

Decision No. 21701.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

---oOo---

In the Matter of the Application of PICKWICK STAGES SYSTEM, a corporation, (a) to change its route for a portion of its service between San Francisco and Davis Junction and points north so as to use the American Toll Bridge and route via Vallejo and Sacramento Junction; (b) to route its service between San Francisco and Davis Junction and points north so as to operate via both Suisun and Rockville; (c) to change its route for a portion of its service between San Francisco and Davis Junction and points north so as to use the San Francisco-Berkeley Ferry direct; (d) to remove restrictions against local passenger service Oakland-Davis Junction, and (e) for an order clarifying and defining the operative routes on its certificate for operation between San Francisco and the California-Oregon State line north of Cole, and establishing tariffs, rules and regulations.

Application No. 14063

In the Matter of the Application of CALIFORNIA TRANSIT CO., a corporation, for a certificate of public convenience and necessity for the operation of passenger stages as a passenger stage corporation for the transportation of persons, baggage and express between San Francisco and the California-Oregon State Line, and to consolidate such operation with its existing transportation service.

Application No. 14274

Earl A. Bagby - For Applicant California Transit Company.
Earl A. Bagby and Warren E. Libby - For Applicant Pickwick Stages System.
Edward Stern - For Railway Express Agency, Interested Party in Application No. 14063 and Protestant in Application No. 14274.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceedings the Railroad Commission is asked to issue its order granting to:

PICKWICK STAGES SYSTEM

- A- Authority to re-route a part of its service between San Francisco and Davis Junction and points north, between San Francisco and Oakland via automobile ferry, thence via San Pablo Avenue to San Pablo over the main traveled highway to the American Toll Bridge; thence over the American Toll Bridge and via the main traveled highway through Vallejo and Sacramento Junction.
- B- Authority to operate a part of its service as re-routed through Vallejo to Sacramento Junction so that, as re-routed in connection with the change of route sought in Paragraph A the main highway route between Sacramento Junction and Fairfield shall be either over the main traveled highway via Cordelia and Suisun or over the main traveled highway direct via Rockville.
- C- Authority to re-route a part of its service rendered between San Francisco and Davis Junction and points north via the direct San Francisco-Berkeley Ferry.
- D- Authority to eliminate existing restriction that no passengers shall be transported locally between Oakland and Davis Junction and to substitute therefor the restriction that no passengers shall be transported locally between Richmond and Oakland and intermediate points, nor, if re-routing of a part of the service between San Francisco and Berkeley is granted, locally between Richmond and Oakland and intermediate points, on the one hand, and San Francisco on the other hand.
- E- A certificate of public convenience and necessity defining the highway routes over which Pickwick Stages System is entitled to operate between San Francisco and the California-Oregon State Line north of Hornbrook, under certificates heretofore granted by the Railroad Commission.
- F- Authority to establish new rules and regulations governing the transportation of passengers and their baggage, and rates, rules and regulations governing the transportation of excess baggage and express, said rates, rules and regulations to be similar to rates, rules and regulations on file with the Railroad Commission in the name of California Transit Co.

CALIFORNIA TRANSIT CO.:

- G- Authority to transport persons, baggage and express between San Francisco and the California

Oregon State Line north of Hornbrook via Oakland, Vallejo, Davis Junction, Woodland, Red Bluff, Redding, Dunsmuir and Yreka; also between Los Angeles and the California-Oregon State Line north of Hornbrook via Ridge Route, Bakersfield, Fresno, Merced, Stockton, Sacramento, Davis, Davis Junction, Woodland, Red Bluff, Redding, Dunsmuir and Yreka, serving all intermediate points (except locally between Los Angeles and San Fernando), and for the consolidation of each of the said operative rights in and with themselves and with the present system of intrastate operation of California Transit Company.

Applicants propose to charge fares and rates and to establish rules and regulations in accordance with exhibits attached to the applications herein and made a part thereof.

At public hearings held before Examiner Gannon all protests were withdrawn, both matters were consolidated, evidence was taken and an order of submission made. Most of the witnesses who testified on behalf of applicants were officials of the two applicant companies. Other witnesses were A. L. Herzog, city councilman and hotel owner of Yreka, L. Speier, hotel owner of Willows, E. H. Mapps, of Sacramento, circulation manager of the "Bee", a newspaper, R. Larison, representing an auto concern at Redding and R. V. Smith, garage owner of Red Bluff.

The testimony of the four last named was affirmative of the claim of applicants that the enlargement of operating rights sought by applicants would prove of great benefit to the communities proposed to be served and was, in fact, a necessity if a full measure of adequacy and efficiency of operation was to be obtained.

T. B. Wilson, executive vice-president of each of the applicant corporations, also president of Southern Pacific Motor Transport Company, stock control of all these companies

being vested in Pacific Transportation Securities, Inc., of which witness is also president, testified as to the common ownership and control of applicants. Each applicant, he testified, is now operating interstate service over the same road, north of Davis. Pickwick has certain local rights, with limitations on its service between Oakland and Davis, and California Transit Co. has local rights between Oakland and Davis, with no local rights north of Davis, except between Dunsmuir and Weed. Explaining the intent of the application witness stated that granting of both would permit of the establishment of a service far more satisfactory and beneficial to the traveling public than that now being given, not only from the standpoint of greater frequency of service but also from the necessity of sending passengers via the most direct route. It was witness Wilson's opinion that frequency of service is the greatest attraction of bus service.

George W. Tatterson, of the traffic department of applicant companies, Geo. W. Hill, in charge of their tariff department, and C. C. Kirksey, also of the tariff department, likewise testified, their testimony relating to changes in rates, rules and regulations contemplated and also to the desirability of a single standard of service under rules and regulations uniform throughout the territory served.

E. J. Thompson, regional manager of the applicant's service from San Francisco to Medford, Oregon, and from Los Angeles to Medford through the San Joaquin Valley, testified that re-routing via Berkeley would shorten the time about 50 minutes, and that operation via the toll bridge between Vallejo and Crockett thence northward directly through Vallejo was preferable to service via Benicia, as is now required. It is not, however,

proposed to discontinue the service via Benicia, but to continue to send certain schedules over that route.

The testimony of the other witnesses bore on the general desirability of the through direct service which would become possible on each applicant's system through the granting of both applications and on the necessity for the establishment of the service changes proposed. There is, they stated, in the territory involved, a general desire for the service proposed to be given.

It would appear that all of the evidence offered in the proceedings herein, supplemented by the exhibits compiled by applicants, justifies the conclusion that both applications should be granted. It is common knowledge that both applicants are now jointly controlled and it is the opinion of the Commission that this fact should be made the basis of service changes that will give to the public a maximum of service, adequate and efficient, unhampered by restrictions imposed under conditions which no longer exist. Therefore, the Commission finds as a fact that public convenience and necessity require the granting of a certificate of public convenience and necessity authorizing Pickwick Stages System to make the service and other changes proposed in Application No. 14063, as amended, and California Transit Co. to operate service proposed in Application No. 14274, as amended, under such restrictions as will be imposed by the order herein.

Pickwick Stages System and California Transit Co. are 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 matters, an order of submission made 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 Pickwick Stages System, a corporation, of an automotive passenger stage service for the transportation of passengers, baggage and express between San Francisco and a point on the California-Oregon state line north of Hornbrook, and all intermediate points, using the automobile ferry between San Francisco and Oakland and thence to Berkeley, or using the automobile ferry direct between San Francisco and Berkeley; thence via San Pablo Avenue, through San Pablo, and over the main traveled highway via the American Toll Bridge to Vallejo and Sacramento Junction; thence via either the direct highway through Rockville to Fairfield, or the main traveled highway through Cordelia and Suisun to Fairfield, or using the main highway from said toll bridge to Fairfield via Benicia, Cordelia and Rockville; thence via the main traveled highway to Davis Junction; thence via the main traveled highway through Woodland, Red Bluff, Redding, Dunsmuir and Yreka to the California-Oregon State Line

north of Hornbrook; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and it is hereby granted to Pickwick Stages System, a corporation, subject to the following conditions:

1. That the certificate herein authorized to be granted shall be a certificate issued in lieu of and not in addition to certificates heretofore issued by the Railroad Commission authorizing service by Pickwick Stages System between San Francisco and the California-Oregon line.
2. That applicant shall not transport passengers locally between Oakland and Richmond and intermediate points nor on stages using the direct ferry between San Francisco and Berkeley, locally between San Francisco on the one hand and Berkeley and Richmond and intermediate points on the other hand, nor shall passengers or express be transported locally between Vallejo and Benicia and intermediate points.
3. That the transportation of express shall be limited to packages weighing not more than 100 pounds each, and that express matter shall be transported only on passenger stages of applicant.
4. That applicant may follow the main highway, as such may be re-located or reconstructed from time to time provided that such re-location or reconstruction does not involve abandonment of service to any established tariff point or points herein authorized to be served or the establishment of service to any additional communities not now authorized to be served.
5. No authority is herein conveyed for consolidation of right herein granted with existing rights of Pickwick Stages System except for the consolidation of the operative right of Shasta Transit Company acquired by Pickwick Stages System as heretofore authorized by Decision No. 17409, issued on Application No. 13170.

IT IS HEREBY FURTHER ORDERED that Pickwick Stages System be and it is hereby authorized to substitute for tariffs on file in its name with the Railroad Commission, covering the operations herein authorized, tariffs and rules and regulations as set forth in Paragraph X in the amended application herein,

provided that the necessary tariff filings shall fully comply with the Commission's General Order No. 79, shall be in conformity with the order herein and, in form and substance, satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the certificate herein granted to Pickwick Stages System shall be subject to the following further conditions:

- a. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
- b. 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 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.
- c. 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.
- d. 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity require the operation by California Transit Co., a corporation, of an automotive service for the transportation of passengers, baggage and express (express to be transported on passenger cars and to be limited to packages weighing not more than 100 pounds each) between San Francisco and the California-Oregon State Line north of Hornbrook via Oakland, Vallejo, Davis Junction, Woodland, Red Bluff, Redding, Dunsmuir and Yreka serving all intermediate points also between Los Angeles and the California-

Oregon State Line north of Hornbrook over the route via Fresno, Merced, Stockton, Sacramento, Davis, Davis Junction, Woodland, Red Bluff, Redding, Dunsmuir and Yreka, serving all intermediate points (except locally as to passengers, baggage, and express between Los Angeles and San Fernando and locally as to passengers and baggage between San Francisco on the one hand and Oakland and Santa Rita and intermediate points, both inclusive, on the other hand,) and the consolidation of said operations with themselves and with the present operations of California Transit Co.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to California Transit Co., a corporation, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity for the consolidation of the rights herein granted to California Transit Co., which are hereby consolidated with themselves, with existing rights of California Transit Co., be and the same is hereby 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 date hereof.
2. 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 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 24th day of
October, 1929.

Thos. S. Lott

C. Seavey

Leon Whittell

W. A. Cunn
Commissioners.