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Decision No. 23543

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
MOTOR TRANSIT COMPANY, a corporation,  
to sell, and PICKWICK-GREYHOUND OF  
CALIFORNIA, LTD., a corporation, to  
purchase, that certain automobile  
passenger, baggage and express line  
of the former, operated between San  
Bernardino, California, and Oro Grande,  
California, and intermediate points.

Application No. 16733

Frank Kerr and R. E. Wedekind, for Motor  
Transit Company.  
Libby & Sherwin, by Warren E. Libby, for  
Pickwick-Greyhound of California, Ltd.  
A. S. Halsted and E. E. Bennett, for Los  
Angeles & Salt Lake Railroad Company,  
Interested Party.  
E. T. Lucey, for The Atchison, Topeka &  
Santa Fe Railway Company, Protestant.

BY THE COMMISSION:

O P I N I O N

Motor Transit Company, a corporation, seeks to sell  
to Pickwick-Greyhound of California, Ltd. its certificated  
rights, granted by this Commission, for automotive service for  
passengers and express between San Bernardino and Oro Grande.

Public hearings thereon were conducted by Examiner  
Williams at Los Angeles.

The certificate sought to be transferred was original-  
ly granted to Hodge & Santen (Decision 13,133 on Application  
No. 9754, dated February 11, 1924), and has been continuously  
operated since, being acquired by Motor Transit Company (Decision  
No. 17,120, Application No. 13,005, dated July 17, 1926) and  
consolidated with lines of Motor Transit Company's Eastern

Division, and subsequently (Decision No. 21,300 on Application No. 13,690) being permitted to establish through service between Oro Grande and Los Angeles.

Motor Transit Company proposes to sell, and Pickwick-Greyhound of California, Ltd. to purchase that certificate limited to transportation between Oro Grande and Victorville, and which is now a part of Motor Transit's Eastern Division, but does not include other rights of applicant over the same route and serving Arrowhead and Bear Lake resorts, and commonly known as "winter operation" though not restricted to that season.

The contract between the parties calls for the payment by Pickwick-Greyhound of \$3,000 payable one-half 90 days after approval and one-half in one year. No equipment or other property is transferred.

According to the testimony of F. D. Howell, General Manager of Motor Transit, the operation of one schedule each way costs 22 cents per mile, and the revenue received is 11 cents per mile, computed for the year ending July 31, 1930. He stated, however, that the out-of-pocket cost was 11 cents per mile, which made no actual loss in money. The average of passengers per one-way trip is 2.8, now almost wholly from Victorville to San Bernardino and Los Angeles since the cement mills at Oro Grande suspended operation. The schedule begins at 7:15 a.m. at Oro Grande and provides a 15 minute connection at San Bernardino for Los Angeles. The return has similar connection, reaching Oro Grande at 6:00 p.m. Mr. Howell further testified that Motor Transit would not seek to abandon service if the transfer should be disapproved by the Commission, as the line would be developed, if possible, as a main line feeder. He was of the opinion that the four schedules each way offered

by Pickwick-Greyhound gave a diversity of service not possible by a local operation. This service also provides connection with Pacific Electric train schedules at San Bernardino.

Pickwick-Greyhound operates four schedules (two at night) of interstate service over the route served by Motor Transit. It is proposed to make these schedules available for local travel. The testimony shows that there is approximately 40 per cent vacancy on these schedules. They are well distributed and the fares now authorized and filed by Motor Transit are to be adopted without change.

The substitution of service as proposed was indorsed by written communications from the San Bernardino City Council, San Bernardino Chamber of Commerce and Victorville Chamber of Commerce. Agents of Pickwick-Greyhound at Victorville, San Bernardino and Los Angeles testified to substantial demand from the public for the privilege of using the interstate stages.

While protestant, The Atchison, Topeka and Santa Fe Railway Company, has nine train schedules each way between Oro Grande and San Bernardino, it did not introduce any evidence to support its protest. Most of the trains do not give service to points between Barstow and San Bernardino. Union Pacific Railway, which also appeared, did not offer any proof.

Ordinarily the transfer of a certificate for such transportation as is here involved to a responsible operating company meets approval upon the showing set forth in the foregoing. This proceeding, however, presents other phases which seem to conflict with established policies of this Commission. First, to accomplish the transfer, a local operation must be torn from a well organized division of Motor Transit connecting with its whole service in Southern California and which is capable in time of becoming a through line from Victor Valley to Los Angeles. The operation is an intrinsic part of Motor Transit system, as it

is consolidated at request of Motor Transit with each and every part of this large system. It is not losing money in a period of general depression and increased use of the private automobile, though it has no prospect of immediate improvement. It is not a burden on the remainder of the company's operations. Of special importance, too, is the fact that this Commission has permitted Pacific Electric Railway Company to acquire control of Motor Transit, and Pacific Electric Railway has no rail service between the termini involved. There is not such testimony as would justify abandonment of service, and applicants admit that public convenience and necessity require some service.

Second, Pacific-Greyhound of California, Ltd. is an operating company conducting long distance interstate service between Denver, Salt Lake City and Kansas City and Los Angeles. Necessarily these operations, especially as they near destinations, must become deranged and irregular and consequently cannot approximate local schedule time. It is the experience of this Commission that long distance intrastate operations find it difficult to meet local time tables with through vehicle, either because of lateness or because of being loaded before entering zones of local service. In all cases local service suffers. While it is plausible that four schedules each way daily will minimize that objection, the fact remains that the public will always be uncertain of arrivals and departures. In the present instance it appears that a regular, dependable daily service against which there is no complaint, will be terminated, and an erratic, if more frequent, service substituted.

In this proceeding Pickwick-Greyhound urges granting the application on the grounds of a "more economical operation," of the elimination of "wasteful and destructive competition;" of "greatly improving service" etc. In Application No. 15402 of Pickwick Stages System (a predecessor of applicant), it urged the Commission to permit it to dismember from its Southern

Division an operation between San Diego and Julian and Pine Hills on the ground that such service, being local, "can be performed more efficiently by a local carrier." In its Decision No. 21,466 on this application the request was denied for the reason that this Commission does not look with favor on transferring portions of a consolidated right. This situation is fully discussed in Decision No. 21,466, and the policy of not dividing consolidated operating rights, as stated in many decisions, is reaffirmed. It should be adhered to in the present case.

We, therefore, find as a fact that public convenience and necessity do not justify the transfer of the consolidated certificated right of Motor Transit Company, between Oro Grande and San Bernardino, to Pickwick-Greyhound of California, Ltd., and that the application therefor be denied.

O R D E R

MOTOR TRANSIT COMPANY, a corporation, and PICKWICK-GREYHOUND OF CALIFORNIA, LTD., a corporation, having jointly applied for authority to transfer certificate for automotive service as a common carrier of passengers and express between San Bernardino and Oro Grande; a public hearing having been held, the matter having been duly submitted, and now being ready for decision,

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

Dated at San Francisco, California, this 31st day of March, 1931.

C. S. Seaver  
Leon C. Wheeler  
M. J. Carr  
M. B. Karpis  
Fred G. Stewart  
Commissioners.