

Decision No. 23399

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 JOSEPH TIRADO for certificate of
 public convenience and necessity to
 operate passenger and freight service
 as a common carrier between Hollister
 and San Benito Postoffice, in San
 Benito County, State of California.

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)
) Application
) No. 17058
)

ORIGINAL

A. M. Runnells, for Applicant.

T. Finkboner, for Pacific Greyhound Lines,
 Southern Pacific Company,
 Railway Express Agency, Inc.,
 Interested parties.

Jas. Snell, for Harry B. Leonard, Protestant.

BY THE COMMISSION -

OPINION

Joseph Tirado has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by him of an automobile service as a common carrier of passengers and freight between Hollister and San Benito, Postoffice, in the County of San Benito, State of California.

A public hearing on this application was conducted by Examiner Handford at Hollister, the matter was duly submitted and it is now ready for decision.

Applicant proposes to charge rates in accordance with a schedule marked "Exhibit A", as attached to the application; to operate a schedule consisting of one round trip daily except Sunday; and to use as equipment Ford Commercial Trucks, having a manufacturer's rated capacity of one half ton each, and a passenger capacity of one passenger each.

Joseph Tirado, applicant herein, testified that he was the holder of a contract with the United States Postoffice Department for the transportation of mail between Hollister and the San Benito postoffice, said contract requiring service of one round trip daily except Sunday. Witness has had the mail contract since July 1, 1930, and same expires, unless earlier canceled by the Postoffice Department, on June 30, 1934. The former operator of this line, who formerly held the mail contract, now operates his stage service but once each week in the carriage of passengers and freight, and such service is alleged by the applicant to be too infrequent to meet the needs of the residents of the territory proposed to be served. Applicant estimates that there are one or two passengers each month requiring transportation but has no estimate as to the volume of freight requiring movement. Applicant testified that he had sufficient finances to operate the proposed service for a reasonable period of time even if the additional revenue from the transportation of mail were not available.

Four witnesses, ranchers living on the highway, testified that a service operating daily was necessary and that their needs were not adequately cared for by the present service of one round trip each week as now operated by the existing certified operator. Particular complaint was evidenced as to the necessity of the service for cream shipments to Hollister and the service of once each week is not sufficiently frequent to allow the shipment of cream.

The granting of the application is protested by Harry B. Leonard, operating a stage service between Tres Pinos and San Benito and having continuously operated for the past twenty years. This protestant also possesses an operative right for the transportation of freight between Hollister and King City, same having been granted on June 10, 1926, by this Commission's Decision No.16374 on Application No.12033, said

right covering an "on call" or demand service. Protestant formerly operated the mail service between Tres Pinos and San Benito under contract with the United States Postoffice Department but ceased such operation on July 1, 1930, the contract having been secured by applicant herein as a result of competitive bid. On July 1, 1930, protestant was granted authority to reduce his scheduled operation to one round trip weekly, such authority being contained in this Commission's Decision No.22631, on Application No.16697, as decided July 3, 1930, said decision setting forth the receipts from the line, other than from the mail contract, amounted to but \$375.20 for the year. Protestant was directed to increase service if the demands of traffic justified increased service in future. A statement filed as an exhibit indicates that the total revenue received from the hauling of freight for the period from July 1, 1929, to December 31, 1930, both dates inclusive, amounted to \$259.40, an average of \$14.30 per month. Since the service of one round trip each week was inaugurated, the revenue has averaged but \$5.96 per month. Protestant testified that the revenues available from the operation of the stage and freight line, outside of the revenue received for the contract carriage of United States Mail had decreased during the last five years at least fifty percent of the amount formerly available. It is the intention of this witness to increase service now rendered to two round trips per week, commencing in the month of March or in the month of April, 1931. This increase of service to ascertain if the seasonal business, as to spring and summer months, will justify a more frequent operation than is now being given over the route.

We have given careful consideration to the record and exhibit in this proceeding.

It appears that the route over which applicant requests a certificate of public convenience and necessity covers a route thirty six (36) miles in length. It is of record that even with the revenue obtained from the United States Mail contract over this route, that the possibility of any return above the cost of operating and maintenance expense is problematical, and without the revenue received from a mail contract it is impossible to operate the service profitably. The Commission has heretofore authorized the protestant to reduce service to a basis of one round trip per week. The evidence shows no justification, at this time, for an increase in service. The passenger business over this route is negligible, but one or two passengers per month being the record, and now showing being made as to any need for passenger service. The freight business is steadily decreasing and the only commodity now moving is cream from the ranches to Hollister. The creamery at Hollister operated its own trucks during the spring and summer of the year 1930 but discontinued the operation when the volume of cream fell off during the latter part of the season.

All the ranchers testifying in support of the application own their own automobiles and, as there is no general merchandise store now operating at any point along the route, Hollister is the principal trading point for the territory along the route, and ranchers use their own automobiles in the hauling of cream to Hollister and the return of supplies and commodities to the ranches. Some of the applicant's witnesses are hauling their own cream and that of their neighbors at the present time, no charge, however, being made for such service.

After fully considering all the facts of record in this proceeding we are of the opinion and hereby find as a fact that the volume of passenger and freight business available for transportation between Hollister and San Benito, not now cared for by the present operator, does not justify the granting of the application.

ORDER

A public hearing having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the finding of fact as appearing in the opinion which precedes this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require the operation by Joseph Tirado of an automobile stage line as a common carrier of passengers, baggage and freight between Hollister and San Benito Postoffice and intermediate points, all in San Benito County, and

IT IS HEREBY ORDERED that this application be and the same hereby is denied.

The effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 14th day of

February, 1931.

C. J. Sweeney

M. J. Cain

W. B. Harris

Fred G. Steverot
COMMISSIONERS.