

Earl A. Bagby, for all applicants.
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party in Application No. 16357.
Edward Stern for Railway Express Agency, Inc.,
protestant in all applications.
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E. A. Rolison, City Manager, for City of Redwood
City.

LOUFFIT, Commissioner -

O P I N I O N

The operations of three automotive passenger stage corporations serving in territory south of San Francisco are involved in the above entitled proceedings. They are

Pickwick Stages System, operating between San Francisco and Los Angeles and between San Francisco and Santa Cruz.

Southern Pacific Motor Transport Company, operating between Santa Cruz and Boulder Creek and between Santa Cruz and Watsonville Junction, Santa Cruz and Davenport, Del Monte Junction and Asilomar, Del Monte Junction and Salinas, Gilroy and Tres Pinos and Lompoc and Surf.

Peninsular Rapid Transit Company, operating between San Francisco and San Jose.

Southern Pacific Motor Transport Company generally asks for an order of the Railroad Commission:

***** defining its operative rights and routes for the transportation of passengers, their baggage, and express; to correct and amend its rules and regulations governing the transportation of passengers and baggage and its rates, rules and regulations governing the transportation of express.

Peninsula Rapid Transit Company generally asks for an order of the Railroad Commission:

***** defining its operative rights and routes for the transportation of passengers; to consolidate its operative rights.

Pickwick Stages System generally asks for an order of the Railroad Commission:

***** defining its operative rights and routes for the transportation of passengers, their baggage, and express, and to reconsider and amend existing restrictions; to abandon certain operative rights; to establish certain new routes.

In addition, Peninsula Rapid Transit Company and Southern Pacific Motor Transport Company ask the Commission for authority to sell and transfer their operating rights and other property described in Exhibit E in application No.16358, and in Exhibit D in application No.16359, respectively, to Pickwick Stages System, and Pickwick Stages System asks for authority to purchase and acquire said operating rights and property, to consolidate said operating rights with its existing rights between San Francisco and Los Angeles and for the issuance to it of a certificate of public convenience and necessity in lieu of all its existing certificates, including the rights, authority for the transfer of which is herein sought, involving its operations between San Francisco and Los Angeles.

Exhibit D, attached to application No.16359, and Exhibit E attached to application No.16358 show, respectively, that Southern Pacific Motor Transport Company and Peninsula Rapid Transit Company have agreed to sell the operative rights referred to therein, together with all of the operative property of the sellers used in connection with said operative rights, subject to the liens, encumbrances, indebtedness and liabilities of the sellers as of the date of the transfer of the properties to Pickwick Stages System. Pickwick Stages System has agreed to pay for said properties upon delivery of possession of the properties the net book value of the operative rights and property as the same appears on the books of the sellers.

Public hearings were held, the matters were consolidated for hearing, testimony taken and an order of submission made.

Notice of the hearing was sent to civic organizations, Boards of Supervisors, and to city officials of all the major communities affected by the proposed changes, also to other carriers serving in the territory involved. Railway Express Agency, Inc., protested the granting of all three applications insofar as they involve the transportation of express matter.

Company witnesses for applicants gave testimony confirmatory of the declarations made by applicants in their applications. This testimony was to the effect that the operations of Pickwick Stages System south of San Francisco and of the other applicants serving in that territory had been performed for many years either by the applicants or by their predecessors in interest. Most of the rights have been established by orders issued by the Commission at various times over a long period of years. Many of the rights, however, were established through operation prior to May 1, 1917, and the filing of tariffs and time schedules. Such filings were not always clear as to the routings, the points to be served or the type and extent of the service established. Many of the rights overlapped and because of competitive conditions, in grants made by the Commission, certain operating restrictions were imposed. It was the opinion of the witnesses that uniform service, restricted only in accordance with existing conditions as of this time, rather than conditions which have changed materially since the original rights were established, or granted, was desirable. Further, it is a matter of record that the control of the three corporations, which are parties to these proceedings, is vested in the Greyhound Corporation, formerly known

as the Pacific Transportation Securities, Inc., a holding company, which company has acquired the outstanding stock of applicants herein, as well as the outstanding stock of California Transit Company and other motor transportation companies. This proceeding is, in effect, a preliminary step in a plan to merge all the lines in California directly or indirectly controlled by The Greyhound Corporation, the ultimate aim being the establishment of a complete and comprehensive highway transportation service uniform over the entire system and more fully in accord with the present needs of highway travelers and shippers, than would be possible under the many separate operating rights as they now stand. For instance, it was pointed out, Pickwick Stages System, which for many years has operated in the territory served by Peninsula Rapid Transit Company and Auto Transit Company, was restricted in the service it was allowed to give in the territory served by these companies. The need for such restrictions, it is obvious, passed with the acquisition by The Greyhound Corporation of the control of the three companies.

As to the rates, rules and regulations proposed to be filed with the Commission covering the proposed consolidated service, it was pointed out that the proposed standardized rules and regulations submitted with the instant applications are comprehensive and in accord with the rules and regulations in effect over the Pickwick Stages System north and east of San Francisco, also over the California Transit Company system operated between the Oregon line and Los Angeles. The rates and fares proposed in the instant proceeding are, in the main, lower than the rates and fares now being charged. There are, however, some slight increases in rates and fares proposed, which, together with the reductions, are for the purpose of providing an adequate rate and fare structure which applicant

has found necessary, based on an experience gained through many years of operation and a consequent fuller knowledge of highway transportation needs. The increases proposed have been, in this proceeding, shown to be just and reasonable .

Several public witnesses testified as to the need for the express service proposed, with particular reference to emergency shipments. That the testimony of 169 other witnesses would be along similar lines was stipulated into the record by counsel. Railway Express Agency, Inc., protestant, presented evidence as to the service it is giving in the territory proposed to be served by applicant and as to its ability to adequately and efficiently meet the demands of the shipping public. A review of the evidence as to the transportation of express justifies the conclusion that the service proposed by the stage line , because of its frequency and other features, is a service required by the shippers and one which will provide for the public a full measure of service, convenient and necessary.

The properties which Southern Pacific Motor Transport Company proposes to transfer to Pickwick Stages System and the cost of such properties is reported in Exhibit No.8 at \$50,740.73, segregated as follows:

INTANGIBLES

Santa Cruz - Boulder Creek

Operative rights	\$1,651.00
Legal and Filing Fees	75.25

Gilroy - Tres Pinos

Legal and Filing Fees	50.50
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Surf - Lompoc

Operative rights	1,500.00
Legal and Filing Fees	50.75

Santa Cruz - Watsonville

Legal and Filing Fees \$ 100.00
 Total Intangibles \$ 3,423.00

EQUIPMENT

9 Passenger Coaches and 1 trucks \$ 47,205.00
 Cost \$77,858.83
 Depreciation 30,653.86
 Book Value \$47,205.00

MACHINERY, TOOLS, FURNITURE, etc. \$ 107.73

The assets and liabilities of Peninsula Rapid Transit Company are reported in Exhibit No.9, as follows:

ASSETS

Current Assets \$ 62,413.89
 Cash \$14,153.27
 Accounts receivable ... 27,440.28
 Materials and supplies. 20,820.34
 Deferred Assets 1,675.59
 Working fund advance ... 535.00
 Prepayments 1,140.59
 Investments 381,833.46
 Plant and equipment 380,744.28
 Improvement on these properties 1,089.18
 Unadjusted debits 19.30
 Total assets \$445,942 .24

LIABILITIES

Accounts payable \$ 10,716.83
 Assessment for public improvement .. 971.55
 Reserve for accrued depreciation .. 269,290.51
 Unadjusted credits (debit) 1,004.01
 Insurance and Casualty reserve \$ 1,301.30
 Tax liability accrual (credit) 7,963.12
 Miscellaneous items unadjusted 5,657.81
 Capital stock 28,780.00
 Surplus 137,187.36
 Total Liabilities ... \$445,942.24

The exhibit shows that the net book value of the plant and equipment is \$112,542.95. This includes \$17,000.00 as representing an investment in intangible capital and is said to represent the cost of operative rights from San Mateo to Palo Alto purchased in 1914.

It is concluded, therefore, and found as a fact, after a full consideration of the evidence in this proceeding, that public convenience and necessity require the service, rates, fares, rules and regulations proposed and that the applications should be granted.

The following form of order is recommended:

ORDER

The matters herein having been duly heard and taken under advisement and the Commission being fully advised,

IT IS HEREBY ORDERED that the applications of Pickwick Stages System, Southern Pacific Motor Transport Company and Peninsula Rapid Transit Company for an order of the Railroad Commission authorizing the re-routings, consolidations, abandonments and service changes and tariff substitutions proposed in the applications herein be and the same are hereby granted, and

IT IS HEREBY FURTHER ORDERED that applicants Southern Pacific Motor Transport Company and Peninsula Rapid Transit Company may on or before September 30, 1930, sell their operating rights and properties described in Applications Nos. 16359 and 16358, respectively, as said operating rights are amended, altered and extended by the paragraph immediately preceding this, to Pickwick Stages System, a corporation, which corporation is hereby authorized to acquire said operating rights and properties and consolidate them with themselves and with its operating rights south of San Francisco, except as

hereinafter provided, and

IT IS HEREBY FURTHER ORDERED that said authority to sell and purchase said operating rights and properties is subject to the following conditions:

1- Pickwick Stages System shall charge the amount which it pays for the aforesaid operating rights and properties to account 109 "Other Debit Accounts," and shall carry the amounts in said suspense account until the distribution thereof to primary accounts is approved by the Commission. Within sixty days from the date hereof, Pickwick Stages System shall file with the Commission a detailed description of the operating rights and properties acquired under the authority herein granted, a detailed statement showing what it paid for said operating rights and properties of each of the vendors, the primary accounts to which it proposes to charge or credit such cost, the amount to each account, and the customary and usual data to support each proposed debit and credit entry.

2- The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any other purpose other than the transfer herein authorized.

3- The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

4- No vehicle may be operated by applicant Pickwick Stages System 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 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 and serving the following named termini and all intermediate points, except as herein specifically restricted and limited, over the following described routes:

1- Between San Francisco and San Jose via the Bay Shore Highway through South San Francisco, and thence on the Bay Shore Highway either direct to San Mateo, or via Burlingame and the direct highway through San Mateo to San Mateo Junction, thence via the main highway through Redwood City and Palo Alto (deviating into the business districts of said last mentioned two cities according to traffic demands), thence through Sunnyvale Junction and Santa Clara; also between San Francisco and 16th Avenue, San Mateo, via the main highway through Colma, San Bruno and Burlingame Junction; also between Burlingame Junction and Burlingame; also between Mountain View Junction and Sunnyvale Junction via Mountain View and Sunnyvale.

2- Between San Jose and Gilroy via the main highway.

3- Between Gilroy and Santa Barbara via the main highway through San Juan, Salinas, King City, Paso Robles, Pismo and the direct main highway through Arroyo Grande, thence via the main highway through Harriston, thence either via Lompoc or Los Alamos to Buellton, thence via the main highway through Los Cruces and Caviota.

4- Between Santa Barbara and Ventura via the main highway through Summerland and Carpinteria.

5- Between Ventura and Los Angeles via

(a) The main highway through Saticoy Junction, Santa Paula, Saugus, San Fernando, Universal City and Hollywood.

(b) The main highway through Montalvo and El Rio, and thence either through Oxnard to Comarillo or direct between El Rio and Camarillo, thence through Calabasas, Universal City and Hollywood.

(c) The main highway through Saticoy Junction, Saticoy, Somis Junction, Santa Susana, Reseda, Universal City and Hollywood.

6- Between El Rio and Saticoy via the main direct highway, and between Camarillo and Somis Junction via the main direct highway.

7- Between Surf and Lompoc via the main direct highway.

8- Between Gilroy and Los Banos via the Pacheco Pass Highway.

9- Between Sunnyvale Junction and Santa Cruz via the main highway through Cupertino, Saratoga, Los Gatos, Alma and Glenwood.

10- Between Santa Cruz and Boulder Creek via the main highway through Felton, with or without service to Felton Station.

11- Between Santa Cruz and Davenport via the main highway, the route in Santa Cruz commencing at the intersection of the Coast highway and Mission Street, being as follows: On Mission Street to Younglove Avenue, thence to California Avenue and Bay Street, thence from Bay Street and California Street to Laurel Street, thence to Washington Street, and thence on Washington Street to the Southern Pacific Company's Santa Cruz Station, thence to the applicant's station.

12- Between Santa Cruz and Watsonville Junction via the main highway through Soquel and Watsonville, with the right to deviate from said main route according to traffic demands to render service to Southern Pacific Company's Seabright Station in Santa Cruz and also with the right to deviate from said main route according to traffic demands to render service to Capitola, the north and south forks of the main highway between Capitola and the junction of the Santa Cruz-Watsonville highway near Soquel to be used for this purpose.

13- Between Watsonville and Hollister via the main northern highway through Chittenden and also via the main highway through Aromas and Chittenden, thence via Chittenden Road Junction and San Juan.

14- Between Watsonville and Salinas via the main highway through Watsonville Junction, Moss Landing and Castroville, with or without service to Del Monte Junction (Southern Pacific Station).

15- Between Salinas and Monterey via the main highway through Riverside and Castroville Road Junction to Del Monte, thence either direct to Monterey or via Del Monte (Southern Pacific Station) to Monterey.

16- Between Castroville and Asilomar via the main highway through Neponset to Seaside Junction, thence either direct to Monterey via Del Monte (Southern Pacific Station) or via Castroville Road Junction and Del Monte to Monterey, and thence through Pacific Grove to Asilomar.

17- Between Gilroy and Tres Pinos via Bolso Junction, Fairhaven School and Hollister.

18- Between Santa Cruz and Capitola via the main highway route described as follows: Starting at the company depot at the intersection of Front and Short Streets in Santa Cruz, thence on Front Street to Soquel Avenue, thence on Soquel Avenue to Pacific Avenue, thence on Pacific Avenue to Water Street, thence to Ocean Street, thence to Grant Street, thence to Altion Street, to Market Street, to Water Street, to Branciforte Avenue, to Chilverton Street, to Morrissey Avenue, to Fairmont Avenue, to Pacheco Avenue, to Martin Boulevard, to Parkway, to Soquel Avenue, to Lower Soquel Road, continuing on Lower Soquel Road (also known as Fairview Avenue east of Rodeo Creek) to Soquel Landing Road, thence to Stockton Street, to Capitola Avenue, to San Jose Avenue.

19- Between Santa Cruz and Twin Lakes via the highway route described as follows: Starting point corner of Pacific and Soquel Avenues, thence to Seabright Avenue, to East Cliff Drive, thence east on East Cliff Drive crossing Woods Lagoon Bridge, continuing on East Cliff Drive to 11th Avenue, to Division Street, to 17th Avenue.

20- Between Bakersfield and Paso Robles via Famosa, Wasco and the main highway through Lost Hills, Cholame, Shandon and Union.

21- Between Lost Hills and Taft via the main highway through Mc Kittrick, Shale and Fellows.

IT IS HEREBY FURTHER 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, and said Pickwick Stages System is hereby authorized to operate said service as a unified consolidated system, the rights herein issued to be in lieu of and not in addition to operating rights (including the rights herein transferred), covering the same territory heretofore granted to Pickwick Stages System and its predecessors in interest.

IT IS HEREBY FURTHER ORDERED that the operating rights granted herein are granted subject to the following restrictions and limitations:

- 1- No service may be rendered locally between Los Gatos and Santa Cruz and intermediate points, all inclusive.
- 2- The permission for consolidation herein given shall not permit of the discontinuance of through service between San Francisco and Santa Cruz without permission of the Commission.
- 3- No local service shall be rendered between Taft and Fellows and intermediate points.
- 4- The route between Taft and Lost Hills is not consolidated with any other part of Pickwick Stages System's operation.
- 5- The routes herein described between Santa Cruz and Capitola via Lower Soquel Road and between Santa Cruz and Twin Lakes are not consolidated, either with the other, nor with any of the other operations of Pickwick Stages System.

6- No passengers are to be transported locally between Saugus and Los Angeles and intermediate points, all inclusive, except on through cars operated between Los Angeles and points north of Saugus.

7- No express or baggage, except hand, may be transported between Santa Cruz and Capitola, or intermediate points, all inclusive, via the route over Lower Soquel Road.

8- No express or baggage, except hand, may be transported locally on the operative right herein granted between Santa Cruz and Twin Lakes, or intermediate points, all inclusive.

9- The service between Pacific Grove and Asfbmar shall be operated "on call" according to traffic demands, subject to the rules and regulations of Pickwick Stages System applicable to "on call" service as may from time to time be filed with, and satisfactory to, the Commission.

10- The transportation of baggage of passengers locally between San Jose and San Francisco and intermediate points is restricted to free transportation of hand baggage carried by the passenger.

11- The right to transport express, except as to that transported for or through the agency of Railway Express Agency, is subject to the restriction that no single package shall be accepted for shipment that weighs in excess of one hundred pounds and all express must be transported on passenger vehicles only; as to express transported for or through the agency of Railway Express Agency, such restrictions as to weight and vehicle of transportation shall not apply.

12- The operative rights between Bakersfield and Paso Robles and between Taft and Lost Hills are granted subject to, and are to continue subject to the lease thereof to Kern County Transportation Corporation, or its successor in interest, as approved by this Commission's Decision No. 18902.

13- Passengers, their baggage and express transported in accordance with the certificate herein granted shall, except as to express transported for or through the agency of Railway Express Agency, and subject to the express restrictions and privileges herein imposed, be, in such transportation, governed by the fares, rates, rules and regulations set forth in applicant's exhibits as presented at the hearing.

IT IS HEREBY FURTHER ORDERED that the operative right heretofore granted to Southern Pacific Motor Transport Company, or its predecessors in interest, authorizing the transportation of freight between Santa Cruz and Boulder Creek, be and the same is hereby revoked and annulled.

IT IS HEREBY FURTHER ORDERED that Pickwick Stages System shall:

1- Within a period of not to exceed fifteen (15) days from the date of the order herein file an acceptance of the certificate herein granted, which acceptance shall contain a declaration that the rights herein granted are accepted as rights in lieu of and not in addition to rights heretofore granted to Pickwick Stages System, Southern Pacific Motor Transport Company and Peninsula Rapid Transit Company.

2- Within sixty (60) days from the date hereof file its tariffs of rates and rules and regulations which shall be identical with the tariff of rates and rules and regulations offered by the applicant at the public hearing on these proceedings, or tariff of rates and rules and regulations satisfactory in form and substance to the Railroad Commission, and shall also make such other tariff filings as are necessary or required by General Orders Nos. 79 and 80 of the Railroad Commission to insure full compliance with the order herein.

3- Within sixty (60) days from the date hereof file time schedules covering service herein authorized, which time schedules shall be identical with time schedules offered by applicant at the public hearing on these proceedings, or time schedules satisfactory in form and substance to the Railroad Commission.

4- 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.

5- 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.

IT IS HEREBY FURTHER ORDERED that for the general operation of its system, on reconstruction or relocation of highways not affecting intermediate points named in the tariffs of the company, Pickwick Stages System may follow the reconstructed or relocated highway.

IT IS HEREBY FURTHER ORDERED that the orders herein contained shall not be construed as a cancellation or annulment of any previous orders authorizing consolidation of the rights herein granted with other operative rights of Pickwick Stages System south of Oxnard and Los Angeles, nor as a removal of restrictions heretofore imposed on the so-called Malibu highway route between Los Angeles and Oxnard, via Santa Monica, nor as a cancellation or annulment of existing local, joint or interdivision tariffs, nor as a cancellation or annulment of any orders heretofore issued approving security issues, and as to such matters the previous decisions of this Commission relating thereto are hereby expressly continued in effect.

IT IS HEREBY FURTHER ORDERED that the operating agreement between applicant Peninsula Rapid Transit Company and Pacific Auto Stages as approved by Decision No. 21372 be and the same is hereby canceled and annulled.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

The above opinion and order are hereby declared to be the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 21st day of May, 1930.

C. L. Leaver
[Signature]
[Signature]

COMMISSIONERS.