

Decision No. 21679

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 PENINSULAR RAILWAY COMPANY, a corporation,  
 to establish motor coach service between  
 junction of Alma Street and University  
 Avenue, in the City of Palo Alto, County  
 of Santa Clara, State of California, and  
 Stanford University.

)  
 )  
 ) Application No. 16011  
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 )

BY THE COMMISSION -

OPINION and ORDER

This is an application by Peninsular Railway Company, a corporation, for an order of the Railroad Commission of the State of California granting a certificate of public convenience and necessity to operate an automotive passenger stage service between the junction of Alma Street and University Avenue in the city of Palo Alto and Stanford University.

Applicant proposes to charge rates and fares in accordance with Exhibit A, to operate a schedule in accordance with Exhibit B and to use equipment as set forth in Exhibit C. All three exhibits are attached to the application herein and made a part thereof.

Applicant operates an electric railway between the points herein proposed to be served, as well as an automotive passenger stage service within the limits of the city of Palo Alto. It does not propose to operate the stage service, authority for which is herein sought, as an extension of its stage service within the city of Palo Alto, but does propose to operate it in connection with said service. Authority to issue transfers is sought. It is proposed to operate the service for the period of one year.

By Decision No. 21565, issued by the Railroad Commission on Application No. 15903, applicant was authorized to discontinue operation of its rail service between Palo Alto and Stanford University. The service proposed herein is to serve as a substitute for said rail service, and is desired not only by the community at Palo Alto

but by the University authorities who have authorized applicant to use the highways within the confines of the University grounds.

The Commission is of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Peninsular Railway 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Peninsular Railway Company, a corporation, of an automotive passenger stage service beginning at the intersection of Alma Street and University Avenue, in the city of Palo Alto, thence southerly along University Avenue to the entrance of the Campus grounds of Stanford University, thence southerly along the main entrance roadway of Stanford University to a point near the post office in Lasuen Street in Stanford University campus, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be, and the same hereby is granted to Peninsular Railway Company, a corporation, subject to the following conditions:

- 1- Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
- 2- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) 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 16<sup>th</sup> day of October, 1929.

Thos S. Louden  
G. Seaver  
Edmund E. ...  
Leon Whitely  
W. A. ...  
COMMISSIONERS.