

Applicant has operated for many years a stage line practically paralleling the operation of the rail line except through Willow Glen and other points and now desires to alter its routing in giving service by eliminating its present routes (Routes "D" and "C" in the application) and to substitute therefor three new routes, Routes "A", "B" and "C" in the application. Applicant further seeks the adoption of time schedules consistent with the rerouting over new roads and streets for the purpose of adjusting itself to the traffic that has been heretofore handled by Peninsular Railway Company particularly students to and from San Jose and other passengers who will be left without transportation facilities by the abandonment of rail service.

To the extent of the readjustment of the routes and time schedules there appears no objection and the authority will be granted subject to the condition, however, that only rerouting and time schedules will be affected and that all matters effecting rates as presented in the application will not be disposed of until final hearing. In other words the rates now in existence must be maintained for all points between San Jose and Los Gatos via Campbell until altered by further order of the Commission.

This appears to be a matter in which a public hearing is unnecessary and that the application should be granted.

Peerless Stages, Inc. 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.

PRELIMINARY ORDER

Peerless Stages, Inc. having made application to reroute its automotive passenger service between San Jose and Los Gatos via Campbell by the substitution of three routings in place of two existing routings and the Commission being of the opinion that public necessity and convenience require the establishment of such new routings and service as follows:

"ROUTE A", as per said Exhibit No. 1 hereunto attached, commencing at the rear of applicant's depot at No. 25 S. Market Street, San Jose, California; thence to Santa Clara Avenue; thence along Santa Clara Avenue to Market Street; thence along Market Street to the junction of First and Market Streets; thence along First Street to Willow Street; thence along Willow Street to Lincoln; thence along Lincoln to Minnesota Avenue; thence along Minnesota Avenue to Hicks Avenue; thence along Hicks Avenue to Hamilton Avenue; thence along Hamilton Avenue to Central Avenue; thence along Central Avenue to Campbell Avenue in the City of Campbell; thence along Campbell Avenue to Ware or Union Avenue; thence along Ware or Union Avenue to the San Jose-Los Gatos Road; thence along San Jose-Los Gatos Road to Main Street, in the City of Los Gatos.

"ROUTE B", as per said Exhibit No. 1 hereunto attached, commencing at applicant's depot in the rear of No. 25 S. Market Street, San Jose, California; thence to San Pedro Street; thence along San Pedro Street to Santa Clara Avenue; thence along Santa Clara Avenue to Race Street; thence along Race Street to San Carlos Street; thence along San Carlos Street to the San Jose-Los Gatos Road; thence along San Jose-Los Gatos Road to Hamilton Avenue; thence along Hamilton Avenue to Central Avenue; thence along Central Avenue to Campbell Avenue in the City of Campbell; and thence along Campbell Avenue to Ware or Union Street; thence along Ware or Union Street to the San Jose-Los Gatos Road; thence along San Jose-Los Gatos Road to Main Street, in the City of Los Gatos.

"ROUTE C", as per said Exhibit No. 1, commencing at applicant's depot in the rear of No. 25 S. Market Street, San Jose, California; thence to San Pedro Street; thence along San Pedro Street to Santa Clara Avenue; thence along Santa Clara Avenue to Race Street; thence along Race Street to San Carlos Street; thence along San Carlos Street to the San Jose-Los Gatos Road; thence along San Jose-Los Gatos Road to Campbell Avenue; thence along Campbell Avenue to the City of Campbell; thence along Campbell Avenue to the Santa Clara-Los Gatos Road; thence along Santa Clara-Los Gatos Road to Main Street, in the City of Los Gatos; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted for said routings effective upon the promulgation of this order and subject to the following condition:

The certificate herein granted is an alteration of rights previously granted applicant and is to be exercised only upon the filing of time schedules shown in Exhibit No. 2 attached to the application, and is subject to review and/or modification upon hearing herein.

IT IS HEREBY FURTHER ORDERED that in all other respects the matters presented in the instant application are not determined by this order and that upon hearing of the application further and more particular order will be made as to routing and rates affecting the operation herein concerned.

Dated at San Francisco, California, this 27th day of March, 1932.

C. L. Seaman
Leon Swisher
M. A. Linn
W. B. Harris
Frederic G. Stewart
COMMISSIONERS.