

ORIGINAL

Decision No. 8050.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
F. M. Haley and P. B. Mahoney, doing)
business under the fictitious name)
and style of Coast Scenic Auto Stage)))
Company for a certificate of public) Application No. 5742.
convenience and necessity to operate)
passenger service as a transportation)
company between San Francisco and)
Pacific Grove and intermediate points.)

Harry A. Encell for Applicants.
S. X. Christeson for Auto Transit
Company, John Nelson and George
Harter, Protestants.
F. S. Howard for Southern Pacific
Company, Protestant.
E. G. Shoup for Peninsular Railway
Company, Protestant.
W. H. Pearson for Peninsula Rapid
Transit Company, Protestant.

BY THE COMMISSION:

ORDER

F. M. Haley and P. B. Mahoney, proposing to operate under the fictitious name and style of the Coast Scenic Stage Company, have petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by them of an automobile stage line as a common carrier of passengers between San Francisco and Pacific Grove and intermediate points.

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

Applicants propose to charge rates in accordance with

a schedule marked exhibit "A" and filed with the application in this proceeding; to operate on a schedule of two round trips daily serving as intermediate points the communities at Mayfield, Cupertino, Saratoga, Los Gatos, Alma, Glenwood, Santa Cruz, Watsonville, Moss Landing, Castroville, Seaside, Del Monte and Monterey; using as equipment two Packard automobiles each of seven passenger capacity and such other equipment as the requirements of traffic may demand.

Applicants rely as justification for the granting of this application upon the alleged facts that the Auto Transit Company operating an automobile stage line between San Francisco and Santa Cruz is rendering inadequate and unsatisfactory service; that the transportation facilities afforded by the Southern Pacific Company between San Francisco and Santa Cruz are inadequate to meet the public needs and are unsatisfactory; that there is at present no direct auto stage transportation between San Francisco and Monterey and that the needs of the public demand the operation of such a transportation company. At the hearing on this application applicants stipulated that it was not their desire to compete with the stage line operated by C. M. Elabon between San Jose and Santa Cruz; a portion of the route proposed by applicants being the same as that covered by Elabon's operation.

Mr. P. M. Mahoney, one of the applicants, testified as to the ability of applicants to furnish all equipment that was required and that no through stage line was available for the use of the public between San Francisco, Monterey and Pacific Grove. Witnesses for applicants testified as to alleged refusal of Auto Transit Company to accept passengers from San Francisco for points intermediate on the route to

Santa Cruz particularly as regards Los Gatos. Mr. F. M. Haley, one of the applicants, testified as to specific trips in the period during April 11th to May 18th, 1920, upon which passengers desiring transportation were unable to secure same on the specific trips for which they made application. The total number of passengers offering for transportation and not securing same upon the trip they desired being thirty-four.

Various city officials and representatives of Chambers of Commerce testified in behalf of the applicants. Mr. Doherty, Mayor of Monterey, stated that there was an urgent demand for a through stage line. Mr. D. C. Leacock, Secretary of the Chamber of Commerce of Watsonville, testified that such Chamber had endorsed the establishment of the proposed line. Mr. W. E. Traytor, Mayor of Watsonville, stated that the Board of Aldermen of said community had considered the application and endorsed same; Mr. James Harper, President of the Board of Trustees and Mr. K. C. Joehmus, Secretary of the Chamber of Commerce of Pacific Grove, testified as to their opinion on the desirability of the establishment of the proposed line.

There were filed as exhibits endorsing the application a resolution of the Board of Aldermen of the City of Watsonville; a resolution of the Council of the City of Monterey; an endorsement by the Board of Trustees of the City of Pacific Grove; an endorsement by the Board of Supervisors of the County of Monterey; an endorsement by the Monterey Chamber of Commerce; an endorsement by the Council of the City of Santa Cruz and an endorsement by a number of business men of Pacific Grove.

The granting of this application is opposed by the Southern Pacific Company, the Auto Transit Company, the Peninsular Railway Company, the Peninsula Rapid Transit Company and by John Nelson and George Harter.

Mr. H. H. Main, Secretary of the Chamber of Commerce of Santa Cruz, testified for protestants that, in his opinion, sufficient automobile service was now available by established lines between Santa Cruz and San Francisco and intermediate points and the Commission has received communication from the Santa Cruz Chamber of Commerce advising of the consideration of the application and withholding the endorsement of applicant's line and requesting the Commission to deny the application. The Peninsular Railway Company object to the granting of the application on the basis that applicants propose to compete for local patronage between Cupertino and Los Gatos and that adequate schedules and reasonable rates are available for the use of the public desiring local transportation between such points.

The Peninsula Rapid Transit Company, operating automobile stage service between San Francisco and San Jose, object to the granting of the application on the basis that it would compete with their local service between the stations of San Francisco and Mayfield and further that passengers now desiring to use their line for Santa Cruz and other points can be transported to San Jose at which point connections are available via the line of C. N. Blabon for Santa Cruz and a number of other lines for transportation to Watsonville, Monterey and Pacific Grove.

John Nelson and George Harter, operating between Santa Cruz and Salinas, object to the granting of the application on the basis that it will deprive them of business now handled from Santa Cruz to Monterey in connection with the

lines operated by Littlefield and Carpenter from Monterey to Salinas.

The Auto Transit Company, operating between San Francisco and Santa Cruz, object to the granting of this application on the basis that sufficient business was not available over such route to justify the authorization of another stage line and that the operation of the Auto Transit Company has been conducted at a deficit of some \$3,500.00 during the past year and that a schedule originally commencing with six round trips daily has been reduced to two round trips daily by reason of the anticipated patronage not being furnished. During the winter months, particularly, the through travel between San Francisco and Santa Cruz and intermediate points is extremely light resulting in a monthly deficit. The present operation averages six passengers per trip.

The Southern Pacific Company objects to the granting of this application and presented testimony and exhibits as to the train service now available between San Francisco and Pacific Grove and as to the passenger traffic between such points as reflected by conditions existing in the month of May, 1920. This company claims to have ample equipment and facilities to transport at reasonable rates all business offering over the route requested by applicant and the time schedules indicate five round trips daily between San Francisco and Pacific Grove via Santa Cruz or Watsonville and Del Monte Junction.

There is no evidence before the Commission in this proceeding which would justify the granting of the entire route requested by applicant. Representatives of communities proposed to be served are anxious to be served by the establishment of additional facilities but have not placed any data before the Commission that would justify an order declaring that

public convenience and necessity requires the establishment of additional service over the entire route. It appears that existing transportation lines are able to satisfactorily care for more business than they are at present enjoying and, in fact, some of the existing lines have been unable to operate profitably. The testimony of Mr. W. H. Pearson, President of the Peninsula Rapid Transit Company, regarding the cost of operating an automobile stage of the type proposed by applicants, is of interest in this regard. Mr. Pearson, by reason of his long experience in the operation of automobile stages, is amply qualified as an expert in such matters. He testified that, in his opinion, the cost of operation of a car of the type proposed by applicants would be twenty-two cents per car mile under present existing costs of labor, material, fuel, etc. If Mr. Pearson's opinion is correct it would be impossible to make a financial success of the proposed venture for the reason that a capacity load of seven passengers over the route of one hundred and twenty-eight miles at the rates proposed by applicants, would return, if all seats were filled with through passengers, an amount of \$25.20 per trip or 19.6 cents per car mile or a net loss per trip, if all seats were filled, of \$2.96.

We find some justification for the establishment of service between Santa Cruz and Monterey. At the present time service by automobile requires the use of two operative companies with a change of cars at Salinas requiring three hours and five minutes for the trip at the fare of \$2.40. Applicants propose a service being direct between these points without change requiring one hour and thirty-three minutes and a fare of \$1.30 and the service of the Southern Pacific Company between

these points is cared for by one round trip per day.

After careful consideration of all the evidence in this proceeding, we are of the opinion and find as a fact that the public convenience and necessity does not require the establishment by F. M. Haley and P. B. Mahoney of an automobile stage line as a common carrier of passengers between San Francisco and Pacific Grove and intermediate points and the application for such through service should be denied. We do find that public convenience and necessity would be served by the operation of an automobile stage line between Santa Cruz and Monterey serving as intermediates the communities at Watsonville, Moss Landing, Castroville, Seaside, and Del Monte.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by F. M. Haley and P. B. Mahoney, doing business under the fictitious name and style of Coast Scenic Auto Stage, of an automobile stage line as a common carrier of passengers between Santa Cruz and Monterey serving as intermediates the communities at Watsonville, Moss Landing, Castroville, Seaside, and Del Monte; provided, however, that the rights and privileges hereby conferred may not be transferred nor assigned unless the written consent of the Railroad Commission to such transfer or assignment has first been secured and provided, further, that applicants herein shall within ten days from the date of service of this order file with the Railroad Commission a written acceptance of the certificate herein conveyed, such acceptance to state the date upon which the operation herein authorized will be commenced, such date to be not less than thirty days from the date of the acceptance herein specified.

IT IS HEREBY FURTHER ORDERED, that unless written acceptance is filed and commencement of operation begun in

accordance with the foregoing paragraph of this order that this order automatically stands suspended and void without further order of the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that no vehicle may be operated under this certificate unless such vehicle is owned by applicants herein or is leased by such applicants under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 12th day of September, 1920.

Edwin O. Edgerton

H. W. Leonard

H. T. Brundage

Dwight Martin

Commissioners.