

Decision No. 17428

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CHAS. A. HARE, to sell and PICKWICK STAGES, NORTHERN DIVISION, now PICKWICK STAGES SYSTEM, a corporation, to purchase that certain operative right of the former between Bakersfield and Taft and Pismo Beach, California, and intermediate points, via Lost Hills and Paso Robles, California.

ORIGINAL

Application No. 9795

Warren E. Libby, for Applicant.

Earl A. Bagby, for California Transit Company, Protestant, Herbert Kidd and W.O. Shell, for the Motor Transit Co. " H. W. Hobbs for Southern Pacific Company, Protestant, H. W. Beck, for The Atchison, Topeka & Santa Fe Ry. Co."

BY THE COMMISSION:

O P I N I O N

By the original application filed in this proceeding on February 18, 1924, Chas. A. Hare sought permission to lease to Pickwick Stages, Northern Division, a corporation, certain equipment and an operative right for conducting an automotive stage service between Bakersfield and Taft and Pismo Beach and intermediate points via Lost Hills and Paso Robles, pursuant to the terms of an agreement between the parties, accompanying the application, in consideration of the total sum of Sixteen Thousand, Nine Hundred Dollars (\$16,900), payable to Hare as follows:- the

sum of \$1500.00 in cash within twenty (20) days after the approval of the agreement; the sum of \$3500.00 in cash in monthly installments of \$250.00 each, extending over a period of fourteen months; the delivery to Hare of \$3700.00 par value of the common capital stock and \$3800.00 par value of the preferred capital stock of The Pickwick Corporation; and the assumption by the lessee of the unpaid balance of \$4400.00 due on a promissory note executed by Hare and his wife, secured by a chattel mortgage.

The agreement further provided that upon the expiration of the lease the lessee shall have the sole and exclusive option to purchase the equipment and operative right upon payment of the additional sum of \$1.00. In the mean time, it was understood that the Pickwick Stages System should operate the line as lessee. This application was granted by the Commission's Decision No. 13281, dated March 19, 1924. Thereafter on October 13, 1925, Hare and Pickwick Stages System, formerly Pickwick Stages, Northern Division, filed a supplemental application, alleging that the purchase price provided in said agreement had been fully paid, and praying for an order authorizing the transfer of this operative right to Pickwick Stages System and its consolidation with the certificate granted the latter by the Commission's Decision No. 14464, on Application No. 8067, dated January 17, 1925, (25 R.R.C. 843).

Objections having been raised to the granting of this application, public hearings were held before Examiner Austin at Bakersfield, when evidence was offered, the matter was submitted and it is now ready for decision.

The line sought to be transferred extends westerly from Bakersfield to Pismo Beach via Lost Hills and Paso Robles, includ-

ing a branch extending south from Lost Hills to Taft via McKittrick and Fellows, the same having been acquired by applicant Hare from W. E. Greer, pursuant to our Decision No. 9913 on Application No. 7388, dated December 23, 1921 (20 R.R.C. 1063). At Paso Robles, this line intersects the main Coast route of the Pickwick System, between Los Angeles and San Francisco. The Taft line has been extended north from Lost Hills to Coalinga and is now operated in conjunction with the other lines herein described. In connection with the lines from Bakersfield and Taft to Pismo, the Pickwick System also acquired a line extending south from Paso Robles to San Luis Obispo and Santa Maria. Extending south from Bakersfield to Los Angeles is the Peckard line previously operated by the Pickwick System under lease. The route west from Bakersfield traverses a sparsely settled territory in which but little traffic originates, but the roads appear to be in fair condition and less congested than those running north through the San Joaquin Valley from Bakersfield.

As originally conducted, the Hare line afforded a direct means of communication between Bakersfield and Taft and Pismo Beach, and was so operated after its acquisition by Pickwick System, pursuant to Decision No. 13281, until early in 1925, when through service was discontinued, a transfer being made at Paso Robles to the Coast line stages. To accommodate local traffic, a stage was operated between Paso Robles and Santa Maria via San Luis Obispo and Pismo Beach, which also served as an overload car to assist in the main line operations, and occasionally it was used as an emergency car in case of break downs. At Lost Hills a direct connection was made with the

stage operating between Taft and Coalinga, the schedule being so arranged as to obviate any delays. Applicant's witnesses testified that a through service from Bakersfield via Taft would be impracticable, because of the loss of time entailed.

About November 1, 1925, the Pickwick System began the operation of a schedule known as the "Bluejay" (formerly operated along the Coast) over the Packard line from Los Angeles to Bakersfield via the Tehachapi route, making a short stop at Bakersfield for luncheon and continuing thence westerly via Lost Hills to Paso Robles and thence north over the Coast line to San Francisco. This service was instituted to accommodate passengers originating at Bakersfield and points west who desired a more direct route to San Francisco, most of the travel from these points, during the winter season, being destined to points north of Paso Robles. On April 5, 1926, the schedule was abandoned, due to the expiration of the Packard lease. To justify this through service (which it undoubtedly was) applicant Pickwick Stages System relied upon a tariff filed with the Commission, pursuant to its authority, specifying through rates over this route. But in the absence of any decision of this Commission authorizing such through operations, the service was unlawful. This applicant also contends that it was authorized by our previous decision in this application to consolidate the Hare lines with its Coast lines. The original application in this proceeding alleges that the Pickwick company proposed to operate the Hare lines under the tariffs previously filed by Hare and also as a part of its complete system in conjunction with its through service rendered between Los Angeles and San Francisco and with

all other franchises owned and operated by the company, as sought by Application No. 8067, which was then pending. While the order made in Decision No. 13281 did not expressly mention a through service, it provided that the application was thereby granted, and contained no restriction limiting the operation of the lines as separate units. Therefore, we hold that the operation by the Pickwick System of these lines in conjunction with its other operative rights was lawful and fully authorized. This order was also sufficient to permit the interchange of passengers at Paso Robles, the public being provided with adequate service to Pismo Beach, the original terminal of the Hare lines.

The testimony of employes of the Pickwick System shows that there has been a demand for through service from Bakersfield and Taft to points on the Coast line as far north as San Francisco and also to points south of Paso Robles, this demand varying throughout the different seasons with respect to the intended destinations of the passengers. The evidence also indicates that at various stations along the Coast line there have been frequent inquiries by passengers as to a through service to Bakersfield. A statement was filed by the company subsequent to the hearing showing that during January, 1926, the company sold 126 tickets for transportation via Paso Robles as a junction point, between points east thereof and points on the Coast line between San Francisco and Santa Barbara, inclusive. It appears that most of the passengers originating on the Hare lines are destined to points beyond Paso Robles, the majority of the traffic during the winter months moving to points north of this junction and during the summer the north and south bound traffic is about equally divided. During the summer there is a heavy volume of traffic

from Taft to Pismo Beach. By the consolidation sought the company will be at liberty to arrange its schedules so as to provide adequate service to the public and route its stages so as to afford through service in the direction of the preponderance of traffic. The Rickwick company's employes testified that by such a consolidation various economies in operation could be effected, particularly regarding a reduction in the number of stages operated. It appears, however, from an exhibit introduced by protestant California Transit Company that it is doubtful whether the proposed through schedules can be maintained within legal speed limits. Applicant will be required to rearrange its schedules so as to comply with the law.

The granting of this application was protested by California Transit Company, The Motor Transit Company, the Southern Pacific Company and The Atchison, Topeka & Santa Fe Railway Company, all of whom introduced testimony in support of their respective protests. Since the hearing, however, the protests of California Transit Company and Motor Transit Company have been withdrawn, as a result of the transfers and consolidations effected between the companies, pursuant to the Commission's Decision No. 16725 in Application No. 12812.

In support of its protest, The Atchison, Topeka & Santa Fe Railway Company introduced an exhibit showing its train schedules and passenger fares. From this it appears that three trains daily are operated in each direction between San Francisco and Bakersfield.

Protestant Southern Pacific Company offered an exhibit showing its service between Bakersfield and Coast line points

and introduced testimony in explanation thereof. It appears, however, that passengers desiring to travel over this railroad from Bakersfield to points on the company's Coast lines must use either the Saugus or the Tracy routes, both of which are much longer and more circuitous than applicant's proposed route via Lost Hills and Paso Robles. It further appears that the time consumed by rail greatly exceeds that required by applicant's stages.

In view of the showing made, we are of the opinion that applicants have established sufficient reason for the final approval of this transfer and for the consolidation therein sought. The supplemental application will therefore be granted.

Upon full consideration of the evidence, we are of the opinion and hereby find as a fact that public convenience and necessity require the authorization and approval of the transfer from applicant Chas. A. Hare to the applicant Pickwick Stages System (formerly Pickwick Stages, Northern Division), a corporation, of the operative rights described in the original application filed herein, namely the right to operate an automobile stage line for the transportation of passengers and baggage between the cities of Bakersfield, ^{and Taft,} respectively, and Pismo Beach and intermediate points via Lost Hills and Paso Robles, as described in this Commission's Decision No. 9913 on Application No. 7388, dated December 23, 1921 (20, R.R.C., 1063) and we further find that public convenience and necessity require the consolidation and unification by said Pickwick Stages System of said operative rights herein described with the oper-

ative rights now owned and exercised by that company, as described in this Commission's Decision No. 14464, on Application No. 8067, dated January 17, 1925 (25 R.R.C. 843).

An order will be entered accordingly.

O R D E R

Public hearings 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 which appear in the opinion preceding this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require:

1. The authorization and approval of the transfer from applicant Chas. A. Hare to applicant Pickwick Stages System (formerly Pickwick Stages, Northern Division), a corporation, of the operative rights described in the original application filed herein, namely the right to operate an automobile stage line for the transportation of passengers and baggage between the cities of Bakersfield and Taft, respectively, and Pismo Beach and intermediate points via Lost Hills and Paso Robles, as described in this Commission's Decision No. 9913 on Application No. 7388, dated December 23, 1921, (20, R.R.C., 1063).
2. The consolidation and unification of the operative rights last herein described with those of said Pickwick Stages System and the operation as one unified system of through service for the transportation of passengers and baggage between the termini and intermediate points of said

lines herein authorized to be transferred on the one hand, and of the lines now operated by said Pickwick Stages System on the other hand, as described in this Commission's Decision No. 14464, on Application No. 8067, dated January 17, 1925, (25 R.R.C. 843).

IT IS HEREBY ORDERED that the transfer from said Chas. A. Hare to said Pickwick Stages System of said operative rights herein described be and the same is hereby authorized and approved and that said application for said transfer be and the same is hereby granted.

IT IS HEREBY FURTHER ORDERED that said Pickwick Stages System, a corporation, be and it is hereby authorized to consolidate said operative rights herein above described with the other lines which it now operates, (as described in said Decision No. 14464) and to operate and conduct the same as one consolidated and unified system, and to conduct a through service for the transportation of passengers and baggage between all the terminal and intermediate points of said lines herein authorized to be transferred, on the one hand, and all points on the lines which it now operates, (as described in said Decision No. 14464), on the other hand.

The authority herein granted is subject to the following conditions:

1. The consideration to be paid, or which has been paid for the property herein authorized to be transferred shall never be urged before this Commission, or any other rate fixing body, as a measure of value of said property for rate fixing or any purpose other than the transfer herein authorized.
2. The applicant shall file 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 (said time schedules to conform to the speed limits prescribed by law) in a form satisfactory to the Railroad Commission within a period of not to exceed twenty (20) days from date hereof and shall commence operation of the service herein authorized within a period of not to exceed thirty (30) days

from date hereof.

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. The rights and privileges herein authorized to be transferred shall 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.

For all other purposes, except as hereinabove stated, the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 5th day of October, 1926.

H. K. Brundige

C. A. Seaver

Leon Whitell

Commissioners.