

Decision No. 12987

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
TAHOE TRANSPORTATION COMPANY, for a
certificate of public convenience and
necessity to operate an auto-stage line
and an auto-truck line, for the trans-
portation of persons and property, for
compensation, and as a common carrier,
between Tahoe City and Lakeside and
Fallen Leaf Lake, California, and inter-
mediate and adjacent points, and between
Tahoe City and Brockway, California, and
intermediate points, and between other
adjacent points in the same territory.

ORIGINAL

Application No. 12987.

Brobeck, Phleger and Harrison, by Herman Phleger, and
Sanborn and Roehl & DeLancey C. Smith, by A. B. Roehl,
for Applicant.

Gwyn H. Baker for Pierce Arrow Stages and Eldorado
Motor Transport Company, Protestants.

BY THE COMMISSION:

O P I N I O N

Tahoe Transportation Company has petitioned the
Railroad Commission for an order declaring that public conven-
ience and necessity require the operation by it of an auto
stage line and an auto truck line for the transportation of
persons and property, for compensation, as a common carrier,
between Tahoe City and Lakeside and Fallen Leaf Lake and inter-
mediate points, and between Tahoe City and Brockway and inter-
mediate points and between other adjacent points in the same
territory.

A public hearing on this application was conducted by
Examiner Gammon at Tahoe Tavern, the matter was duly submitted
and is now ready for decision.

Applicant owns and operates a steamship line on Lake Tahoe for the transportation of passengers and express, which business was acquired from its predecessor, Lake Tahoe Railway and Transportation Company. With the purchase of this property, and by virtue of Decision No. 16616 in Application No. 12720, applicant acquired by transfer the right to operate an automobile stage line as a common carrier of passengers and express between Tahoe Tavern and Brockway and intermediate points and also the right to operate an automobile stage line as a common carrier of passengers between Tahoe Tavern and Pomins and intermediate points.

Applicant now seeks authority to operate an automobile stage line for the transportation of passengers, express and freight between Tahoe City and Lakeside and intermediate points in conjunction with and as an extension of its present right to carry passengers between Tahoe Tavern and Pomins. Applicant also desires authority to operate an auto truck line for the transportation of freight between Tahoe Tavern and Brockway and intermediate points in conjunction with and as an extension of its present right to carry passengers and express between said points.

Applicant further desires authority to operate all of the proposed auto stage and truck lines as a single, unified system for the transportation of passengers and property and proposes to charge rates and to operate on a time schedule in accordance with Exhibits 1 and 2 attached to its application, using the equipment described in Paragraph 7 of said application.

In protest against the granting of said application appeared A. L. Richardson, owner of the Pierce Arrow Stage Line, operating a through service between Sacramento and points on Lake Tahoe, via Placerville. The Eldorado Motor Transport

Company operating a through truck line for the transportation of freight tri-weekly between Sacramento and Al Tahoe, Bijou and State Line, appeared by counsel but presented no evidence in support of its protest.

T. E. Farrow, Vice President and General Manager of the applicant company, testified at some length in support of the application. Tracing the historical development of the present company the witness pointed out that the parent company, viz: the Lake Tahoe Railway and Transportation Company, for many years operated a narrow gauge railroad from Truckee to Tahoe Tavern, and also rendered steamer service on the lake. In June, 1925, the company was granted certificates authorizing the operation of steamer service from Tahoe Tavern north to Brockway and south to Pomins. A year later, the parent company gave to the Southern Pacific Company all of the railroad equipment, rights of way, and holdings of every character, on condition that the railroad company standardize the line and operate a service throughout the year. At the same time the original company sold its steamer line to the Tahoe Transportation Company and its hotel property to the Tahoe Company, the stock of the Transportation company being held by the Tahoe Company. Witness testified that applicant proposes to operate five schedules daily between rail head at Tahoe City and the end of the line, connecting with all arriving and departing trains, at substantial reductions in fares. The present stage and boat operations do not supply adequate service to local residents and tourists at the lower end of the lake and train connections are unsatisfactory. The last schedule arriving from points south of Pomins reaches the Tavern at 6:30 P. M., three hours before the departure of the train for San Francisco. Witness stated it was the purpose of the applicant, if given

authority so to do, to co-ordinate boat and stage service with train service. There are over 500 stopping points on the lake, practically all of which may be served by stage but cannot be served by boat. There are some boat services that can be eliminated and in other instances supplemented by the addition of stage and truck service, thus effecting substantial economies in operation. In short, the witness testified, the granting of this application would expedite travel into lake resorts, local travel around the lake, and the transportation of express and perishable commodities.

E. F. Droste, a real estate operator with office at Tahoe City and residence at Homewood, testified that he had lived in the vicinity for fifteen years and had found it very inconvenient to get delivery of supplies and express shipments, frequently being put to the necessity of going to Tahoe City $4\frac{1}{2}$ miles distant to obtain such shipments. Express shipments reaching Tahoe City in the morning would ordinarily lay over until the next day unless consignees came after them. Witness believed that the establishment of the proposed service, with its co-ordination with rail service, would benefit residents on the lake shore south of Tahoe City.

W. J. G. Lambert of Tahoe Park, whose business is similar to that of the preceding witness, likewise testified as to the necessity for the proposed service. He believed that the proposed schedule would insure the delivery at destination of passengers and express on the date of their arrival on the train at Tahoe City.

Frank Globin, owning a resort at Al Tahoe at the south end of the lake and three miles from Lakeside, with accommodations for 250 guests, testified that not infrequently his guests arrive on the train in the evening and are compelled to stay over night at the Tavern unless special accommodations are provided to bring

them to their destination. He estimated the number of small homes in his immediate vicinity at one hundred.

H. W. Wills, interested in several resorts on the north shore of the lake at Tahoe Vista, testified as to the need for local stage service between his resorts and those south of Tahoe Tavern, particularly in view of the fact that he owns and operates a golf course which is frequented by patrons from the southern end of the lake.

H. O. Comstock, owner and operator of a hotel at Brockway, testified that in his judgment every train arriving at and departing from Tahoe Tavern should be met with stage service and any service less than that works a hardship on the traveling public as well as the resort owners. Freight shipments are usually not delivered until one or two weeks after arrival at Tahoe.

F. C. Rivinius is Secretary-Treasurer of the applicant company and testified as to the probable volume of traffic which might be expected as a result of the establishment of the proposed service. Since the inauguration by the Southern Pacific Company of through rail service to Tahoe there has been an increase of 80 per cent in passenger traffic handled by the company to this resort. Approximately 25 stations would be served under the proposed operation south of Tahoe and with one passenger destined for each station, witness computed the net profit on each run at \$4.42. Sufficient steamer traffic could be diverted to make the stage lines profitable. All of the resort owners are obliged to use their own trucks to haul equipment and supplies from Tahoe.

On behalf of protestant Pierce Arrow Stages two witnesses appeared. Mrs. A. Connolley, owner and operator of Bijou Inn resort located a mile west and south of Lakeside, has

been served by the Pierce Arrow Stages since the inception of that service, and found same to be satisfactory. Witness favored a stage service which would connect with each train of the Southern Pacific Company. Ninety per cent of her guests arrive in their own conveyances and the balance in Pierce Arrow stages. According to her testimony, there is no demand for early morning and late evening stage service.

A. L. Richardson, owner and operator of the Pierce Arrow Stage Line, testified that his stage line has been operating from Sacramento through to the lake for 14 years, serving practically all points on the lake. Witness stated that he filed additional local schedules connecting with trains as soon as such service was made available by the railroad but that there was only negligible demand for such additional service. He maintains joint rates with the Southern Pacific Company which would be substantially affected by the proposed rates of applicant.

In connection with protest of Pierce Arrow Stage line, it should be noted that it affects only that portion of the proposed route from Pomins south, the territory north from that point as far as Brockway being already served by applicant under proper authorization. The testimony shows that it was not possible for passengers arriving over the rail line to reach any point on the lake on the date of arrival, nor have passengers from south of Pomins been able to make satisfactory connections with outgoing night trains.

True, protestant Pierce Arrow Stage line filed two extra local schedules between Richardson's and Tahoe Tavern,

but not until after the filing of the instant application. Witness Richardson testified that his stage business was primarily inaugurated to establish through service from Sacramento to points on Lake Tahoe and that whatever local business he had ever done between points on the lake was incidental to his through business. He also testified that he did not think there was much business to be had by the operation of a local service around the lake. This protestant appeared to be only slightly interested in local service except in so far as it might affect his through business. The need for this local service, coordinating with rail service from Tahoe City, both north and south, was testified to by practically every witness and it is clear that at the time this application was filed such service was entirely inadequate.

We have given careful consideration to the evidence and exhibits herein produced.

Applicant proposes a service which will, in effect, coordinate with and augment its present steamer service to all points on Lake Tahoe, thus satisfying a demand which seems to exist for a more flexible transportation system around the lake. The application quite naturally divides itself into two parts; the one with reference to service from Tahoe City north to Brockway, and the other affecting service from Tahoe City south to Lakeside.

As to the service north, applicant is now operating an authorized passenger and express service, the latter being limited to packages weighing not in excess of 40 pounds. By this application it seeks authority to remove the weight limit

on express shipments and in addition to operate an auto truck system for the transportation of freight. The evidence shows that there exist unnecessary and aggravating delays in freight shipments destined for Brockway and intermediate points. Such shipments frequently lay over at Tahoe City for 24 hours or longer. The proposed time schedules of stages and trucks are so arranged as to co-ordinate with the arrival and departure of all Southern Pacific trains at Tahoe City, thus eliminating delays and assuring delivery on day of arrival at rail head and a corresponding speeding up of out-going shipments. There is no protest to the application insofar as it relates to service between Tahoe City and Brockway and this appears to be a desirable extension of service.

The second part of the application concerns an extension of the present operative rights of applicant from Pomins south to Lakeside, now limited to passengers only. This portion of the application is resisted only insofar as it relates to the transportation of passengers. The same arrangement is here proposed as is offered in the northern territory. The evidence shows that the lake steamers leave Tahoe Tavern before the arrival of trains which carry the bulk of the freight so that shipments must lay over until the following day unless consignees are willing and able to take personal delivery. By co-ordinating the schedules of passenger stages and trucks with the four daily train schedules passengers can reach any point on the lake upon the day of their arrival at Tahoe City, and freight shipments will move with an equal degree of promptness. Tourists will also have the choice of traveling around the lake partly by stage and partly by steamer. Five trips each way daily are proposed in the schedule, with a daily freight service, and a substantial reduction in local

fares. With the establishment of the proposed service a passenger from San Francisco destined to Lakeside, upon reaching Tahoe Tavern may avail himself of both stage and boat, going by steamer to Lakeside and returning on the stage, or vice versa, this exchange of service and tickets being provided for in the tariff.

In the light of all the evidence in this proceeding, it is clear that this proposed service is likewise desirable and necessary.

Finally, applicant asks authority to unify and coordinate all of the foregoing auto stage and auto truck operations so that they may be conducted as a single unified system.

From the record we are satisfied applicant has satisfactorily established the need for a consolidation, both in better service to the public and resulting economies in operation. A certificate will be granted authorizing the consolidation of all of the applicant's lines embraced in this proceeding.

Upon full consideration of the evidence we are of the opinion and hereby find as a fact that the operations herein contemplated, and to which the certificate herein below refers, involve the transportation by stage, auto stage, or other motor vehicle of persons, and incidental thereto, the transportation of their baggage or express, as a common carrier, for compensation over the public highways of this state between the fixed termini or over the regular route hereinabove mentioned. We also find as a fact that the operations herein contemplated also involve the transportation by automobile, auto truck or other automotive vehicle, of property as a common carrier for compensation between the fixed termini or over the regular route hereinabove mentioned.

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 which appear in the foregoing opinion,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity require the operation by Tahoe Transportation Company of an automobile stage service for the transportation of passengers, their baggage and express between Tahoe City and Brockway and intermediate points, and between Tahoe City and Lakeside and Fallen Leaf Lake and intermediate points.

THE COMMISSION ALSO DECLARES that public convenience and necessity require the operation by Tahoe Transportation Company of an automobile truck service for the transportation of freight and express between Tahoe City and Brockway and intermediate points, and between Tahoe City and Lakeside and Fallen Leaf Lake and intermediate points.

THE COMMISSION FURTHER DECLARES that public convenience and necessity require the unification and consolidation of all of the foregoing auto stage and auto truck operations so that they may be conducted as a single, unified system, and

IT IS HEREBY DECLARED that a certificate of public convenience and necessity be and the same is hereby granted subject to the conditions as hereinafter set forth:

1- Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

2- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed sixty (60) days from the date hereof.

3- 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.

4- No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by its under a contract or agreement on a basis satisfactory to the Railroad Commission.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 23^d day of December, 1927.

Edward
Chase
Leon Whitell
John D. Pettit
M. J. Lee
COMMISSIONERS.