

Decision No. 37442

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GREYHOUND LINES, INC., a)
corporation, to sell, and C. C. HAWORTH,)
doing business as Orange Belt Stages,)
to purchase operative rights for the)
transportation of passengers, baggage,) Application
and express between Hanford and Coalinga; No. 19518
for Pacific Greyhound Lines, Inc. to)
abandon operative rights and route)
between Exeter and Visalia and between)
Visalia Airport and Hanford.)

ORIGINAL

E. C. Lucas, for Pacific Greyhound Lines, Inc.,
C. C. Haworth, in propria persona.

BY THE COMMISSION -

OPINION and ORDER

Pacific Greyhound Lines, Inc. has petitioned the Railroad Commission for an order approving the sale and transfer by it to C. C. Haworth of an operating right for an automotive service for the transportation of passengers and property between Hanford and Coalinga, and C. C. Haworth has petitioned for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which, marked Exhibit "B", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$1.00, which is declared to be the value of the operating right. No equipment is to be transferred.

Public hearing thereon was conducted by Examiner Johnson at San Francisco.

In addition, Pacific Greyhound Lines, Inc. seeks authority to abandon its operating rights between Exeter and Visalia and between Goshen Junction and Goshen Junction Road and between Visalia Airport and Hanford.

Applicant Haworth now operates between Bakersfield and Paso Robles, via Famosa, under the name Kern County Transportation Company. He also operates between Delano and Hanford, via Visalia Airport under the name Orange Belt Stages. This operation was acquired by transfer from Pacific Greyhound Lines to Haworth (Decision No.26662, on Application No.19233), consisting of the then existing right between Delano and Exeter, expanded by a new certificate extending that right between Exeter and Hanford, via Visalia Airport. If the transfer of the right between Hanford and Coalinga is granted, Haworth will have a complete route between Delano and Coalinga, via Porterville, Exeter, Visalia and Hanford. He would be the sole carrier of passengers, express and baggage, assuming that the abandonment of service sought by Pacific Greyhound Lines is also granted.

The service of Pacific Greyhound Lines was authorized by application of its predecessor, California Transit Company, by Decision No.21722, on Applications Nos.14757 and 14759, to be substituted for Trains Nos.93 and 94 of Southern Pacific Company which, by the same decision, were ordered discontinued. Since that time the operations have been under a guarantee by Southern Pacific Company. Pacific Greyhound Lines, Inc, is now advised that this guarantee will be terminated and the shipments of Railway Express Agency, milk and cream and United States mail will be transported by Pacific Motor Trucking Company, a railway subsidiary, which has authority between Exeter and Coalinga for such movements between rail stations.⁽¹⁾

It is the testimony of T. Finkbohner that the revenue of this service, including passengers, did not equal the cost of

(1) Decision No.26261, on Application No.18699, and Decision No.27235, on Application No.19062.

operations and that the Southern Pacific was required to meet deficiencies.

By the transfer proposed, therefore, applicant Haworth will acquire only the right to transport passengers, baggage and express (not Railway Express Agency), and the remainder of the business and revenue will benefit Pacific Motor Trucking Company.

Exhibits "D" and "E", attached to the application, show passenger revenue of .033 cents per mile, and property revenue .068 per mile, the total being .101 cents per mile. Pacific Greyhound's cost for its service during 1933 was .14295 cents per mile but it increased to .17985 cents in January, 1934. Haworth testified that he can operate at a cost of 8 cents per mile, due to the absence of overhead charges. In 1933 1511 passengers were carried and 30,485 miles traveled. Haworth, however, already operates between Exeter and Hanford and, by extending one schedule each way between Hanford and Coalinga, would add only 50 miles each way to his present operations. Besides he will eliminate a competitive carrier between Hanford and Exeter. It appears, however, that he would have to double the business of Greyhound on passengers and express to equal his operating cost, low though he says it is. Haworth testified he was willing to undertake the extended service to Coalinga and intended to make his schedules fit the needs of that city, which has no other passenger transportation. Haworth is an experienced and capable operator though his business as Kern County Transportation Company made a profit of only \$59.74 in 1933. He testified patronage has improved this year. His Orange Belt Stages, operated only this year, also have improved. Greyhound petitioned for approval of the transfer on the basis of the contract entered into with Haworth when he acquired the Orange Belt Stages rights. In Decision No. 26662, authorizing the transfer, the Commission pointed out:

"The contract between the parties contains many agreements which, while they may be binding between the parties, may be repugnant to the jurisdiction of the Commission over rates, service, terminals, finance etc. As in other contracts of similar import, the Commission will not regard itself as approving or being bound by anything more than the actual transfer of the operating right as it exists."

Applicants herein, however, have by amendments to the application, made at the conclusion of the hearing, eliminated the need of a transfer. Greyhound amended its prayer by asking complete abandonment of its right between Exeter and Coalinga, except between Visalia and Goshen Junction. Haworth amended his prayer to request a certificate de novo between Hanford and Coalinga as an extension and enlargement of his Orange Belt Stages.

Such action, as to the additional grant, makes unnecessary discussion of the possible restraint or peril imposed upon the purchaser by the contract provisions, among which is the obligation to make no sale without first permitting Greyhound to buy at the offer received, requiring connecting schedules at Greyhound terminals etc.

There can be no objections to the other rearrangements incident to the changed situation and the rerouting will be approved.

IT IS HEREBY ORDERED that Pacific Greyhound Lines, Inc., a corporation, be and it hereby is authorized to discontinue and abandon its operating rights for the transportation of passengers and/or property between Exeter and Visalia, between Goshen Junction and Coalinga, as said rights were granted by Decision No.23244, on Application No.16989, provided applicant shall file with the Commission, within twenty (20) days after

the effective date hereof withdrawal and cancellation of its tariffs and time schedules therefor, and, provided further, that such discontinuance of service may not be made between Hanford and Coalinga, except co-incidentally with the establishment of operation by Orange Belt Stages (C. C. Haworth) between said points; and

IT IS HEREBY FURTHER ORDERED that Pacific Greyhound Lines, Inc. be and it hereby is authorized to reroute its existing service by (a) abandoning its operative right and route between Exeter and Visalia; (b) between Goshen Junction Road and (c) between Hanford and Visalia Airport; (d) to reroute its existing service in the vicinity of Goshen Junction by removing the fare point of Goshen Junction approximately one-eighth of a mile westerly, as shown in Exhibit "A", attached to the application.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment of automotive service for the transportation of passengers, baggage and express between Hanford and Coalinga and intermediate points, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted to C. C. Haworth over and along the following route:

Hanford-Coalinga highway via Armona, Lemoore, Westhaven Road, Huron Road, Oil King School, Shell Camp, Shell Camp Road, and subject to the following conditions:

1. Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof, stipulating in said acceptance that the certificate herein granted shall be an extension and enlargement of his rights, as granted by Decision No. 26662, on Application No. 19233, and hereby consolidated therewith and not as a new or separate right.

2. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than ten days' notice to the Commission and the public a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application insofar as they conform to the certificate herein granted, or rates satisfactory to the Railroad Commission.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five days' notice to the Commission and the public, time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

4. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 15th day of October, 1934.

Leon A. Whipple
M. B. Harris
M. B. Harris
W. H. ...
W. H. ...
COMMISSIONERS.