

Decision No. 21287

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 COASTSIDE TRANSPORTATION COMPANY,
 a corporation, for (1) a certificate
 of public convenience and necessity
 to operate an automobile stage line
 as a common carrier of freight between
 San Gregorio and La Honda, California,
 and intermediate points, including the
 right to serve all the territory for
 five miles on either side of the high-
 way traversed between San Gregorio and
 La Honda; (2) to consolidate said op-
 erative right with applicant's present
 and existing operative rights; (3) for
 an order authorizing applicant to ex-
 tend its present service to include the
 right to serve all the territory for a
 distance of five miles on either side
 of the highway traversed between San
 Francisco, Half Moon Bay, Pescadero and
 Santa Cruz, California, and intermediate
 points, over the Coast route.

ORIGINAL

Application No. 15562

Harry A. Encell and M. A. Sanborn, for Applicant.

A. F. Woodhams and J. J. Bullock, for
 R. E. Woodhams, Protestant.

BY THE COMMISSION:

O P I N I O N

COASTSIDE TRANSPORTATION COMPANY, a corporation,
 in the above-entitled application seeks authority to extend
 its freight service between San Francisco and Santa Cruz via
 Half Moon Bay and Pescadero from San Gregorio to La Honda
 and five miles on either side of the road, and also to make
 pick-up and deliveries for five miles on either side of the
 highway traversed between its main termini, and the consolida-
 tion of these additional rights with its unified service.

Public hearings herein were conducted by Examiner Williams at San Francisco and Redwood City.

Applicant desires the extension westerly from San Gregorio to La Honda largely for the purpose of picking up and transporting to San Francisco cream produced by a number of dairies in La Honda. Applicant has been performing this service for sometime as a free pick-up service, though without authority in its certificate so to do. Applicant explained, however, that it had been, for a number of years, performing similar pick-up service along its entire route, as it was the only carrier of any character serving these districts. When attention was called to the fact that authority must first be received before such service may be performed, the present application was filed. The extension of service between San Gregorio and La Honda was opposed by R. E. Woodhams, who operates, under a certificate, a freight service between Redwood City and San Gregorio via La Honda. The testimony is quite clear, however, that Woodhams' schedule between La Honda and San Gregorio is on call and very irregular, and there is testimony in the record as to delayed shipments brought to San Gregorio but not called for promptly by Woodhams. There is no complaint, however, that his service between La Honda and Redwood City has not been efficient. Originally, Woodhams' rights included passenger, freight and express, but the passenger portion of the service was sold by authority of this Commission to George J. Carr, who is now conducting combination passenger and express service between Redwood City and San Gregorio with a combination passenger and freight vehicle, making regular daily trips. His express privilege is limited to one hundred pounds, and the record discloses that he has been transporting all freight between San Gregorio and La Honda for Woodhams and frequently bringing cream into Redwood City to a creamery at that point. It was the testimony of A. F. Woodhams that Carr transported to and

from San Gregorio all freight except that which his vehicle would not accommodate, Woodhams' vehicles being sent for larger weights.

It is the contention of applicant that this service was not adequate for dairy shippers west of La Honda, who need direct means of transportation to the San Francisco market. There is now shipped an average of 50 ten-gallon cans from this region to San Francisco weekly, the pick-up service being performed only three days a week. The producing season in this region extends only from June 1, to October 15.

Chester C. Curry, Plant Superintendent of Golden State Milk Products Company, and Peter Mogensen, Superintendent of the Spreckels Creamery, both of San Francisco, testified that the service was needed by the creameries which expected in the course of time to receive more regular production from this region. Previous to the pick-up service established by applicant, Mr. Curry testified that he has been able to get but five cans ^{weekly} via Redwood City, and that by applicant's method he was receiving twenty-five cans weekly. Similar testimony was given by Mogensen. Both expressed the opinion that the rates proposed would permit profitable shipments of cream from the La Honda region. Frank Bell, farmer near San Gregorio, J. W. Ferguson, proprietor of a ranch property, comprising 21 square miles south of Pescadero, E. H. Denman, having a merchandise store at Pedro Point a mile from the highway, and C. J. Johnson, dairyman, testified that the service as proposed both as to La Honda region and parallel pick-up along the route of the carrier on the Ocean Shore was needed for the dairy and farming communities, and that direct access to San Francisco was important.

A. F. Woodhams testified that his father has operated the freight line since 1915, and that no complaint has been made upon the service rendered; that the entire production

of the La Honda region is only about 50 cans a week, and that the transportation to Redwood City and shipments to San Jose dairies had been satisfactory. He admitted, however, that the San Jose creamery is now using its own truck to pick up in the La Honda region.

George J. Carr, proprietor of the express and passenger service, testified that he had been hauling about ten cans a week to Redwood City for shipments by rail. His operations are limited to road-side pick-up, as he has the mail contract and is scheduled for rural free delivery, as well as public utility business.

From the evidence produced by all parties, it is apparent that the La Honda region, particularly the dairying interests, require a rapid direct service to the best market available for their products; that the offer of applicant to conduct free pick-up service is to their advantage, and that it may be conducted without injury to the local operations of either Woodhams or Carr by restricting applicant to such commodities as are destined to, or received from, points north or south of San Gregorio. This would permit no local competition with the other carriers.

As to the request of applicant to have a free pick-up and delivery zone five miles on either side of the route of its present operations, the testimony, we believe, is clear that this service is of benefit to the farming and other industrial life along the Ocean shore, and that it should be granted. This service is an extension of the road-side service now authorized and is intended to supplement that service without additional charge to any shippers, and very greatly to their convenience. In fact, the service has been performed for several years by applicant under the belief that it had a right to perform such free service. In addition, there is no other carrier between

Santa Cruz and San Francisco along the coast route except rail service of the Southern Pacific between Santa Cruz and Davenport, and no protest was made by this carrier.

Applicant proposes to perform all service between San Gregorio and La Honda at its rates established and on file for Pescadero, the distance being approximately the same from San Gregorio, with a charge of five cents per can for pick-up within the free delivery zone now established for the City of San Francisco. The rate is for a station-to-station transport only, and the rules and regulations, freight charges and express charges of applicant now on file with the Railroad Commission are to govern all shipments either from the San Gregorio-La Honda extension, or otherwise, without other change.

We therefore find as a fact, based upon the record herein, that public convenience and necessity require the extensions sought, and that they should be granted with the restrictions heretofore indicated.

Coastside Transportation Company, a corporation, 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

COASTSIDE TRANSPORTATION COMPANY, a corporation, having made application to the Railroad Commission for a certificate of public convenience and necessity to extend free pick-up service for a distance of five miles on either side of the route traversed by it between San Francisco and Santa Cruz via Half Moon Bay and Pescadero, and to operate freight service between San Gregorio and La Honda by the main county road between these points and free pick-up and delivery for five miles on either side; public hearings having been held, the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment of free pick-up and delivery service by applicant at all points between Santa Cruz and Spring Valley station, within five miles on either side of the coast highway, as now traversed by applicant; provided, however, that such pick-up and delivery zone shall not include any point along the main peninsula highway (El Camino Real) north of, and including San Mateo; also, for an extension of service between San Gregorio and La Honda with pick-up service five miles on either side of the highway traversed; provided, however, that applicant shall not transport any property between San Gregorio and La Honda and intermediate points unless such property is received from, or destined to, points north or south of San Gregorio and over and along the following route:

Via the main county highway between termini.

And

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is, granted, 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 the date hereof as an extension and enlargement of its present operative rights as consolidated and unified by Decision No. 18025 on Application No. 11801 and Decision No. 18267 supplementary thereto, and not as a new or separate operating right.
2. 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.
3. 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 27th
day of June, 1929.

Thos S. Lott
C. Seaver
Edmund D. St.
Leon Whalley
W. A. C.
Commissioners.