

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SOUTHERN PACIFIC MOTOR TRANSPORT COMPANY for a certificate of public convenience and necessity to transport express matter for Railway Express Agency, Inc., or its successors, between Santa Cruz and Watsonville Junction and intermediate points; between Santa Cruz and Davenport and intermediate points; between Del Monte Junction and Asilomar and intermediate points; and between Del Monte Junction and Salinas and intermediate points.

ORIGINAL

Application No. 15471.

H. W. Hobbs for Applicant.

Edward Stern for Railway Express Agency, Inc.

BY THE COMMISSION:

O P I N I O N

Southern Pacific Motor Transport Company has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by it of an automobile service as a common carrier for the transportation of property, to-wit, express of Railway Express Agency, Inc., or its successors, between Santa Cruz and Watsonville Junction and the intermediate points of Casino, Seabright, Capitola, Soquel, Aptos and Watsonville; between Santa Cruz and Davenport and the intermediate points of Orby, Wilder Spur, Cordola and Majors; between Del Monte Junction and Asilomar and the intermediate points of Nashau, Neponset, Lapis, Bardin, Marina, Gigling, Workfield, Prattco, Seaside, Del Monte, Monterey, Hoffman Avenue and Pacific

Grove and between Del Monte Junction and Salinas and the intermediate points of Cooper and Graves, all in the State of California, at which Railway Express Agency, Inc., or its successors may now have established or may hereafter establish offices for express matter.

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

Applicant proposes to charge the same express rates now charged by Railway Express Agency, Inc., or its successors, between its offices or stations on said routes and between said stations and elsewhere in the territory served by the Railway Express Agency, Inc., or its successors, both interstate and intrastate, and the limitations or conditions upon said transportation shall be those set forth in the classification and tariffs of Railway Express Agency, Inc., or its successors, on file with the Railroad Commission of the State of California.

The proposed time schedule and routes for the proposed express service are shown on Exhibit "A" attached to said application and a description of the equipment is shown in Exhibit "B". A map showing clearly the territory to be served is also attached to the application marked Exhibit "C".

No one appeared in opposition to the granting of said application.

A large number of witnesses, consisting of merchants and business men, including representatives from many of the leading retail and wholesale business houses both at Santa Cruz and Monterey, testified to the need of the proposed express service.

The testimony shows that a considerable volume of express matter is transported by the American Express Agency between the

points proposed to be served and that a substantial amount of this express matter has been heretofore carried on passenger trains of the Southern Pacific Company operating between the aforesaid points. This Commission, by its Decision No. 20361 dated October 23, 1928, upon Application No. 13775, authorized the Southern Pacific Company to discontinue operation of certain passenger trains between the points proposed to be served by this applicant and authorized an auto stage service for the transportation of passengers and baggage between these points. The Southern Pacific passenger trains, authorized to be discontinued, have furnished transportation for express matter between the points now proposed to be served by the applicant. It appears that the greater part of the express matter proposed to be handled is received from or destined to more distant points in California, particularly San Francisco, Los Angeles and Fresno and elsewhere, and transported by Southern Pacific Company to or from the proposed terminal points of applicant's routes.

It was also shown that applicant's proposed schedules are so arranged that coordinated service with the Southern Pacific Company is furnished for through shipments. The record also shows that the express matter is proposed to be handled under a lease or contract from said applicant and the rates to be charged to the public for the transportation of said express matter on applicant's vehicles will be those of the Railway Express, Inc. in accordance with the lawful tariff rates of said company.

After a careful consideration of the evidence in this proceeding, we are of the opinion that the application should be granted.

Southern Pacific Motor Transport Company 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.

ORDER

Public hearings having been held in the above entitled proceeding, the matter having been submitted, and the Commission being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Southern Pacific Motor Transport Company, a corporation, of an automotive service as a common carrier for the transportation of property, to-wit: express of Railway Express Agency, Inc., or its successors, between Santa Cruz and Watsonville Junction and the intermediate points of Casino, Seabright, Capitola, Soquel, Aptos and Watsonville; between Santa Cruz and Davenport and the intermediate points of Orby, Wilder Spur, Gordola and Majors; between Del Monte Junction and Asilomar and the intermediate points of Nashau, Neponset, Lepis, Bardin, Marina, Gigling, Workfield, Prattco, Seaside, Del Monte, Monterey, Hoffmann Avenue and Pacific Grove, and between Del Monte Junction and Salinas and the intermediate points of Cooper and Graves, all in the State of California, at which Railway Express Agency, Inc., or its successors, may now have established or may hereafter establish offices for express matter, provided that the service authorized shall be rendered to and from offices or stations of Southern Pacific Company at all such points where offices or

stations are or may be maintained and that said service shall be operated in coordination with the rail service of said company;

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Southern Pacific Motor Transit Company, a corporation, subject to 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.

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 24 day of

June, 1929.

Wm. S. Lott
C. C. Scully
Leon Whitely
M. H. Can
Commissioners.