

Decision No. 19651

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of E. L. McCONNEL for certificate of public convenience and necessity to extend its present motor freight service to include between San Luis Obispo North to Cilroy, South to Santa Barbara, East to Fresno, and Bakersfield territory tributary thereto, places intermediate there between and from highway routes sought, places ten miles interior therefrom; also for definition and validation of motor freight operations now being exercised by applicant.

ORIGINAL

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) Application No. 12,258
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Harry N. Blair, for Applicant.
L. N. Bradshaw, for Southern Pacific Company.
Edward Stern, for American Railway Express Company.
E. I. Clarke, for Pacific Coast Railway.

BY THE COMMISSION:

O P I N I O N
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In this proceeding, E. L. McConnel, doing business under the fictitious name of Valley and Coast Transit Company, seeks a certificate of public convenience and necessity, authorizing the consolidation, both within themselves and with the extensions sought, of his present operative rights for the transportation of property, extending from San Luis Obispo northerly over the coast highway to San Miguel, from San Luis Obispo southerly over the coast highway to Orcutt via Santa Maria, and from San Luis Obispo northwesterly to San Simeon via Morro, Cayucos, and Cambria; authorizing an extension from San Miguel northerly over the coast highway to Watsonville via Bradley, San Ardo, San Lucas, King City, Soledad, Gonzales and Salinas; authorizing an extension southerly from Orcutt over the Coast Highway to (but not including)

Santa Barbara; authorizing branch lines leaving the Coast highway at various points between San Miguel and Las Cruces, inclusive; and permitting the establishment of lines across the Coast Range over routes connecting with the coast highway at Paso Robles, Santa Margarita and Santa Maria, serving points in the San Joaquin valley extending from Fresno on the north to Bakersfield on the south, including a network of highways in the valley serving intermediate points.

Public hearings were held before examiner Austin at San Luis Obispo when evidence was offered, the matter submitted and it is now ready for decision.

Applicant's existing operative rights for the transportation of property are thus described:

1. Between San Luis Obispo and San Miguel, and intermediate points, granted by Decision No.5469, dated June 6, 1918, and Decision No.5621, dated July 26, 1918, on Application No.3807, and by Decision No.7070, dated February 5, 1920, on Application No.4538.

2. Between San Luis Obispo and Orcutt and intermediate points, granted by Decision No.7535, dated May 3, 1920, on Application No.4644.

3. Between San Luis Obispo and San Simeon and intermediate points, granted by Decision No.11354, dated December 13, 1922, on Application No.8487, Decision No.13,000, dated January 9, 1924, on Application No.9571, and Decision No.14347, dated December 8, 1924, on Application No.10636.

Since the application was filed, the Commission by Decision No.16782, on Case No.1212 and consolidated matters, dated May 28, 1926, granted to E.L.McConnell, applicant herein, an operative right for the transportation of passengers, freight and express between San Luis Obispo and San Simeon, serving the intermediate points of Morro, Cayucas and Cambria and intermediate points, subject to the limitation that packages transported between

San Luis Obispo and Morro should not exceed fifty pounds each; in addition certain contests between various operators in this territory were disposed of, thus obviating the consideration of many matters referred to in the present application.

Applicant proposes to extend the scheduled service now conducted upon his existing lines, over the following branch lines:

1. Between Ontario (near San Luis Obispo) and Avila.
2. From Arroyo Grande to Los Berros, returning to the coast highway at Nipomo.
3. From Los Ocos-Morro Junction to Morro and Bayview, returning to the coast highway at Morro.
4. From Pismo to Grover and Oceano returning to the coast highway at Arroyo Grande.
5. From Santa Maria to Betteravia and Guadalupe, returning to the coast highway at Nipomo.
6. Between Harris and Lompoc.

also
 Applicant/proposes to establish an "on call" service available within forty-eight hours after request by shippers, over the coast highway extending northerly from San Miguel to Watsonville, southerly over the coast highway from Orcutt to (but not including) Santa Barbara, and also over the following branch lines diverging from the coast highway:

<u>Points between which service is proposed</u>	<u>Length of Branch Line</u> <u>Miles</u>
(In all instances applicant seeks to serve intermediate points)	
<u>FROM</u>	<u>TO</u>
1. Bradley	Branch Ranch 11
2. San Miguel (Nacimiento District)	Branch Ranch 13
3. San Marcos (San Marcos Creek Junction)	Adalado 15½
4. Paso Robles	Cayucos 28
5. Paso Robles (Nacimiento District)	Branch Ranch 33

6.	Paso Robles (Via Klau)	Cienego Creek Crossing	23½
7.	Templeton (Via Santa Rita (Creek))	Cayucos	17
8.	Atascadero	Morro	21
9.	San Luis Obispo (This route was withdrawn when the evidence (indicated that it would traverse a private road).	Pecho Creek	13½
10.	San Luis Obispo	Arroyo Grande	15½
11.	San Simeon (via Edna)	Arroyo Houda	29
12.	Pismo	Edna	5½
13.	Arroyo Grande	Musick	14½
14.	Arroyo Grande (Huasna Valley)	Adams Ranch	19½
15.	Nipomo	Guadalupe	6
16.	Santa Maria (via Betteravia)	Guadalupe	14
17.	Santa Maria (via Sisquoc) (This route will connect with the main state highway at Sisquoc, thus forming a loop ex- tending to the east of the coast highway)	Zaca	34
18.	Harris	Lompoc	11
19.	Los Alamos (via Alisos Canyon)	Sisquoc	11½
20.	Zaca (via Los Olivos, Ballard, Santa Ynez and Solvang.)	Buelton	13
21.	Buelton (via Santa Rita and (La Purisima Mission)	Lompoc	19
22.	Las Cruces (via Yridisis Creek and Los Amoles Creek)	Lompoc	22

In addition applicant proposes to establish an "on call" service between points on its coast line and points in the San Joaquin Valley which will be available in some instances within 48 hours after request by shippers, and in others within 72 hours after such request. In the following tabulation we have indicated by the symbol "A" the proposed 48 hour service, and by the symbol "B" the proposed 72 hour service. The points between such service is sought as thus described:

<u>Points between which service is proposed.</u>		<u>Length of Branch Line Miles.</u>	
	<u>From</u>	<u>To</u>	
1.(A) San Miguel		Parkfield	23
2.(A) San Miguel		Stone Canyon	25½
3.(A) San Miguel (via Estrella, on (the Shandon-Cholame road)		Fifteen Mile Bridge	16

4.(A)	Paso Robles (via Estrella and (Hog Canyon)	Barkfield	32
5.(A)	Paso Robles (via Shandon)	Cholame	27
6.(A)	Paso Robles	Creston	15
7.(A)	Santa Margarita	Shandon	26
8.(A)	Santa Margarita (via Creston (and Huero Huero)	Shandon	43
9.(A)	Santa Margarita (via San Juan (over Simmler-Shandon (cutoff.)	Shandon	64
10.(A)	Santa Margarita (via La Panza)	Simmler	47½
11.(A)	Santa Maria (via Maricopa (over the Cuyama (River route through (Santa Barbara National Forest, this road (being under construction.)	Bakersfield	116
12.(B)	Parkfield (via Coalinga, (Oil City, Lemoore, Armona, (Hanford and Coshen. This is the main (route across the valley via Parkfield, the (most northerly pass through the mountains. (The following seven routes are branch lines.)	Visalia	100
13.(B)	Oil City (via Mendota)	Fresno	74
14.(B)	Oil City (via Helm)	Fresno	52
15.(B)	Lemoore (via Carruthers)	Fresno	30
16.(B)	Hanford (via Layton and Fowler)	Fresno	34
17.(B)	Coshen (via Travers, Kingsburg, Selma and Fowler)	Fresno	35
18.(B)	Visalia (via Dinuba, Reedley and Sanger)	Fresno	55
19.(B)	Coalinga (via Stratford, (this being an alter- (nate route to route (No.12)	Lemoore	42
20.(B)	Cholame (via Cottonwood, (Stratford, Gurnsey and (Tulare. This also is a principal (route across the valley, traversing the (mountains through the Cholame or Cottonwood (pass, south of Parkfield. The following named (eight routes are branches of this one.)	Visalia	84
21.(B)	Cottonwood (via Zapata)	Coalinga	32
22.(B)	Cholame (via Anette, Junction, (Lost Hills, Wasco, (Famosa, MacFarland, Delano, (Pixley and Tipton, this being a loop extending (south of Cholame.	Tulare	111

23.(B)	Delano	(via Angolia and (Corcoran, this being (a detour to the West (of the route No.20)	Hanford	40
24(B)	Delano	(via Ducor, Porterville, Visalia (Lindsay and Exeter, being a detour (from Route No.20)		61
25(B)	Junction	(being a branch (line extending south (of Route No.20)	Mc Kittrick	36
26(B)	Junction	(via Lost Hills, (Blackwells, Lockern, (Buttonwillow and Rio Bravo, (being a branch of route No.20. (extending southerly from Junction.)	Bakersfield	67
27.(B)	Wasco	(via Shafter and (Rio Bravo, being a branch (of Route No.20 extending (south from Wasco.)	Bakersfield	32
28.(B)	Famosa	(via Lerdo, being a (branch of route No.20 (extending south from Famosa)	Bakersfield	21
29.(B)	Simmler	(via Mc Kittrick and (Taft, being a main route (across the valley through (Simmler Pass, the next pass through (the mountains south of Cholame and (Shandon.)	Bakersfield	78
30.(B)	Taft	(being a branch of (Route No.29 extending (south from Taft.)	Maricopa	(?)

In short applicant proposes to establish a service from San Miguel and Paso Robles over both the Parkfield and the Shandon-Cholame routes, and from Santa Margarita over the Shandon-Cholame and the Simmler routes, through the coast range into the San Joaquin Valley, serving points along the highways within an area bounded roughly by Coalinga, Mendota, Fresno, Centerville on the northwest and on the north; on the east by Sanger, Parlier, Reedley, Dinuba, Visalia, Exeter, Lindsay, Strathmore, Porterville, Ducor, Richgrove, Delano, Macfarland, Famosa, Lerdo, and Bakersfield; on the south by Maricopa and Taft; and on the southwest and the west by McKittrick and Junction;

applicant proposing as well to serve many points within this area. Applicant also seeks permission to operate over the proposed state highway now under construction between Santa Maria and Bakersfield via Maricopa and Cuyama River, traversing in part the Santa Barbara National Forest.

In the application authority is sought to continue the present radial service within a distance of two hundred miles from San Luis Obispo but as to this no evidence was introduced. Moreover such operations are not within the Commission's jurisdiction. (In re Ben Moore, 27 C.R.C.398.)

Other than the routes which have been described over which operations will be conducted under definite schedules, applicant proposes to engage solely in an "on call" service, handling truck loads subject to a minimum of 5000 pounds, which may consist of shipments tendered by one or more shippers, in other words, composite loads. Such operations will necessarily be irregular and dependent upon the demand for the service by the shippers.

As to his scheduled operations applicant proposes to establish specific class and commodity rates predicated upon those now in effect, as shown in his tariff C.R.C. No.1. For the "on call" service the rates on capacity loads will be established on a ten mile basis, varying according to the classification of the shipments and subject to a minimum weight of not less than 5000 pounds and to a minimum charge of \$5.00. Upon consolidated loads received from more than one shipper, the rates also will vary according to the classification. Applicant proposed originally to prorate upon a weight basis, the charges accruing for the aggregate load, subject to a minimum charge of \$5.00; however, during the hearing, this tariff provision was amended so as to provide a specific charge to each shipper based upon the distance traveled by his proportion of the load subject, however, to a minimum charge. Shipments forming part of a consolidated load will be accepted subject to a delay of

not exceeding fifteen days, thus affording the carrier an opportunity to accumulate sufficient freight for a capacity load of 5000 pounds, for distribution along the particular route.

In addition to the definite routes which have been described, applicant proposes to serve all points within a zone extending ten miles on either side of the highway and ten miles beyond the limits of the termini, these lateral rights being sought not only as to the proposed extensions but also in respect of applicant's existing routes. Applicant testified that this would enable him better to serve farms situated off the highway, thus performing a direct pickup and delivery service; however, in regard to his scheduled service he is seldom called upon to deviate from the highway for more than one mile.

Applicant proposes to use his existing equipment of which he has quite a variety. However, he has made no definite estimate of what will be required to perform this service.

The proposed consolidation will enable applicant to establish through rates upon shipments moving from one operative right to another, instead of the combination of local rates, resulting in reductions in many instances. In addition the transfer of shipments at San Luis Obispo will be obviated, particularly as to larger shipments, it being applicant's intention to continue the transfer of smaller shipments. This will be of particular advantage in handling shipments of livestock originating at various farms which must now be transferred at San Luis Obispo. Applicant contended he had been authorized by the Commission to transport shipments between points on his operative rights north and south of San Luis Obispo (Decision No. 7535 on Application No. 4644).

Applicant described in detail the territory traversed by the proposed routes, relating with considerable particularity the agricultural products and the character of the contemplated traffic. We shall review his testimony briefly, dealing first with the coast route and then with the San Joaquin valley.

In respect to the service north of San Miguel, Mr. Mc Connell testified that the territory between that point and Bradley was devoted largely to raising grain and grazing stock, the ranches being quite large. San Miguel is the shipping center. Between Bradley and Watsonville apples and potatoes will move south, being now handled by peddlers, and northbound there will be occasional shipments of household goods and millwork for the Southern Pacific Milling Co. from San Luis Obispo to its lumber yards between that point and Soledad. On cross examination applicant admitted that north of King City his route will parallel other truck lines and also the Southern Pacific rail lines for the entire distance, but he was not familiar with these truck lines nor was anything shown in this regard by protestants. He also stated he had not consulted with the shippers of Watsonville nor Salinas, having discussed the matter only with distributors in his own territory.

The proposed extension to Bayview will serve a narrow valley about twelve miles long devoted to vegetable production. It has no means of public transportation to its marketing center at San Luis Obispo. Avila, situated on San Luis Bay about two miles south of the highway, is now served by the Pacific Coast Railway and also by a motor passenger and package line conducted by one Motto. The plant of the Union Oil Company is situated here, and there are a few farms near the town. The Los Berros district, which will be served by a detour is situated in a valley about eight miles long and two miles wide, now occupied by dairy and poultry farms, and having its center at San Luis Obispo. It is now served by the Pacific Coast Railway, which follows the valley while the main coast highway traverses the hills bordering the valley. An alternative route will be established serving Oceano, leaving the highway at Pismo and returning at Arroyo Grande, being in the nature of a detour from the main highway.

The proposed route extending south from Bayview to Pecho Creek Ranch was abandoned when it developed that it would traverse a private road, operations over which are not subject to our jurisdiction. (Bolton v. Olson, et al. 23 C.R.C.968).

Regarding the routes proposed to be established in the territory lying north of San Luis Obispo, on the west or coast side of the Salinas Valley, applicant testified similarly regarding the industries and expected traffic. The route extending from Atascadero to Morro will form a convenient outlet to this territory, now occupied chiefly by poultry ranches and small farms in the hills, and by dairy and produce farms along the coast. From Templeton a branch will serve Cayucos via Santa Rita creek, thus affording a connection with San Luis Obispo, the principal trading point. Hay and grain are raised in the hills, and along the coast, dairying and the raising of beans are the chief occupations. The branch from Paso Robles to Cayucos will serve a similar territory, finding its marketing center at Paso Robles. The San Simeon-Arroyo Grande route is merely an extension of applicant's present San Simeon line, affording communication with San Luis Obispo. Dairying and the gathering of sea-weed are the principal industries. Extending westerly from Paso Robles is the Branch Ranch route, serving Nacimiento Valley where grain raising and stock grazing are still the principal industries, although almond and fruit orchards are developing. While Paso Robles is the marketing point, many supplies are brought in from San Luis Obispo. The branch extending from Paso Robles to Cienego Creek (via Klau) will serve a stock and grain country which is rapidly developing its orchards. The same territory will be topped by the proposed branch line extending from San Miguel to Adalada, this route, however, opening a new outlet. Until recently a stock and grain country, it is rapidly being transformed into orchards, pears being raised in the hills and almonds on the lower levels. Cream is shipped to Paso Robles and San Miguel where it is used by the

creameries in the manufacture of butter, some of which sold in same district, although most of it is marketed at a greater distance. To this extent, as applicant testified, the trucking service would operate as a feeder for the railroad. The road from San Miguel to Branch Ranch will also serve the Nacimiento district, of which San Miguel has been the principal shipping point for livestock and grain, but as the orchards develop Paso Robles, because of its packing houses, may become the most important center. The same district will also be served by the proposed route from Bradley to Branch Ranch, traversing the San Antonio River district which is still largely a stock and grain country, although it is developing fruit orchards to some extent. As the river is unbridged, and is impassable during the rainy season, the traffic will then move to Bradley.

Regarding the extension south of Orcutt, applicant testified that between that point and Caviotta, in the Santa Maria valley, potatoes, grain and sugar beets are raised and there is considerable dairying. Beets are hauled to the sugar factory at Betteravia, potatoes are shipped either to San Luis Obispo, Santa Barbara or Santa Maria and most of the grain moves over the Pacific Coast Railway to Port San Luis, between Caviotta and Santa Barbara the route parallels the Southern Pacific railroad, following a narrow beach or strip between the Ocean and the hills along which there is little if any agricultural production, oil being produced, however, to some extent. Applicant testified regarding the shipment of supplies by the Coast Wholesale Company of Santa Barbara, to its branches at Santa Maria and San Luis Obispo, but this of course is immaterial, in view of the subsequent amendment of the application so as to exclude transportation from Santa Barbara itself. This extension will parallel the line of the Los Angeles and Santa Barbara Express Company, operating an automotive freight service, but this carrier did not appear as a protestant, probably because of applicant's withdrawal from Santa Barbara.

In respect to the branch routes traversing the Santa Maria Valley south of San Luis Obispo, Mr. Mc Connell quite fully described the production and industries of this territory. The line from San Luis Obispo to Arroyo Grande, via Edna, will provide a shorter route than the main highway, and serving a dairying and orchard country. The Pismo-Edna cutoff will serve a region of small farms, where also there has been some oil development. The line from Arroyo Grande to Musick will traverse a narrow valley eighteen miles long now under intensive cultivation, where garden produce, apricots and apples are raised, and which is entirely without transportation, its nearest shipping point on the railroad being Oceano. The branch from Arroyo Grande to Adams Ranch traverses the Huasna Valley, occupied by grain and hog ranches, and fruit orchards. The town of Guadalupe, situated on the Southern Pacific railroad at the mouth of the Santa Maria River, will be reached by a line leaving the coast highway at Nipomo. This is the center of a dairying country which markets its cream in San Luis Obispo, now using the facilities of the American Railway Express Company. Lettuce and beans are raised, and marketed in adjacent territory as well as more distant points. An electric railway connects Guadalupe with the Pacific Coast Railway at Santa Maria. The proposed line between Santa Maria and Guadalupe, via Betteravia, will serve a district producing sugar beets, lettuce and vegetables, and will facilitate the handling of traffic between the two towns, particularly for the wholesale houses at Santa Maria, also sugar beets will be transported to the factory at Betteravia. The Zaco-Buelton route, forming a detour to the east of the coast highway and passing through the intermediate points of Los Olivos, Ballard, Solvang and Santa Ynez, will serve a farming district in the Santa Ynez valley raising fruit, nuts and farm products, and having its principal marketing center at San Luis Obispo. Los Olivos is served by the Pacific Coast Railway, but the other points are dependent entirely upon truck transportation. Closely related to this route is the branch line between Santa Maria and Zaca via

Sisquoc, tapping a dairying section and an oil producing territory through which are scattered a few small trading centers. Some of the farmers now ship their cream from Los Alamos over the railroad but those at the upper end of the valley trade with Santa Maria. The branch from Los Alamos to Sisquoc via Alisos Canyon will also serve this territory as a direct outlet to the Santa Maria Valley, this being the shortest route from the farming community near Sisquoc to the railroad at Los Alamos. Lompoc, with a population of about 1500, situated upon the Santa Ynez river, is the center of a farming and dairying community. Applicant proposes to serve this town by a three branch line, viz: from Harris, Buellton and Las Cruces. The Harris route is shorter than the others, affording a direct connection to the north; the Buellton route will traverse the valley of the Santa Ynez river, serving a farming community; and the Las Cruces route affords a direct outlet to the South, through a rough and sparsely settled country. The grades on the Harris and the Las Cruces routes are somewhat severe, but the Buellton road affords a water level route.

Applicant also described the routes diverging from the coast highway, piercing the coast range and traversing the San Joaquin Valley.

The route from Santa Margarita to Simmler is one of the gateways to the San Joaquin Valley. Simmler is situated in Carisa plains, a plateau in the coast range, where grain is the principal product, and along the route are poultry farms and stock ranches. The dairy produce is sold in San Luis Obispo, but the grain is hauled to Santa Margarita, the nearest rail point. For many years this region has been occupied by large ranches, which are gradually being cut up into small farms.

Three routes are proposed between Santa Margarita and Shandon, one designated as a "cut off", another via Creston, and a third via San Juan. The Shandon-Cholame route to the San Joaquin Valley lies northward from the Simmler route, being another principal

gateway through the mountains with easier grades than the others. Shandon is a trading center on the Estrella River, surrounded by alfalfa, poultry and dairying farms, and to some extent grain is still produced. While Paso Robles is the nearest rail shipping point, the route to Santa Margarita affords a more direct connection to San Luis Obispo. Still another route will connect Shandon with Paso Robles, via Creston. North of the Creston route, another line will connect Paso Robles with Cholame, passing through Shandon. Cholame, situated further east along this pass, is the center of a stock raising country, trading principally with San Luis Obispo and Paso Robles. Diverging northward, another route will connect Shandon with San Miguel, via Estrella, where a dairying country will be found along the river bottom, and apples and fruit are raised in the hills. North of Shandon is the Parkfield route through the mountains, connecting Coalinga with the Coast. A branch line extending from Paso Robles to Parkfield via Hog Canyon will serve a territory largely engaged in dairying and stock raising, San Luis Obispo being the principal center. In the vicinity there has been some development of oil and quicksilver, but important results have not been achieved. Another route will connect Parkfield with San Miguel. Still further north a branch route will connect San Miguel with Stone Canyon, but this road does not pierce the mountains. It will serve a few ranches engaged in raising stock and hogs, and will also transport supplies to the Stone Canyon Coal Company.

During the summer season operations from San Miguel and Paso Robles will be conducted over the Parkfield route, via Coalinga, and Oil City, and thence to Fresno via Mendota or Lemoore. Since the road is rather steep, with sharp turns, and slides occur frequently in winter, during that season operation from San Miguel or Paso Robles will be conducted via Shandon and Cholame, Stratford and Lemoore to Fresno, the Parkfield route, however, being open excepting from December to March. Traffic destined to the upper

San Joaquin Valley will follow the Shandon route, thence via Junction, Lost Hills, Wasco and Rio Bravo to Bakersfield, and points on the east side of the valley will be reached via McKittrick, Taft and Maricopa. If occasion demands, a loop service will be conducted, entering Bakersfield via Mc Kittrick and Taft, and returning via Wasco and Lost Hills.

Still another route was proposed from Santa Maria via Maricopa, but this, as we have stated, is under construction.

Applicant testified that grapes and fruit originating at Lemoore, Armona, Hanford, Goshen and Visalia would move via Parkfield to the coast, and there would also be occasional shipments of household goods to the beach resorts. The grape and melon shipments would average about ten tons a day during the season, but the volume of household goods would be small. The packing houses of the valley market some of their raising on the coast, and occasionally machinery must be transported over the mountains. Parkfield is the most direct route over which most of this tonnage would move.

The Oil City-Mendota-Fresno line, and the Oil City-Helm-Fresno line, radiate from the main Parkfield route, affording service to intermediate communities. The Lemoore-Carruthers-Fresno line is tributary to the Cholame route, as is also the Hanford-Layton-Fresno line. Throughout this territory between Hanford and Fresno, grapes, fruit and melons are the principal products but some vegetables are raised in the vicinity of Kingsburg, Fowler and Selma, much of which is shipped to the coast. In addition blooded livestock are quite frequently hauled to the coast in order to build up the herds. The line via Goshen, Selma and Fresno is an alternative route, branching from the main route between Lemoore and Visalia. The Visalia-Reedley-Fresno line will tap the citrus belt. There is quite a movement to the coast, oranges being produced here earlier than in Southern California. Grapes are also raised in this territory and marketed on the coast. The Coalinga-Stratford-Lemoore line serves a dairying country, affording an outlet to the coast

via Parkfield. The Paso Robles-Cottonwood pass-Visalia route is an alternative route from Cholame to Stratford serving a farming country in the western San Joaquin Valley. Oil well machinery is frequently transported from the coast to points in the valley, and there is also a movement of household goods of employees transferred from one district to another and, as the country is quite barren, there is a heavy demand for vegetables produced on the coast. This oil district extends from about twenty miles north of Coalinga, southward to Maricopa. The route from Cholame to Lost Hills has been graded, being therefore superior to the other routes, and open when they are impassable because of weather conditions. There has been some agricultural development in the Lost Hills region and recently the production of cotton has commenced but the oil development is predominant.

The route from Delano to Hanford, via Corcoran, is the most direct line from Fresno to Wasco. Corcoran is the center of a dairying district from which bodded stock are shipped to the coast. From Delano another line radiates to Porterville and Visalia, serving a district from which there is a heavy movement to San Luis Obispo. Many ranchers in this territory visit the coast frequently and have occasion to transport their household goods. From Junction, where the pipe lines of the Union Oil Co. fork, and Mc Kittrick there is considerable movement of oil well machinery to the coast fields. In this territory there is considerable demand for produce, poultry and eggs from the Coast, much of this traffic originating at Paso Robles and near Shandon. South of this a line will branch easterly through Lockern and Bakersfield, serving a developing agricultural territory, where potatoes, vegetables and cotton are raised. The line extending from Wasco to Bakersfield, via Shafter and Rio Bravo, is an alternative route serving an oil district which is to some extent an agricultural territory where potatoes and onions are raised, as well as some grapefruit and cotton. On the coast there is a ready market for the potatoes and onions. The line from Famosa

to Bakersfield, via Lardo, although not serving an agricultural district, will be convenient as a return route. The line from Simmler to Bakersfield, via Mc Kittrick, will afford the most direct access to the west side oil fields, where there is a heavy movement of vegetables from the coast. The extension south to Maricopa will enable applicant to serve Maricopa, where there is considerable consumption of vegetables, this being true, also, at Taft and Fellows. In addition poultry and eggs are shipped in considerable quantities, and household goods are moved occasionally.

Testifying generally regarding the development of the proposed service, Mr. Mc Connell stated that along the coast the farmers quite frequently pool their shipments but do not as a rule own their own trucks, depending rather upon equipment hired from others. Quite often their crops are sold to peddlers considerably below the market price and for this reason the farmers would welcome a dependable transportation service. Along the coast there is a constant rotation of crops, so that there will be a continuous flow of traffic throughout the year. This will be true also between the San Joaquin Valley and the coast, the various fruits and vegetables coming upon the market at different times. In general it may be said that citrus fruits, produce, vegetables, melons, berries, grapes, poultry, canned goods and blooded stock will move between the valley and the coast. The agricultural region extends westward toward the coast from Paso Robles for about twenty-five miles, and eastward toward the valley for about fifty miles. Throughout this coast territory the subdivision of the larger ranches into small farms is constantly progressing. In conducting the "on call" service drivers will receive orders from farmers and merchants to be filled in nearby towns, and frequently instructions for the shipment will be telephoned to them. Ordinarily equipment will be supplied within eighteen hours after receipt of orders, although a greater time is reserved by the tariff rules, applicant's

opinion in this regard being influenced by the circumstance that a large portion of his business will be controlled by the consignees who generally will be situated in the coast territory where his headquarters are located.

Applicant called many witnesses in support of his proposals. We shall deal first with the testimony affecting the Coast line, and later with that concerning the San Joaquin Valley.

A produce farmer having three hundred acres under cultivation in Los Osos Valley said he would use applicant's service for handling shipments to San Luis Obispo, consisting of supplies, farm equipment and lumber, the volume averaging about 12 tons a year. The agent for the Union Oil Company at Santa Maria testified that the company maintained supply stores at Los Olivos and Lompoc, from which it was necessary frequently to draw supplies. Generally company trucks were used, the rail service being too slow and requiring transfer to and from the terminals. Usually these are emergency shipments, which move about three times a week. He stated he would use applicant's proposed service, were it established. A merchant at Guadalupe testified that he received supplies frequently from San Luis Obispo, and occasionally from Santa Maria, such shipments moving by rail, which in some instances has proved unsatisfactory because of delays encountered. He would be interested in a truck service such as that proposed by applicant, principally because of the store door delivery and expeditious service, although he would be unwilling to pay any rate substantially in excess of the rail rates. The manager of a roofing business at San Luis Obispo stated he marketed his products in the territory extending from Santa Barbara to Soledad, the shipments averaging about fifteen tons a month, although shipments to Soledad itself are infrequent. Trucks are used ordinarily and if applicant's service were extended along the coast he would patronize it. Mr. A. Irvine, district manager of the Golden State Milk Products Company for the territory

extending from King City south to Ventura, stated he had used applicant's existing service and found it satisfactory. However, it appears he would seldom, if at all, have any need of applicant's service to points where it is proposed to be extended, for shipments moving from San Luis Obispo. Although cream is shipped from Harris to San Luis Obispo, the proposed tri-weekly service will be inadequate because of the late arrival at San Luis Obispo, the railway express service better meeting his needs. However, he would use the service for hauling cream from Los Osos valley to San Luis Obispo, this territory not being served by rail. The local manager of the Coast Wholesale Grocery Company, at San Luis Obispo, was also called by applicant. The main office is at Los Angeles and branches are maintained at San Luis Obispo, Santa Maria, Santa Barbara, and Ventura. At present canned milk is received by rail from Gonzales, the service being satisfactory. The company does not favor "drop" shipments from the creamery at Gonzales, to intermediate points, which are not handled through the store at San Luis Obispo. In his judgment milk cannot be shipped any cheaper than at present. He also receives occasional shipments of potatoes from Salinas and Watsonville but would continue to use the rail service, as applicant's rates are too high. The Meyenburg Company at Salinas handles condensed milk on its own trucks, a service which cannot be improved. The "on call" service north of King City would be of little use, since shipments aggregating the minimum of five thousand pounds are seldom made; however, such shipments may occasionally move to points intermediate to San Miguel and King City, provided the rates are satisfactory. The same is true as to the handling of sugar from the factory at Betteravia to Santa Maria, where it has been found cheaper to use the company's own trucks. Upon cross examination, the witness stated applicant's rates were too high, possibly he might use the service between Santa Maria and Harris, but this would depend upon the rates; shipments now move via the Pacific Coast Railway and ordinarily the routing is not controlled by the company. The tri-weekly service, however, will be sufficient.

Quite frequently, shipments move by company trucks from both Santa Maria and San Luis Obispo to Lompoc, but whether it would substitute applicant's service depends upon the rates; on cross examination, the witness stated the proposed rates were too high. Shipments are made to Buelton, Los Olivos, Solvang and Santa Ynez but not in sufficient quantities to insure a minimum load. Shipments to Bullton and Solvang are now handled by company trucks from the store at Santa Barbara, but Santa Maria is preferable since the steep grades of Caviotta Pass would thus be avoided. It is doubtful whether a minimum load can be obtained from San Luis Obispo, although possibly shipments destined to all these points might be combined. Apparently this store will have small occasion to use applicant's proposed service. The manager of Swift & Company, having jurisdiction over the territory extending from King City to Santa Barbara, testified that his company was engaged in shipping butter and receiving cream in this area. Cream is received from Los Osos Valley, where there is a need for transportation. At present cream and milk are handled by American Railway Express from Betteravia and Guadalupe to San Luis Obispo, but since the company makes no free delivery of cream, the witness would prefer a motor truck service, which also would obviate the necessity of farmers hauling to the railroad station. The proposed rates are satisfactory. Their shipments will move from San Luis Obispo as far south as Buelton, including Betteravia, Guadalupe, Harris, Lompoc and Solvang; and although Lompoc is served by rail a truck service would be of particular advantage in that it will eliminate a transfer charge for hauling to the depot. Butter and cheese are shipped from San Luis Obispo south throughout the territory proposed to be served by applicant, orders being taken by the salesman at Santa Barbara and filled at San Luis Obispo; and for this purpose applicant's service will be used except at Oceano, where the existing facilities are satisfactory. On cross examination the witness testified that a tri-weekly service would be adequate, since the farmers as a rule do not make daily

shipments; in addition he stated the time of arrival at San Luis Obispo would be satisfactory. Their shipments throughout this territory are quite substantial. The manager, at San Luis Obispo, for Southern Pacific Milling Company, stated the company was engaged in the warehouse business, including the handling of grain and lumber, its warehouses extending from Salinas to Moorpark. Lumber and millwork are shipped from San Luis Obispo to Salinas, but applicant's service would rarely be utilized, it being doubtful whether shipments would aggregate the required minimum weight. Small shipments are made occasionally to Soledad for which this service would be used; a daily service between San Luis Obispo and Oceano, where a warehouse is situated, would be quite advantageous, as the existing transportation service is inadequate and slow; occasional shipments are made to Guadalupe; and a tri-weekly service to Santa Maria Valley points, including Lompoc would be patronized. In addition, witness testified he was the local distributor for the Sperry Flour Co., receiving flour in carload lots at San Luis Obispo and distributing it through this territory as far south as Lompoc, in connection with which the proposed service would be used. Shipments of lumber, exceeding the minimum of 5000 pounds, move as far north as Bradley and King City, for which applicant's proposed "on-call" service would be desirable if the rates were satisfactory, the witness being unable to state, however, whether the company would pay the rates proposed. Upon lumber moving to Lompoc, he believed the proposed rate was too high, it being possible to ship by rail for much less. The agent at Oceano, for the Southern Pacific Milling Company, stated he made frequent shipments from San Luis Obispo, and for that purpose would use applicant's proposed service. The existing service conducted by the Hearn Auto Truck line was inadequate and unsatisfactory, the regular service being neglected when more-profitable special hauling was available. Mr. Hearn was notified of the hearing but did not appear as a protestant.

Several witnesses were called relative to the need of transportation between the Coast and the San Joaquin Valley, whose testimony we shall summarize.

Two truck farmers of the Arroyo Grande Valley stated that at present the transportation of agricultural products between these two regions was conducted entirely by peddlers, who were unreliable and unsatisfactory, paying less than the market price for the commodities they purchased, and frequently failing to appear when promised, thereby causing considerable loss to the farmers. The products of this valley are quite varied, including vegetables of all descriptions, and apples. A service such as that proposed, affording the farmers an opportunity to consolidate their shipments, would be well patronized and is needed. Their products are marketed in the oil fields near Bakersfield, and also at Visalia. Many of the farms are situated off the highway,^{so} the proposed lateral service would be quite convenient. At times, when there has been an over-production on the coast, ready access to the valley would have resulted in considerable saving to the farmer, but as this has been prevented by inadequate transportation facilities, the farmers have suffered by falling prices due to the unnaturally restricted market. A poultry, feed and grain dealer, of Paso Robles, stated that he was shipping eggs to Taft, McKittrick and some other oil towns when he could hire the trucks - his sales averaging over two hundred cases a year, which could be increased substantially were better transportation available. He stated he would patronize applicant's proposed "on call" service. Milo and Kaffir corn, averaging 400 tons a year, are shipped from Wasco in hired trucks or by rail and a small quantity of seed is brought from Fresno. This also would be diverted to applicant, were he permitted to operate.

The manager of a fruit packing house at Kingsburg testified there was a substantial movement of fruit from that vicinity to the Coast, extending from San Miguel south to Orcutt; the movement of grapes was quite heavy, but he could not estimate the volume of cantaloupes. There is also a substantial movement of oranges.

Much of the fruit shipped to the coast is overripe or otherwise unsuitable for transcontinental shipment, therefore it is marketed close at hand. Practically all these commodities move by truck. The assistant superintendent of Producers Transportation Co., a subsidiary of the Union Oil Co., operating pipe lines between San Luis Obispo and San Joaquin Valley oil fields, testified that the company used two trucks for hauling supplies and emergency equipment between its pumping stations, and would occasionally make use of a motor truck service such as that proposed by applicant. Occasionally, employees are transferred from one point to another, so there is a need for the transportation of their household goods, but this is rather infrequent. The superintendent of the same company testified that occasionally the proposed service might be used between the coast and the valley for hauling repair parts for pumps, which will sometimes weigh as much as three or four tons. No shipments, however, would be made to Lompoc, that field having been shut down, but if it is ever reopened, applicant's service will be needed. A real estate salesman, at Morro Bay, testified that many summer resort sites have been sold to residents of the San Joaquin Valley, in the territory between Fresno and Bakersfield, and that in his opinion applicant's proposed service will be needed for transporting household goods between the valley and Morro Bay. A wholesale grocer at San Luis Obispo stated that a trucking service from San Joaquin Valley to San Luis Obispo would be advantageous to him in his business. The assistant manager of a San Luis Obispo wholesale grocery concern stated the proposed "on call" service from the San Joaquin Valley would be used for handling dried fruit in quantities exceeding the proposed minimum. The district manager of the Midland Counties Public Service Corporation, having jurisdiction of the territory from San Luis Obispo to Arroyo Grande, stated that a truck service would be used for handling supplies from Fresno to San Luis Obispo, such shipments averaging about twelve tons a month. However, he was unable to estimate the requirements of the territory in the vicinity of Santa Maria and Lompoc, with which he

was not concerned. A retail grocer of San Luis Obispo stated he frequently purchased vegetables and melons in substantial quantities, hauled by peddlers from Shafter, near Bakersfield; the vegetables, sold by the peddlers, however, were usually of inferior quality and the service was not dependable. Consequently he expressed a need for a trucking service such as proposed.

The granting of this application was protested by Southern Pacific Company, American Railway Express Company and Pacific Coast Railway Company. During the hearing applicant stipulated he would handle no freight between San Joaquin Valley points, on the one hand, and Coast territory north of and including King City, on the other hand; and with that understanding protestants withdrew their opposition to the application insofar as it related to operations between San Joaquin Valley points, and points south of King City, on the coast. Protestants, however, objected to any extension of applicant's service along the coast wherever it paralleled their own lines.

On behalf of protestant, American Railway Express Company, its route agent described its service, introducing an exhibit showing the trains operated in the coast territory upon which express was carried. Generally speaking, there are three trains daily in each direction between Santa Barbara and Gilroy, and two additional trains between Gilroy and Salinas; from Surf a branch line extends to Lompoc, over which there is one round trip daily. Over the Pacific Coast Railway there are two trains daily handling express, one operating through to Los Olivos, and the other terminating at Orcutt, and this carrier also operates one round trip daily to Avila. For practical purposes, as shown by the scheduled times of arrival and departure in their relation to ordinary business hours, there are but two services daily between Santa Barbara and San Luis Obispo in either direction, and the same is true between San Luis Obispo and Salinas. The witness testified that the company maintained a pick-up and delivery service at Guadalupe, King City, Lompoc, Paso Robles, Salinas, San Luis Obispo, Santa Maria

and Watsonville; and that the only non-agency stations in this territory were Goleta, (a suburb of Santa Barbara) Edna, Pismo and Avila. The free pick-up and delivery service is not ordinarily extended to milk, this being the only commodity excepted, but under a slightly higher rate this service will be accorded.

On behalf of protestant, Southern Pacific Company, one of its operating officials described its freight service over the Coast line between Gilroy and Santa Barbara. A daily service is maintained between Gilroy and San Ardo, including the intermediate points of Watsonville, Salinas, Gonzales and King City. From San Ardo to San Luis Obispo a tri-weekly service is maintained, and the same is true from San Luis Obispo to points south as far as Santa Barbara. However, between San Luis Obispo and Santa Barbara itself a daily car is operated; also a daily car is operated between Watsonville and San Luis Obispo. A through car is operated weekly from San Luis Obispo to Lompoc, there not being sufficient tonnage to warrant a more frequent service, freight moving to Lompoc on other days being transferred at Surf. The witness described the schedules, from which it appears that ordinarily freight is available for delivery on the second day after shipment, although on schedules leaving on Mondays, for practical purposes the time is somewhat longer because of the necessity for tendering freight for shipment on the preceding Saturday. The witness testified that more frequent service would be maintained if warranted by the traffic offered.

No evidence was offered on behalf of protestant Pacific Coast Railway Company.

The evidence indicates a need for the extension of applicant's present service southerly from Orcutt to (but not including) Santa Barbara; but it does not warrant any extension north of King City, applicant having failed to show any need for the service as to points north thereof, such as Soledad, Gonzales, Salinas and Watsonville. In our opinion applicant has justified the proposed branches diverging from its main Coast route, and has also established

the necessity for service between points in the San Joaquin Valley and the Coast. Our order authorizing this service, however, will embody the stipulation made at the hearing. The certificate granted, it must be understood, will authorize only an "on call" or "on demand" service over the routes described as such in the application, and applicant will not be permitted to transform this into a scheduled service without further authority from the Commission. Moreover, we cannot permit the consolidation of the "on demand" service with applicant's scheduled operations until it is prepared to establish such service upon a regular basis, in which event further authority should be sought from the Commission. (In re H. M. Tolson, Decision No. 14606, 26 C.R.C. 68). The order will permit the consolidation of the existing and the proposed scheduled operations, which, in our opinion, is justified by the evidence. Inasmuch as the state highway between Santa Maria and Bakersfield via Maricopa and the Cuyama River is still under construction, this route should not be entertained in the present application. This has been the universal practice of the Commission in the past, many applications having been denied solely because the highway over which operations were proposed have not been completed and accepted by the proper public authorities. To this extent, therefore, the application will be denied.

Upon full consideration of the evidence, we are of the opinion, and hereby find as a fact, that public convenience and necessity require the operation by E. L. Mc Connell, doing business under the fictitious name and style of Valley and Coast Transit Company, of an automobile truck service for the transportation of property, as a common carrier, over and along the routes described in the foregoing opinion and more specifically described in the order herein.

E. L. Mc Connell 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.

We are of the opinion, and hereby further find as a fact, that public convenience and necessity do not require the operation by said E. L. McConnell, doing business under the fictitious name and style of Valley and Coast Transit Company, of an automobile truck service for the transportation of property, as a common carrier (a) between King City and Watsonville and intermediate points; nor (b) between Santa Maria and Bakersfield, via Maricopa and the Cuyama River Valley, and intermediate points.

An order will be entered accordingly.

ORDER

A public hearing having been held in the above entitled matter, the same 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 the operation by E.L.McConnell, doing business under the fictitious name and style of Valley and Coast Transit Company, of an automobile truck service for the transportation of property, as a common carrier, and the extension of said applicant's present service, over and along the following routes, serving all termini and intermediate points, eto wit:

- (1) Between Ontario and Avila;
- (2) From Arroyo Grande to Los Berros, returning to the Coast Highway at Nipomo, and vice versa;
- (3) From Los Osos-Morro Junction to Morro and Bayview, returning to the Coast Highway at Morro, and vice versa;

(4) From Pismo to Grover and Oceano, returning to the Coast Highway at Arroyo Grande, and vice versa;

(5) From Santa Maria to Betteravia and Guadalupe, returning to the Coast route at Nipomo and vice versa;

(6) Between Harris and Lompoc.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to said E. L. Mc Connely, doing business under the fictitious name and style of Valley and Coast Transit Company, for the establishment and operation of an automotive freight service over and along the routes hereinabove specifically described, to be conducted under regular schedules to be published and filed with the Commission, subject to the conditions hereinafter set forth.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the operation by said E. L. Mc Connely, doing business under the fictitious name and style of Valley and Coast Transit Company, of an automobile truck service for the transportation of property as a common carrier "on demand" or "on call" and within such time after request for transportation by shippers as may be provided in his tariffs hereafter to be filed with the Commission and handling only truck loads consisting of single or consolidated shipments, for one or more shippers, subject to a minimum weight of five thousand (5000) pounds for each truck or vehicle operated in said service, over and along the following routes, serving all termini and intermediate points, and within a zone extending ten miles on each side of the highway traversed by said routes and each of them, and beyond the limits of said termini, to wit:

(1) Between Bradley and Branch Ranch;

(2) Between San Miguel and Branch Ranch, serving the Nacimiento district;

- (3) Between San Marcos Creek Junction and Adalada;
- (4) Between Paso Robles and Cayucos;
- (5) Between Paso Robles and Branch Ranch, via Adalada, serving the Nacimiento district;
- (6) Between Paso Robles and Cienega Creek Crossing, via Klau;
- (7) Between Templeton and Cayucos, via Santa Rita Creek;
- (8) Between Atascadero and Morro;
- (9) Between San Luis Obispo and Arroyo Grande, via Edna;
- (10) Between San Simeon and Arroyo Hondo, via Washington School;
- (11) Between Pismo and Edna;
- (12) Between Arroyo Grande and Musick, via Santa Mannela;
- (13) Between Arroyo Grande and Adams Ranch, serving the Huasna Valley;
- (14) Between Nipomo and Guadalupe;
- (15) Between Santa Maria and Guadalupe, via Betteravia;
- (16) Between Santa Maria and Zaca, via Gary, Foxen and Sisquoc;
- (17) Between Harris and Lompoc, via Purisima Mission;
- (18) Between Los Alamos and Sisquoc, via Alisos Canyon;
- (19) Between Zaca and Buelton, via Los Olivos, Ballard, Santa Ynez and Solvang;
- (20) Between Buelton and Lompoc, via Santa Rita and Purisima Mission;
- (21) Between Las Cruces and Lompoc, via Yridisis Creek and Los Amoles Creek;
- (22) Between San Miguel and King City;
- (23) From Orcutt to (but not including) Santa Barbara, and vice versa;

- (24) Between San Miguel and Parkfield;
- (25) Between San Miguel and Stone Canyon;
- (26) Between San Miguel and Fifteen Mile Bridge, via Estrella on the Shandon-Cholame road;
- (27) Between Paso Robles and Parkfield, via Estrella and Hog Canyon;
- (28) Between Paso Robles and Cholame, via Shandon;
- (29) Between Paso Robles and Creston;
- (30) Between Santa Margarita and Shandon (cut-off);
- (31) Between Santa Margarita and Shandon, via Creston and Huerohuero Detour;
- (32) Between Santa Margarita and Shandon, via San Juan over the Simmler-Shandon Cut-off;
- (33) Between Santa Margarita and Simmler, via La Panza;
- (34) Between Parkfield and Visalia, via Coalinga, Oil City, Lemoore, Armona, Hanford and Goshen;
- (35) Between Oil City and Fresno, via Mendota;
- (36) Between Oil City and Fresno, via Helm;
- (37) Between Lemoore and Fresno, via Carruthers;
- (38) Between Hanford and Fresno, via Layton and Fowler;
- (39) Between Goshen and Fresno, via Travers, Kingsburg, Selma and Fowler;
- (40) Between Visalia and Fresno, via Dinuba, Reedley, and Sanger;
- (41) Between Coalinga and Lemoore, via Stratford;
- (42) Between Cholame and Visalia, via Cottonwood, Stratford, Gurnsoy, and Tulare, over the Cholame or Cottonwood-Pass route;
- (43) Between Cottonwood and Coalinga, via Zapata;
- (44) Between Cholame and Tulare, via Anette, Junction, Lost Hills, Wasco, Famosa, McFarland, Delano, Pixley and Tipton;
- (45) Between Delano and Hanford, via Angolia and Corcoran;
- (46) Between Delano and Visalia, via Ducor, Porterville, Lindsay and Exeter;

- (47) Between Junction and Mc Kittrick;
- (48) Between Junction and Bakersfield, via Lost Hills, Blackwells, Lockern, Buttonwillow and Rio Bravo;
- (49) Between Wasco and Bakersfield, via Shafter and Rio Bravo;
- (50) Between Famosa and Bakersfield, via Lerdo;
- (51) Between Simmler and Bakersfield, via Mc Kittrick and Taft;
- (52) Between Taft and Maricopa.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to said E. L. Mc Connell, doing business under the fictitious name and style of Valley and Coast Transit Company for the establishment and operation of an automotive freight service over and along the fifty two (52) routes last hereinabove specifically described, subject to the conditions hereinafter set forth.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the consolidation and unification of the operative rights of said E. L. Mc Connell, doing business under the fictitious name and style of Valley and Coast Transit Company, as one unified system of through service for the transportation of property, as a common carrier, between all the termini and intermediate points served by and along the several routes hereinafter described, upon which operations are and will be conducted under regular schedules filed with the Commission, to wit:

1. Between San Luis Obispo and San Miguel, and intermediate points, granted by Decision No.5469, dated June 6, 1918, and Decision No.5621, dated July 26, 1918, on Application No.3807, and by Decision No.7070, dated February 5, 1920, on Application No.4588;
2. Between San Luis Obispo and Orcutt, and intermediate points, granted by Decision No.7535, dated May 3, 1920, on Application No.4644;

3. Between San Luis Obispo and San Simeon, and intermediate points, granted by Decision No. 11354, dated December 13, 1922, on Application No. 8487; Decision No. 13000, dated January 9, 1924, on Application No. 9571; and Decision No. 14347, dated December 9, 1924, on Application No. 10636.

4. Between Ontario and Avila, and intermediate points;

5. From Arroyo Grande to Los Berros returning to the Coast highway at Nipomo, and vice versa, serving also intermediate points;

6. From Los Osos-Morro Junction to Morro and Bayview, returning to the Coast Highway at Morro, and vice versa, serving also intermediate points;

7. From Pismo to Grover and Oceano, returning to the Coast Highway at Arroyo Grande, and vice versa, serving also intermediate points.

8. From Santa Maria to Betteravia and Guadalupe, returning to the Coast Highway at Nipomo, and vice versa, serving also intermediate points;

9. Between Harris and Lompoc, and intermediate points.

Provided, however, that nothing herein contained shall operate to invest the applicant with the right to serve any intermediate point or points upon or along the several routes now served by him, which have not heretofore been granted or authorized by any of the certificates hereinabove described.

IT IS HEREBY FURTHER ORDERED, that a certificate of public convenience and necessity be and the same is hereby granted to said E. L. Mc Connell, doing business under the fictitious name and style of Valley and Coast Transit Company, consolidating and unifying the operative rights and routes last hereinabove described, permitting him to operate the same as one unified system, and authorizing the operation of through service for the transportation of property between all termini and intermediate points served by and along said several routes or operative rights, as to which a regularly scheduled service has been authorized by this order, as

hereinabove described, subject to the conditions hereinafter set forth.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the consolidation and unification of the operative rights of said E. L. McConnell, doing business under the fictitious name and style of Valley and Coast Transit Company, as one unified system of through service for the transportation of property, as a common carrier, between all the termini and intermediate points served by and along the fifty-two (52) routes, over and along which an "on demand" or "on call service" has been authorized and permitted by the terms of this order, as hereinabove set forth; provided, however, that applicant shall not consolidate or merge such "on call" or "on demand" service or operation herein authorized, or any part thereof, with the service now conducted or herein authorized to be established by applicant, under the regular schedules hereinabove specifically described, without first obtaining permission therefor from the Commission, by appropriate supplemental application in this proceeding.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to said E. L. McConnell, doing business under the fictitious name and style of Valley and Coast Transit Company, consolidating and unifying the operative rights and routes hereinabove described, permitting him to operate the same as one unified system and authorizing the operation of through service for the transportation of property between all termini and intermediate points served by and along said several routes or operative rights, as to which an "on call" or "on demand" service has been authorized by this order, as hereinabove described, subject to the conditions hereinafter set forth.

IT IS HEREBY FURTHER ORDERED that in all other respects said application be and the same is hereby denied.

The authority herein granted is subject to the following conditions:

1. Applicant shall transport no freight between any point or points upon its lines in the San Joaquin Valley, herein authorized to be established, on the one hand, and any point or points upon its Coast Lines, north of and including King City, herein authorized to be established, on the other hand.

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

3. Applicant shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be 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.

4. 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.

5. 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 21st day of

April, 1928.

Leon Whiteley

C. S. Sweeney

Thos. J. Barrett

M. J. Cunniff

COMMISSIONERS.