

O P I N I O N

In Application No. 11184, as amended, A. Dunham has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by him of an automobile stage line as a common carrier of passengers and express between San Francisco and Sausalito on the one hand and Gilmore Avenue, Cunningham, Sebastopol, Molino, Forestville, Guerneville, Monte Rio and intermediate points on the other hand. By amendment duly filed herein applicant eliminates service between Gilmore Avenue and Forestville, said territory being served by protestant, Petaluma & Santa Rosa Railroad Company.

In Application No. 11534, as amended, Santa Rosa, Petaluma, Sausalito Auto Stage Co., Inc., a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by it of an automobile stage service as a common carrier of passengers between Santa Rosa and Monte Rio and intermediate points via Lagoon and Guerneville excepting service for passengers originating at a point east of Sousa's Corner when destined to any point east of a point one mile westerly from Forestville, or originating at any point between Sousa's Corner and a point one mile west of Forestville and destined to any point east of Sousa's Corner.

Public hearings were conducted by Examiner Handford at Guerneville and Santa Rosa, the matters were consolidated for the purpose of receiving evidence and for decision, were duly submitted and are now ready for decision.

In Application No. 11184, as amended, applicant A. Dunham proposes to operate between San Francisco and Monte Rio serving the intermediate points of Gilmore Avenue, Cunningham, Sebastopol, Molino, Forestville and Guerneville, no local service to be rendered between Gilmore Avenue and Forestville which are now served by the Petaluma & Santa Rosa Railroad Company.

Applicant proposes to charge rates in accordance with a schedule marked "amended Exhibit A" as filed with the amended application herein; to operate on a schedule of three round trips daily; and to use as equipment 4 stages of the safety coach type with seating capacity of 20 to 22 passengers each, together with such reserve equipment as may be necessary from applicant's presently authorized lines.

Applicant relies as justification for the granting of the requested certificate on the following alleged facts:- that the territory proposed to be served is a summer resort territory patronized by people from the San Francisco Bay district; that the present transportation facilities are inadequate; that during the vacation season, particularly on week-ends, the trains of the Northwestern Pacific Railroad are overcrowded and passengers are obliged to stand in the aisles and on the platforms of cars by reason of their inability to obtain seats; that during winter months an inadequate train schedule is maintained; that inadequate parking facilities exist at many points on the Russian River to the extent that parties who otherwise would use their privately owned machines for transportation are unable to do so and are thereby deprived of the opportunity of automobile travel due to the absence of a public automobile transportation; that it is the intention of applicant to connect as far as possible with the train schedules of the Petaluma & Santa Rosa Railroad at Sebastopol to handle passengers to and from such line and the resorts on the Russian River; and that inadequate and delayed express service is rendered via the Northwestern Pacific Railroad to Guerneville and Monte Rio which service will be cared for by applicant in an adequate and efficient manner.

In Application No. 11534, as amended, applicant Santa Rosa, Petaluma, Sausalito Auto Stage Co., Inc., proposes to operate between Santa Rosa and Monte Rio serving the intermediate points

of Lagoon, Sousa's Corner, Rock Inn and Guerneville eliminating service for passengers originating at a point east of Sousa's Corner and destined to any point east of a point one mile westerly from Forestville, and for passengers originating at any point between Sousa's Corner and a point west of Forestville and destined to any point east of Sousa's Corner.

Applicant proposes to charge rates in accordance with a schedule marked "Exhibit A" as filed with the application herein and to operate on a schedule of five round trips daily with additional trips if justified by travel demands, using as equipment two modern stages, each of twenty passenger capacity together with such reserve equipment as may be necessary.

Applicant relies as justification for the granting of the desired certificate on the following alleged facts:- that the territory proposed to be served is at present inadequately served by the present rail carrier; that the proposed service will afford the residents of Santa Rosa and neighborhood communities access to resorts which cannot be had at present by reason of infrequent train service; that the proposed service will furnish opportunity for transportation from Russian River resorts to Santa Rosa and from such point to Calistoga, Eureka and way points, Napa, Sacramento and way points, Petaluma, San Rafael, Sausalito, San Francisco and way points; that residents of Santa Rosa and adjacent communities will be able to visit Russian River resorts by leaving Santa Rosa after the noon hour and returning, if desired, by early evening; that passengers living at Russian River points will be able to journey to Santa Rosa at a later hour than now possible and from such point to reach destinations south of said Santa Rosa; and that a large number of farmers in the territory proposed to be served will be able to travel directly from their homes without engaging temporary transportation and traveling considerable distances to rail transportation.

Applicant A. Dunham testified that he had been for the past thirteen years in the automobile stage business and that he was financially able to establish the proposed service. Also as to his investigation of the need for service over the proposed route, both as to the carriage of passengers and express.

It was stipulated by applicant that the express packages would be limited to those that would be carried on the passenger stages and no express service requiring the use of separate vehicles would be established.

Applicant called seventeen witnesses, six from Sebastopol, one from Rio Nido, one from Forestville, one from Sousa's Corner, six from Guerneville and two from ranch points.

These witnesses all endorsed the proposed service as a convenience and as such being desirable but all but two testified that in their trips to San Francisco and other points proposed to be served by applicant that they used their own cars. Some of the witnesses testified as to their desire to use the proposed line in the shipment of parcels and express packages.

The Sebastopol Merchants Association endorsed the application of A. Dunham insofar as through service was contemplated between San Francisco and Russian River points but were opposed to the inauguration of any service that would handle passengers locally between Petaluma and Forestville and intermediate points.

The granting of Application No. 11184 was protested by the Petaluma and Santa Rosa Railroad Company, the Northwestern Pacific Railroad Company, the American Railway Express Company, and in part by Santa Rosa, Petaluma, Sausalito Auto Stage Co., Inc.

Fifteen witnesses were called for protestant, Northwestern Pacific Railroad Company, principally resort owners, merchants and business men. Twelve testified as to conditions at Guerneville, two as to Rio Nido, and one as to Monte Rio. The testimony of

five others was stipulated as to conditions at Monte Rio. All these witnesses testified as to the adequacy of the service as rendered by protestant, Northwestern Pacific Railroad Company and expressed the opinion that no additional service was necessary, two witnesses testifying as to the satisfactory express facilities presently existing.

Mr. E. C. Winkler, a witness for protestant Petaluma and Santa Rosa Railroad Company, testified that he resided between Sebastopol and Forestville, about two miles from the latter point, This witness considers the present railroad service adequate and objects to the establishment of additional service.

Resolutions were filed by the Cunningham Farm Center and the Chamber of Commerce of Santa Rosa requesting a denial of the Dunham application.

Mr. E. H. Maggard, President and General Manager of protestant, Petaluma and Santa Rosa Railroad Company, testified in regard to the anticipated decrease in earning of his company if the application of A. Dunham were to be granted.

This witness presented an exhibit showing that the applicant Dunham proposes paralleling the railroad of protestant between Cadwell and Molino, a distance of 6-1/3 miles, and between Carbro and Forestville, a distance of 2-1/3 miles, the highway being at varying distances from 1/4 mile to 1 mile distant from the railroad between such above mentioned points. The service proposed competes with protestant in the zone bounded by Petaluma on the south and one mile north of Forestville on the north, also in the handling of through business between San Francisco and Sebastopol, such traffic now being handled by this protestant in connection with the Northwestern Pacific Railroad and the Santa Rosa, Petaluma, Sausalito Auto Stage Company at Petaluma and Santa Rosa. The proposed express service will compete with the freight service of protestant unless confined

to passenger stages. A statement of passenger business handled by this protestant during the seven months period ending July 31, 1925, shows a total revenue from such source of \$28,358.28. Deducting actual operating expenses and taxes (in amount \$24219.03) leaves a net revenue of \$4139.25. As no depreciation, maintenance of way and structures or general expense is included in the foregoing total of expenses the passenger business of this protestant is being conducted at so slight a margin of profit that any diversion of traffic or revenue would create conditions justifying its curtailment or discontinuance.

Mr. J. J. Geary, General Freight and Passenger Agent of protestant Northwestern Pacific Railroad Company, testified that he had made a study of the traffic moving to Russian River resort territory, the resort traffic having commenced in 1906 due to the development of Guerneville Park (then known as Mirabel Park and later as Rio Campo. This protestant publishes "Vacation" an annual which describes the various resorts served by its railroad, the cost of publication being about \$3500 for each annual issue of 20,000 copies. No portion of this expense is assessed to the resort owners except that the resort owners furnish such cuts as they desire to illustrate the text describing their places of business.

Exhibits filed at the hearing by this protestant show deficits from operation in the following amounts during the periods mentioned:

Year ending December 31, 1923	-	\$ 10,208.32
" " " 31, 1924	-	113,644.58
Nine months ending Sept. 30, 1925	-	119,805.29

The deficit appears to have principally accrued from a falling off in passenger business, although there was a material decrease in the freight revenue in the year 1924 over that of 1923, this decrease, however, has been overcome in 1925 when the freight business shows approximately the same return as in the corresponding period of 1924.

It is the contention of this protestant that the service now rendered to Russian River points, especially from San Francisco and the territory between Sausalito and Santa Rosa, is adequate and responsive to the needs of its patrons and the resort territory thereby served, and that any diversion of traffic or division of traffic with additional carriers would create a condition whereby the present service would become unprofitable to the extent that a curtailment of train service would be necessary, such curtailment of service affecting not alone the Guerneville Branch but also the portion of the main line between Sausalito and Santa Rosa.

Exhibits filed by this protestant show the average travel on various train as follows:

TRAIN NO.222 (A.M.Train)

(Includes passengers handled for mainline points, San Francisco to Fulton, inclusive).

	<u>Daily except Saturday & Sunday</u>	<u>Saturday</u>	<u>Sunday</u>
October, 1924	26	70	67
November "	24	42	66
December "	26	42	75
January, 1925	27	38	55
February "	27	54	69
March "	28	47	65
April "	33	62	72
May "	41	80	143
June "	75	133	127
July "	133	277	274
August "	67	173	174

(Includes only passengers out of San Francisco for points beyond Fulton on the Guerneville Branch)

	<u>Daily except Saturday and Sunday</u>	<u>Saturday</u>	<u>Sunday</u>
October 1924	12	48	14
November 1924	6	16	4
December 1924	5	12	4
January 1925	4	14	3
February 1925	5	35	5
March "	5	13	5
April "	8	28	9
May "	13	73	37
June "	70	292	62
July "	118	588	125
August "	77	410	67

Special Saturday and Sunday service was operated during 1925 to Russian River points, resulting in the following averages as to passengers carried:

	<u>Sunday only</u>	<u>Saturday special</u>
June 1925	88	—
July 1925	241	80
August 1925	98	56

The record of passengers arriving at Sausalito on Trains originating in the Russian River territory on Sundays and special Monday train are as follows:

	<u>Train 223 Sunday only</u>	<u>Train 225 Sunday only</u>	<u>Train Monday Special</u>
June 7	99	170	—
14	145	250	—
21	184	304	—
28	294	292	—
July 5	741	1794	—

	<u>Sunday Only</u>	<u>Sunday Only</u>	<u>Monday Special</u>
July 6	_____	_____	97
12	325	481	_____
13	_____	_____	82
19	375	586	_____
20	_____	_____	104
July 26	453	685	_____
" 27	_____	_____	106
Aug. 2	496	484	_____
" 3	_____	_____	50
" 9	399	494	_____
Aug.10	_____	_____	46
Aug.16	487	523	_____
Aug.17	_____	_____	49
Aug.23	274	425	_____
Aug.30	155	222	_____

It is the contention of this protestant that ample accommodation is provided and has been available to meet all the demands of traffic and to care for such peak movement as may occur by reason of week-end travel to and from the Russian River resorts. The record as shown by exhibits filed does not indicate that any particular volume of traffic has been attracted to the special trains operated on Saturday with early Monday return to care for week end patrons.

Mr. W. H. Curtis, a director of applicant, Santa Rosa Petaluma and Sausalito Auto Stage Co., Inc., testified that his company proposed to use stages of 20 passenger capacity in the proposed service between Santa Rosa and Monte Rio, and that applicant was induced to file for the desired certificate by reason of complaint as to inadequate service, there being no public transportation other than the rail service of protestant, Northwestern Pacific Railroad Company.

Petitions signed by 692 residents of Santa Rosa and points on the proposed route were presented, the signers thereof alleging that the present service was inadequate and that the establishment of the stage line as proposed by applicant, Santa Rosa, Petaluma and Sausalito Auto Stage Co., Inc. was a necessity for the persons residing in the towns proposed to be served as well as for those residing at intermediate points along the proposed route.

Mr. F. R. Le Febre, employed as a ticket agent at the Union Stage Terminal, Sacramento, testified that during his working hours from 8 A.M. to 6 P.M. daily he received inquiries from 800 to 900 persons for transportation, and that of such inquiries there was daily inquiry for stage service to Russian River points. The witness estimated that from 4 to 5 such inquiries were received daily, during the summer season, either by telephone or personal call.

Mr. J. P. Ferguson, employed as Assistant Manager and Ticket Agent for applicant, Santa Rosa, Petaluma and Sausalito Auto Stage Co., Inc., at Santa Rosa, testified as to inquiries made at his ticket office for stage transportation to Russian River points averaging in the summer season from 6 to 7 on the ordinary week day and many more on Saturdays and Sundays. During the winter season the inquiries are infrequent.

Mr. F. E. Paddock, employed as Ticket Agent by applicant at Petaluma, testified regarding the receipt during summer months of from 15 to 20 inquiries daily for stage service to Guerneville and other Russian River points.

Eight witnesses, merchants and business men of Santa Rosa, testified in favor of the granting of the application of Santa Rosa, Petaluma and Sausalito Auto Stage Co., Inc. These witnesses expressed their belief that the service of protestant, Northwestern Pacific Railroad Company, was inadequate during the summer months, especially as regards service on week ends. All were of the opinion that more frequent service would build up the business

relations between Santa Rosa and the Russian River resorts and result in a greater community interest. It was stipulated that nine other witnesses, if called, would testify substantially in accordance with the testimony given by the eight that were examined.

A resolution of the Board of Directors of the Santa Rosa Chamber of Commerce dated November 13, 1925, was filed as an exhibit, said resolution favoring the granting of the application, and also rescinding the action of the Board of Directors on September 15, 1925, protesting against the granting of such application.

The Guernewood Park Development Company by resolution dated September 15, 1925, protests the granting of the application of Santa Rosa, Petaluma and Sausalito Auto Stages Co., Inc., and similar protest was made by the Board of Supervisors of the County of Sonoma by resolution dated September 14, 1925.

The granting of this application is protested by the Northwestern Pacific Railroad Company and the grounds of protest and testimony pertinent thereto are fully set forth in the consideration of the protest against the application of A. Dunham as heretofore considered.

The protest of Petaluma and Santa Rosa Railroad Company to the granting of the application of Santa Rosa, Petaluma and Sausalito Auto Stage Co., Inc., was withdrawn following stipulation of said applicant and subsequent filing of an amendment providing

"that applicant will not maintain any automotive passenger service whatsoever for passengers originating at a point east of Sousa's Corner and destined to any point east of a place one mile westerly from Forestville; and provided further, that applicant will not maintain any automotive passenger service whatsoever for passengers originating at any point between Sousa's Corner and a place one mile west of Forestville and destined to any point east of Sousa's Corner."

We have given careful consideration to the evidence and exhibits in these proceedings and from such consideration we conclude and hereby find as a fact that the record herein does not justify the granting of a certificate to applicant A. Dunham for the operation of a passenger service between San Francisco and Sausalito

on the one hand and Gilmore Avenue, Guerneville, Monte Rio and intermediate points. The evidence herein shows no demand for the service from the San Francisco-Sausalito terminal other than from the few resort owners in the Russian River territory who are not averse to the inauguration of any additional service, irrespective of its effect on present service. There appears no new business to be cared for or to be developed by the establishment of a competing service; and there is a substantial showing in protest, not alone from competing transportation companies, but from patrons of such companies who have testified that they are receiving adequate and satisfactory service.

We are of the opinion and hereby conclude and find as a fact that the evidence herein justifies the granting of the certificate as prayed for by the Santa Rosa, Petaluma and Sausalito Auto Stage Co., Inc., in accordance with its amended application.

The granting of this application will enable more frequent opportunity for communication by public transportation between Santa Rosa and Russian River points, a condition desired by merchants and business men of Santa Rosa, and again/st which no substantial or material protest appears herein.

O R D E R

Public hearings having been held on the above entitled applications which were consolidated for the purpose of receiving evidence and for decision, the matter having been duly submitted and the Commission being now fully advised and basing its order on the conclusions and findings of fact as appearing in the opinion which precedes this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require the operation by A. Dunham of an automobile stage line as a common carrier of passen^{gers}-/and express between San Francisco and Sausalito on the one hand, and Gilmore Avenue, Guerneville, Monte Rio and intermediate points on the other hand, and

IT IS HEREBY ORDERED that the application of said A. Dunham be and the same hereby is denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity requires the operation by Santa Rosa, Petaluma, Sausalito Auto Stage Co., Inc., a corporation, of an automobile stage line as a common carrier of passengers between Santa Rosa and Monte Rio and the intermediate points of Lagoon, Sousa's Corner, Rock Inn and Guerneville, provided, however, that no service shall be rendered for passengers originating at a point east of Sousa's Corner when destined to any point east of a point one mile westerly from Forestville, or for passengers originating at any point between Sousa's Corner and a point one mile west of Forestville and destined to any point east of Sousa's corner. No authority is hereby conveyed for the joining or linking up of the certificate hereby granted with other operative rights now owned by applicant herein, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is issued to Santa Rosa, Petaluma, Sausalito Auto Stage Co., Inc., a corporation, for the operation of an automobile stage service as a common carrier of passengers only, between Santa Rosa and Monte Rio and the intermediate points of Lagoon, Sousa's Corner, Rock Inn and Guerneville, subject to the limitations and restrictions contained in the foregoing declaration. No authority is hereby conveyed for the carriage of baggage, express, parcels, freight or other property. The certificate hereby 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 twenty (20) 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 thirty (30) 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.

For all other purposes, other than hereinabove stated, the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 11th day of June, 1926.

H. B. ...
C. ...
Leon ...
COMMISSIONERS.