

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of H. A. SPREITZ, transacting business under the name of SPREITZ TRANSPORTATION (successor to Lloyd's Transportation Company, a corporation,) and H. A. Spreitz, transacting business under the name of Goleta Bus & Messenger Service, for permission to consolidate and operate as one transportation company between Carpinteria and Goleta, in Santa Barbara County under the name of SPREITZ TRANSPORTATION, and for change in certain intermediate points and in adding terminus, and for certain change in tariff and in schedule.

ORIGINAL

Application No. 14564

J. W. Smith for Applicant.

Homer N. Duffey, for Montecito  
Van & Storage Co., Protestant.

BY THE COMMISSION:

O P I N I O N

H. A. Spreitz, who operates a passenger stage service under the name of Spreitz Transportation between Santa Barbara and Carpinteria and also between Santa Barbara and La Patera Lane (Goleta) under the name of Goleta Bus & Messenger Service, has petitioned the Railroad Commission, in accordance with his amended and supplemental application herein, for an order declaring that public convenience and necessity require the operation by him of an automobile stage line as a common carrier of

passengers, baggage and express between Santa Barbara and the corner of Sheffield Drive and East Valley road in Montecito district serving Mayfair Service Station, Biltmore, Olive Mill, Country Club, Miramar, Montecito Store and way-points; and also for a baggage and express service between Santa Barbara and Carpinteria serving Montecito, Summerland and way-points as an extension of and an addition to his present passenger operative rights between Santa Barbara, Montecito and Carpinteria, together with the authority to increase his passenger fares from 5 cents to 10 cents between certain division points, and also to make several reductions in certain existing fares. Applicant also seeks authority herein to consolidate and unify into one system his existing operating rights between Santa Barbara, Montecito district and Carpinteria and his proposed extended passenger, express and baggage rights herein sought with his present passenger, express and baggage service between Santa Barbara and La Patera Lane in Goleta and way-points.

Public hearings on this application were held by Examiner Satterwhite at Santa Barbara, the matter was submitted and is now ready for decision.

Applicant proposes in the operation of his consolidated service to charge rates and to operate on a time schedule in accordance with Exhibits "A", "B" and "D" attached to and made a part of said amended application.

Applicant proposes to use the equipment described in Exhibit "C" and to operate between Santa Barbara, Montecito district and Carpinteria over and along the route shown on that certain map marked "Exhibit D" offered at the hearing.

Montecito Van & Storage Company appeared as a protestant, but offered no evidence during the hearing in support of its protest.

Applicant obtained his present operative rights between Santa Barbara and Goleta and way-points and between Santa Barbara and Carpinteria and way-points through Application No. 9078, Decision No. 12477, dated August 14, 1927, and through Application No. 13877 in Decision No. 18600, dated July 8, 1927.

Under the separate operations as now conducted, Spreitz Transportation (successor to Lloyds Transportation Co.) publish the passenger fares between Santa Barbara and Carpinteria, while the Goleta Bus and Messenger Service publishes tariffs containing the fares between Santa Barbara and La Patera Lane in Goleta. Applicant proposes to consolidate all passenger fares in one tariff and cover the combined operations between Carpinteria and La Patera Lane in Goleta.

The proposed one-way round trip fares will be in almost all instances the combination of the two local fares of the independent companies. There will be reductions in a number of commutation fares. As illustrative, the 20 cent fare ticket between Santa Barbara and La Patera Lane will be reduced from \$4.50 to \$4.00; between Santa Barbara and San Marcos road from \$3.75 to \$3.50; between Santa Barbara and Hope Ranch from \$2.75 to \$2.50, with corresponding reductions in many of the school children's commutation tickets. It is also proposed to put in a schedule of round trip fares where no such are in effect, which will bring substantial reductions. As illustrative, the one-way fare from Santa Barbara to Carpinteria is 40 cents, making the cost of the round-trip 80 cents. The proposed fare will be 65 cents, a reduction of 15 cents. The same volume of reductions is made as between the other points. There will be a few increases, the principal one being the elimination of the 5 cent fare between Summerland and Montecito permitting the minimum of 10 cents now in effect between all other points to be charged.

It appears that the consolidation of the fares as between these two operations will bring material reductions to the traveling public and should be authorized in connection with the proposed unified system.

Applicant testified to the effect that he now seeks authority for a unified service of his present operative rights for the reason that his regular patrons, as well as the general public, have requested from time to time transportation from points on his route in the Goleta district to Carpinteria and the Montecito district. The evidence also shows that economies can be effected, not only in the keeping of but one set of account books, but in the through operation of busses over and along the entire unified route.

The record also shows in connection with the proposed extended express service that applicant has had frequent requests from various merchants in Santa Barbara and from garages, service stations and auto accessory stores to carry packages of small express shipments to various points along his entire route.

It appears that the average weight of packages carried by applicant is about 15 pounds and occasionally they reach or exceed 50 pounds in weight. Packages and express parcels are to be carried only on the busses now used by applicant and are limited to 100 pounds and shall be transported incidental to the transportation of passengers.

After a careful consideration of all the evidence in this proceeding, we are of the opinion and hereby find as a fact that public convenience and necessity require the proposed extended, consolidated service of applicant and the application should be granted.

E. A. Spreitz 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.

### O R D E R

Public hearings having been held in the above entitled proceeding, the matter having been submitted, and being now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation of an automobile stage service as a common carrier of passengers, baggage and express between Santa Barbara and the corner of Sheffield Drive and East Valley Road in Montecito District, serving Mayfair Service Station, Biltmore, Olive Mill, Country Club, Miramar, Montecito Store and way-points; and also for a baggage and express service between Santa Barbara and Carpinteria, serving Montecito district and Summerland, and way-points over and along the streets and roads as shown by Exhibit "D" herein and no other, as an extension of and an addition to applicant's present passenger operative rights between Santa Barbara, Montecito District and Carpinteria, together with authority to increase passenger fares from 5 cents to 10 cents between certain division points and also to make reductions in certain existing fares, as shown in Applicant's Exhibit "A" attached to amended application.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to H.A. Spreitz for the transportation of passengers, baggage and express, between Santa Barbara and the corner of Sheffield Drive and East Valley Road, and intermediate points, as more fully described in the paragraph immediately preceding, and for the transportation of baggage and express between Santa Barbara, Montecito, Summerland, Carpinteria and intermediate points, not as a separate right but as part of the right granted to H.A. Spreitz by Decision No. 18600 authorizing the transportation of passengers between Santa Barbara and Carpinteria and intermediate points subject to the conditions hereinafter set out.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the consolidation and unification of the passenger, baggage and express rights of applicant authorized in the foregoing paragraph, in Decision No. 18600 issued on Application No. 13877 and in Decision No. 12477 issued on Application No. 9078, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to H.A. Spreitz, doing business under the name of Spreitz Transportation, to consolidate and unify the passenger, baggage and express operative rights to which reference is made in the preceding paragraphs; provided, that said order of consolidation shall not be construed as authority to operate any lesser service than is authorized to be performed, under the separate certificates hereby consolidated and unified, namely, a service for the transportation of passengers, baggage and express between Goleta and Carpinteria and a point at the

junction of Sheffield Drive and East Valley Road and all intermediate points over and along the routes shown by applicant's Exhibit "D" hereinbefore referred to.

The authority herein granted is subject to the following conditions:

1. Applicant shall file his 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 the said applicant or is leased by him 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 25th day of February, 1929.

Paul E. Quinn  
A. Seaver  
Emmert D.  
Leon O. White  
M. M.  
COMMISSIONERS.