

ORIGINAL

Decision No. 10034.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of UNITED STAGES, INC., a corporation, for permission to lease to PICKWICK STAGES, N. D., a corporation, certain automobile stage line franchises and operating rights of said United Stages, Inc., with an option to purchase said rights.

Application No. 5937.

S. W. Thompson for United Stages, Inc.
N. C. Folsom and Chas. F. Wrenn for
Pickwick Stages, N.D.
Hill & Lee, by Robert G. Hill, for cer-
tain proposed intervenors.

BY THE COMMISSION.

O P I N I O N

A public hearing was held by Examiner Westover at Los Angeles upon the above entitled application to lease to Pickwick Stages, N.D., a corporation, the operating rights of United Stages, Inc., a corporation, between Los Angeles and Santa Barbara, upon an installment sale contract, running five years, with option to pay balance at the end of any year.

In operating between Los Angeles and Santa Barbara, there are three routes used east of Ventura: the northerly route being via Sanguis and Santa Paula, over which United Stages operate; the southerly route via Oxnard and Colabanas, over which both parties operate; and the central route via Santa Susana and Moorpark, over which Pickwick Stages, N.D. alone operate. United Stages also operates between Santa Paula, Saticoy, El Reo and Oxnard, thus connecting the northerly and southerly routes.

Granting the application will authorize the withdrawal of the United Stages, Inc. from all service between Los Angeles and Santa Barbara. All the points in this territory heretofore served by United Stages will be served by Pickwick Stages, which the evidence shows is financially able to maintain the service, and increase it, if needed.

The inducement to Pickwick Stages to take over the line in question is found in the saving to be effected in the elimination of duplicated service, and saving in overhead expenses of operation. The lessee proposes to maintain adequate service at all points, with no increase in rates. It urges that it can better serve through passengers from the territory in question, as it operates through lines to San Francisco and Portland. It understands that in any rate making proceeding the amount paid for the operative rights under the lease contract will not be considered as part of any rate base.

At the hearing, Frederick Ernsting, O. D. Hadley, E. C. Willis, J. O. Moore, Frank Hawk, W. M. Updegraff, J. O. McClung, and C. C. Willis asked leave to file complaint in intervention, alleging that ^{intervenor's own} the rights proposed to be transferred because of operation in good faith prior to May 1, 1917. It was agreed, however, by counsel for intervenors and for both applicants that the issues presented by the proposed complaint in intervention were raised and presented before the Commission in Case No. 1473, entitled "In the matter of the investigation of the operations, rules, and practices of United Stages, Inc. and of the Morgan Motor Company, a corporation", in which the Commission issued its Decision No. 9930 on December 27, 1921, and in which it found "upon uncontradicted evidence that United Stages, Inc., or its predecessor, x x x was actually oper-

ating in good faith on May 1, 1917, x x x between the termini and over the routes described as follows:

1. SANTA BARBARA DIVISION: Between Los Angeles and Santa Barbara, via the following route and serving the following intermediate points: Los Angeles, thence via Cahuenga Pass, Ventura Boulevard, Encino Acres, Calabasas, Newberry Park, Triunfo, Conejo, Camarillo, Oxnard, El Rio, Ventura, Rincon, Carpinteria to Santa Barbara.

2. SANTA PAULA DIVISION: Between Los Angeles and Santa Paula, via the following route and serving the following intermediate points: Los Angeles, thence via Cahuenga Pass, Universal City, Lankershim, San Fernando, Newhall, Saugus, Castaic, Piru, Fillmore and to Santa Paula.

but did not pass upon the question of "whether or not the individual stage operators may now equitably claim a share in the value of the transportation business created under the name United Stages, or in the profits derived therefrom, which we believe to be a matter for settlement in the civil courts x x x " Therefore, Examiner Westover denied leave to file the offered complaint in intervention, and sustained objections to offers of proof of its allegations.

Hearing and decision upon the present Application No. 5937 has necessarily been delayed until the nature of the operative rights claimed by United Stages, Inc. could be determined in the above proceeding, Case No. 1473.

ORDER

A public hearing having been held upon the above entitled application, the matter being submitted and now ready for decision,

IT IS HEREBY ORDERED that United Stages, Inc. and Pickwick Stages, N.D., both corporations, be and they are hereby authorized and empowered to execute the proposed lease and option of date July 10, 1920, a copy of which is in evidence herein as Appli-

cant's Exhibit No. 3. United Stages, Inc. is hereby authorized to discontinue operating its stages between Los Angeles and Santa Barbara and all intermediate points, and Pickwick Stages N.D. is hereby authorized to operate its stages under and pursuant to operative rights more fully described in said lease and option of date July 10, 1920.

PROVIDED, that Pickwick Stages, N.D. shall at all times during the term of said lease and option maintain adequate service to and from all points in said territory being served by United Stages, Inc., and,

PROVIDED FURTHER, that any sums paid by said Pickwick Stages, N.D. under said lease and option of July 10, 1920, shall not be considered as part of the rate base in any proceeding before this Commission or any other public tribunal in determining rates to be charged by said Pickwick Stages, N.D.

Said transferor shall immediately cancel all tariffs and time schedules relating to said route with the Railroad Commission; and transferee shall immediately file tariffs and time schedules in its own name, or adopt as its own the tariff and time schedule relating to said route heretofore filed with the Railroad Commission; but all fares to be identical with those now on file with the Commission. Such filing, cancellation or adoption shall be in conformity with the provisions of General Order No. 51 and other regulations of the Railroad Commission, which, so far as applicable, are made part hereof.

The rights and privileges hereby authorized to be transferred shall not again be sold, leased, transferred, or assigned, nor shall operation thereunder be discontinued without the previous written consent of the Railroad Commission.

No vehicle may be operated in the service hereinabove described unless such vehicle is owned by the owner of said

operative rights, or is leased by such owner for a specified amount for a trip or a specific term. The leasing of equipment shall not include the services of a driver or operator. All employment of drivers or operators of leased cars shall be under contract by which the driver or operator shall bear the relation of an employe to the transportation company.

Dated at San Francisco, California, this 30th day of January, 1922.

W. H. Brundage

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Commissioners.