the certificate were filed on behalf of the Santa Cruz Chamber of Commerce and the Saratoga Improvement Association.

The granting of the application was protested by Southern Pacific Company, Peninsular Railway Company, Peerless Stages, Inc.; Peninsula Rapid Transit Company and Pacific Auto Stages.

By written stipulation, duly filed at one of the hearings, applicant

"waives any and all rights to take on or pick up local passengers between San Francisco and Sunnyvale, inclusive, and any and all points intermediate thereto on northbound trips towards San Francisco, and further waives any and all rights to discharge passengers on any and all trips southbound from San Francisco between San Francisco and Sunnyvale, inclusive and any and all points intermediate thereto *****"

Upon the filing of the stipulation the protests of Peninsular Rapid Transit Company and Pacific Auto Stages were withdrawn.

Mr. Jos. B. Hold, President of protestant Peerless Auto Stages, Inc., testified that his company was operating stages between San Jose and Santa Cruz, via Los Gatos and that such operation had been given by his company for three years, following the purchase of the line by authority of the Railroad Commission, that a schedule of six round trips daily was maintained, using 16, 19 or 21 passenger cars. An exhibit was filed showing the vacant seats available between Los Gatos and Santa Cruz during the period March 1st to September 30, 1925, inclusive, and indicating ample seating capacity available to care for additional patronage.

Mr. E. G. Shoup, Traffic Manager of protestant Peninsular Railway Company, testified as to the service, rates and schedules of his company, 12 round trips daily being operating between Los Gatos and Palo Alto. It is the opinion of this witness that

the service offered is not alone adequate but far beyond what is justified by the patronage accorded by the public.

Witnesses for protestant, Southern Pacific Company, testified regarding the rates, schedules and service of such company. The round trip rates of this protestant are materially lower than the rates proposed by applicant.

We have carefully considered all evidence and exhibits herein presented. The evidence shows, without material contradiction, a desire on the part of the public for through service between San Francisco and Santa Cruz and intermediate points, and objection to the necessity for transfer at junction points. It is our conclusion, and we hereby find as a fact that the record herein justifies the partial granting of the certificate sought that the through service, for which justification has been shown, may be continued.

O R D E R

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

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Auto Transit Company, a corporation, of an automobile stage service as a common carrier of passengers not as a new and separate right but as an extension to the service authorized between San Francisco and Santa Cruz for the transportation of passengers.

1. Between San Francisco and Los Gatos and the intermediate points of Menlo Park, Cupertino, and Saratoga.
2. Between Lexington, Alma, Holy City, Summit, Glenwood, San Hill, Vine Hill Road, Felton Road and Santa Cruz provided, however, that passengers so transported shall be destined to or originate at points on the line of applicant south or east of Santa Cruz, or originate at or be destined to points north of but not including Los Gatos.

3. No authority is hereby conveyed for the transportation of passengers between Los Gatos and Santa Cruz, except as hereinabove authorized in paragraph 2, nor for the transportation of any local business between San Francisco and Cupertino, except that passengers originating at points south of said Cupertino may be discharged at any point north of Cupertino to and including San Francisco; and that passengers originating between San Francisco and Cupertino may be received and transported to points on applicant's line south of said Cupertino.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity in accordance with the foregoing declaration be and the same hereby is issued to Auto Transit Company, a corporation, not as a new and separate operative right but in addition to the right now existing between San Francisco and Santa Cruz, and subject to the following conditions:


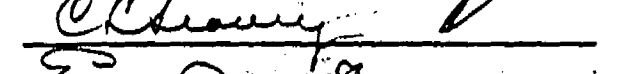

1. Applicant herein shall file with the Railroad Commission its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof; shall file, in duplicate, tariff of rates and time schedules within a period of not to exceed twenty (20) days from date hereof, such tariff of rates and time schedules to cover the points named and the conditions hereinabove referred to in the foregoing declaration and to be in form and substance acceptable to this Commission.

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 him under a contract or agreement on a basis satisfactory to the Railroad Commission.

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 31 day of ^{May}~~April~~, 1926.

COMMISSIONERS.