

Decision No. 19476.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
 PICKWICK STAGES SYSTEM, a corpora-
 tion, (a) for permission to abandon
 its automobile stage service be-
 tween Calipatria and Niland, Imperial
 County, California; and (b) for a
 certificate of public convenience and
 necessity to extend and operate its
 automobile stage service as a carrier
 of passengers, baggage and express
 on an alternate routing, turning off
 from the main highway Los Angeles-
 Imperial Valley, at Whitewater going
 through Palm Springs, Cathedral City
 and Indian Wells and returning to the
 main highway at Indio, involving an
 extension of service from Palm Springs
 to Indio.

ORIGINAL

Application No. 14181.

Warren E. Libby, for Applicant.

Joseph Hellen, for Southern Pacific Co., Protestant.

M. T. Thompson, for American Railway Express Co.,
Protestant.

Frank L. Miller, for Charles Crandall, Protestant.

BY THE COMMISSION:

O P I N I O N

Pickwick Stages System, a corporation, has petitioned the
 Railroad Commission for an order authorizing the abandonment of its
 automobile stage service between Calipatria and Niland, Imperial
 County, California.

Applicant has also petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by it of an automobile stage line as a common carrier of passengers, baggage and express between Palm Springs and Indio, serving Cathedral City, Indian Wells and intermediate points as an extension of its present service between Whitewater and Palm Springs, and also for an order permitting it to re-route a portion of its schedules between Los Angeles and Imperial Valley points, diverging from the main highway at Whitewater, thence by the county road via Palm Springs, Cathedral City and Indian Wells, returning to the main highway at Indio, together with the authority to consolidate said proposed extended service and said re-routing with its system of automobile stage lines.

A map of the section of the highway affected by the application to abandon said service between Calipatria and Niland is marked Exhibit "B" and attached to said application.

Applicant proposes to charge rates for the alternative route in accordance with Exhibit "C" attached to said application.

Applicant also proposes to operate over said alternative route only one of its four daily schedules now being operated between Los Angeles and Imperial Valley points in accordance with its time schedules as appearing of record in the files of this Commission.

There was no opposition to the granting of the proposed abandonment of service between Calipatria and Niland. Southern Pacific Company, American Railway Express Company and Charles Crandall, owner of Palm Springs Auto Line, protested the granting of the proposed extension and re-routing.

A public hearing on said application was conducted before Examiner Satterwhite at Palm Springs, the matter was submitted

and is now ready for decision.

The evidence in support of the proposed abandonment of service between Calipatria and Niland shows that this operative right is part of a branch line extending from Brawley via Calipatria to Niland and connecting at Brawley with applicant's main line between Los Angeles and El Centro. Calipatria is an intermediate point on this branch line about 13 miles north of Brawley and 9 miles south of Niland, a total distance of 22 miles. This operative right between Calipatria and Niland was originally authorized as an extension of the service theretofore conducted by the United Stages, Inc. Four or five years ago Niland was a thriving and growing town and for a considerable period this branch line was well patronized and operations were profitable. In recent years development of this community has ceased and its population has very materially decreased, with the result that the volume of passenger travel has steadily and rapidly declined. The stage service of applicant is now conducted at a loss and there is no prospect of any future growth or improvement.

The record shows that during the months of June, July and August, in 1927, applicant transported between Niland and Calipatria in both directions a total of 53 passengers, the revenue derived therefrom aggregating the sum of \$25.45, the total operating expense incidental to said service being \$284.40 and the losses accruing amounting to \$258.95. The testimony of applicant shows that the continued operation of this branch service will be a burden upon its other lines. At the present time applicant operates but one schedule in each direction between said points, but the passenger travel is entirely insufficient to support even one daily schedule. It was shown that Niland is a junction point upon the main railroad

line of the Southern Pacific Company extending easterly from the city of Los Angeles in the State of California, and that a branch railroad line connects with the main line at Niland extending southerly to Calexico, which serves the way-points of Calipatria, Brawley and El Centro. There are four trains in each direction operated daily over this branch line by the Southern Pacific Company. It is quite evident that the foregoing train service is more than adequate for the needs of the travelling public between Niland and Calipatria and we are of the opinion that, in view of the existing rail service, the discontinuance of applicant's stage service will cause no public inconvenience and leave these communities with ample rail transportation service and the application for the abandonment of said service should be granted.

The record shows in connection with the proposed extension of service between Palm Springs and Indio and the alternative routing that the stage service between Los Angeles and Imperial Valley points by way of Banning now owned by the Pickwick Stages System was formerly operated by United Stages, Inc. It appears that the route over which the United Stages operated passed through Banning, Palm Springs and Indio, which was then the principal highway between Los Angeles and Imperial Valley points. Several years ago that portion of the highway between Banning and Indio was reconstructed by the State Highway Commission so as to parallel the railroad line of the Southern Pacific Company which eliminated the community of Palm Springs from said route. The evidence shows that the United Stages on or about June, 1924, was authorized by this Commission to re-route its through service over this new State highway by way of Banning and Indio, together with permission to operate a stub service between Banning and Palm Springs and this stub service is still being conducted by applicant.

The evidence shows that within the last two years there has been a very material growth and development of the territory over and along the former stage route between Palm Springs and Indio. Several real estate projects at Araby and Cathedral City and other points are in course of development and considerable agricultural development has taken place. There has been a substantial increase in the number of farms and ranches along this route and the population has very materially increased. Many new homes have been built at Cathedral City and other points along the route. Palm Springs also has made a very marked growth and several new hotels have been built and are now operating, not only at Palm Springs, but at other points along the route as far as Indio. The testimony shows that the present stub service between Banning and Palm Springs is not adequate to meet the needs of the communities along this former route and there are frequent requests at the stage offices of the applicant, both at Palm Springs and Indio and other points, for the proposed extended service and the proposed alternative routing of stages. The applicant operates what is known as a circle tour by way of San Diego, passing through Imperial Valley and returning via Palm Springs and vice versa over what is known as the short line route. Many travellers and tourists who avail themselves of this circle tour make frequent requests for stop-overs at Palm Springs and other points and this proposed extension, which will be operated as a through service, will permit the desired stop-overs. It was shown that the establishment of this proposed service will result in a reduction in the fare between Palm Springs and Indio, the present fare being \$1.60, applicable over the circuitous route between Palm Springs, Whitewater and Indio, the proposed fare over the direct extension from Palm Springs

to Indio being \$1.00. There will be no increase in through fares by the establishment of the alternative route herein sought, as the existing through fares will be applicable where stages are diverted over the proposed alternative route. Applicant proposes to operate over the alternate route the stage which leaves Los Angeles at 8:15 a.m. and the stage which leaves El Centro at 8:00 a.m. daily. It appears that the road between Palm Springs and Indio is in good condition and will afford a feasible route for the proposed extended operation.

With reference to the proposed express service, the evidence shows that there will be a very material demand for the transportation of supplies for the hotels, as well as the farmers and various business enterprises doing business along the proposed extension. The express to be transported, however, will be only such as may be transported on the passenger vehicles of applicant and no package weighing in excess of 75 pounds shall be carried.

The Southern Pacific Company offered evidence to the effect that it operates a satisfactory train service between Los Angeles and Palm Springs station and there are six trains daily in each direction which are available to all passengers desiring to go to Palm Springs and other points.

C. W. Crandall, who operates a local passenger and freight service between Palm Springs station and Palm Springs, testified that he meets regularly the two local trains daily in and out of Palm Springs station and all other trains by special call or request. The record shows, however, that the proposed extended service sought by applicant will have little effect upon the local stage service conducted by C.W. Crandall.

The applicant is hereby placed upon notice that "Operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable

rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

After careful consideration of all the evidence in this proceeding we are of the opinion that the discontinuance and abandonment of applicant's stage service between Calipatria and Niland should be granted.

We are also of the opinion that the proposed extension of applicant's stage service between Palm Springs and Indio, together with the desired alternative routing, should be granted.

O R D E R

A public hearing having been held in the above entitled application, the matter having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that the application of Pickwick Stages System, Inc., a corporation, for authority to abandon its stage service between Calipatria and Niland, Imperial County, California, be and the same is hereby granted, provided that Pickwick Stages System shall make tariff filings in accordance with General Order No. 79, canceling rates in effect between Calipatria and Niland, also such necessary time schedule supplements canceling schedules between said points.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Pickwick Stages System, Inc., a corporation, of an automobile stage line as a common carrier of passengers, baggage and express between Palm Springs and Indio, serving Cathedral City, Indian Wells and intermediate points, as an extension of its present service between Whitewater and Palm Springs; and also

requires the re-routing of one of its four daily schedules now operated between Los Angeles and Imperial Valley points, diverging from the main highway at Whitewater, thence by the county road via Palm Springs, Cathedral City and Indian Wells, returning to the main highway at Indio, together with the authority to consolidate the foregoing extension of service and foregoing rerouting with its system of automobile stage lines, as particularly set out and described in paragraph 2 of applicant's amended and supplemental application.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Pickwick Stages System, Inc., a corporation, for the operation of the extension and for the alternative rerouting hereinabove described, subject to the following conditions:

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 it 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 12th day of March, 1928.

Leon A. Bailey

Albany

Wm. B. Roeder

M. J. ...
Commissioners.