

Decision No. 28387

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GREYHOUND LINES, INC., a
corporation, to purchase, and H. E.
WELCH, doing business under the
name and style of Russian River
Stages, to sell certain operative
rights for the transportation of
passengers, baggage and express
between Santa Rosa and Monte Rio.

Application No. 20236.

BY THE COMMISSION:

O P I N I O N

Harry E. Welch, doing business under the name and style, Russian River Stages, has petitioned the Railroad Commission for an order approving the sale and transfer by him to the Pacific Greyhound Lines, Inc., a corporation, of an operating right for the automotive transportation as a highway common carrier of passengers, baggage and express between Santa Rosa and Monte Rio and intermediate points, via Sebastopol, Forestville and Guerneville; and between Graton and Monte Rio and intermediate points, via Occidental and Camp Meeker; and Pacific Greyhound Lines, Inc., 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 of sale and transfer, a copy of which, marked Exhibit "A", 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 Seven Thousand Five Hundred (\$7,500.00) Dollars, the entire amount of which is in consideration of the intangibles and to be paid over in cash

upon the approval by the Railroad Commission of the transfer as herein sought by the parties applicant.

The operating right herein sought to be transferred is a consolidated right created by Decision No. 24925, dated June 27, 1932, in Application No. 18159, and Decision No. 25993, dated May 29, 1933, in Application No. 18889.

In addition, Pacific Greyhound Lines, Inc., a corporation, in the same application, as amended, has requested an order of the Railroad Commission granting the applicant a certificate of public convenience and necessity to operate automotive passenger stages as a highway common carrier of passengers, baggage and express:

(a) Between Cotati and Sebastopol and intermediate points via Cravenstein Highway.

(b) Between Smith's Corner and Occidental and intermediate points via the main highway through Molino.

(c) Between Santa Rosa and Souza's Corner and intermediate points via main highway via College Avenue.

(d) Between Forestville and Santa Nella and intermediate points via the main highway through Mirabel Park, Hacienda and Hilton.

(e) Between Guerneville and Rio Nido and intermediate points via the main highway.

and for a further order of the Railroad Commission:

Granting applicant the right to handle express over all the routes herein sought to be transferred or granted, subject to the restriction that no single package shall be accepted for shipment that weighs in excess of one hundred pounds, and all express must be transported on passenger vehicles only, except as to property transported for or through the agency of the Railway Express Agency, Inc., and milk and cream and empty containers therefor when being transported to or from a rail junction in connection with rail transportation thereof, to which restriction as to weight and vehicle shall not apply.

and for a further order of the Railroad Commission consolidating certificates herein sought to be transferred and/or granted with the remainder of the applicant's operating system.

Applicant Pacific Greyhound Lines, Inc., has requested an ex parte order of the Railroad Commission and in support thereof, alleges as follows:

"1. With the discontinuance of train service in the Russian River territory by Northwestern Pacific Railroad effective November 15, 1935, it is anticipated that, during the summer season, transportation requirements of this territory will be considerably increased. Applicant Pacific Greyhound Lines, Inc., proposes, during such season, to establish direct service between San Francisco and Russian River points via the Gravenstein Highway. It is also anticipated that there will be greater demand at rush periods for service to and from Santa Rosa, and in order to permit extra schedules and second sections to operate over the most direct routes, public convenience and necessity requires that applicant have authority to operate over the new routes above described, as traffic demands warrant. Much of the territory sought to be served is avocation area where traffic demands warrant service only for short periods of the year, such traffic during the remainder of the year being handled to and from points on the regularly established routes.

"2. Present express rights of Russian River Stages carry a fifty pounds restriction, whereas express restriction generally on applicant's system and particularly in Redwood Highway territory is one hundred pounds. To better serve the public and for the purpose of uniformity, it is requested that restriction be raised to one hundred pounds."

Waivers of protests to the granting of the authorities herein requested have been received from Pacific Motor Transport Company, Pacific Motor Trucking Company, Northwestern Pacific Railroad Company and Petaluma and Santa Rosa Railroad Company .

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Pacific Greyhound Lines, 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.

O R D E R

IT IS ~~HEREBY~~ ORDERED that H. E. Welch be, and he is hereby authorized to sell and transfer, and Pacific Greyhound Lines, Inc., be and it is hereby authorized to purchase and acquire the consolidated automotive operative rights heretofore granted by Decision No. 24925, dated June 27, 1932, in Application No. 18159, and Decision No. 25993, dated May 29, 1933, in Application No. 18889 and to hereafter operate thereunder, such right to be acquired as an extension and enlargement of the operative rights heretofore granted to Pacific Greyhound Lines, Inc., by Decision No. 23244, dated December 31, 1930, in Application No. 16989, with the right to transport express over all the routes herein authorized to be acquired, subject to the restriction that no single package shall be accepted for shipments that weighs in excess of one hundred (100) pounds, and all express must be transported on passenger vehicles only, except as to property transported for or through the agency of the Railway Express Agency, Inc., and milk and cream and empty containers therefor when being transported to or from a rail junction in connection with rail transportation thereof, to which, restriction as to weight and vehicle shall not apply, subject to the following conditions:

1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property

for rate fixing, or any purpose other than the transfer herein authorized.

2. Applicant E. E. Welch shall within twenty (20) days after the effective date of the order herein, and on not less than three (3) days' notice to the Commission and the public, unite with applicant Pacific Greyhound Lines, Inc., in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant E. E. Welch withdrawing, and applicant Pacific Greyhound Lines, Inc. accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant E. E. Welch shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed in his name with the Railroad Commission and applicant Pacific Greyhound Lines, Inc., shall within twenty (20) days after the effective date of the order herein, and on not less than three (3) days' notice to the Commission and the public, file, in duplicate, in its own name time schedules covering service heretofore given by applicant E. E. Welch, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant E. E. Welch, or time schedules satisfactory to the Railroad Commission.

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

5. No vehicle may be operated by applicant Pacific Greyhound Lines, Inc., unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. The authority granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require the operation by Pacific Greyhound Lines, Inc., of an automobile stage service for the transportation as a highway common carrier of passengers, baggage and express.

(a) Between Cotati and Sebastopol and intermediate points via Gravenstein Highway.

(b) Between Smith's Corner and Occidental and inter-

mediate points via the main highway through Molino.

(c) Between Santa Rosa and Souza's Corner and intermediate points via main highway via College Avenue.

(d) Between Forestville and Santa Nella and intermediate points via the main highway through Mirabel Park, Hacienda and Hilton.

(e) Between Guerneville and Rio Nido and intermediate points via the main highway.

with the right to transport express over all the routes herein granted, subject to the restriction that no single package shall be accepted for shipment that weighs in excess of one hundred (100) pounds, and all express must be transported on passenger vehicles only, except as to property transported for or through the agency of the Railway Express Agency, Inc., and milk and cream and empty containers therefor when being transported to or from a rail junction in connection with rail transportation thereof, to which, restriction as to weight and vehicle shall not apply.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and it is hereby granted, not as separate operating rights but as an extension and enlargement of the operating right heretofore granted by Decision No. 23244 in Application No. 16989, subject to the following conditions:

1. Applicant Pacific Greyhound Lines, Inc., shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.

2. Applicant Pacific Greyhound Lines, Inc. shall file in triplicate, and make effective within a period not to exceed thirty (30) days from the date hereof, on not less than three (3) days' notice to the Commission and the public, an adoption of the fares now shown in Joint Passenger Tariff No. 325, C.R.C. No. 217 and Joint Excursion Notice No. 212, C.R.C. No. 384, and supplements thereto in accordance with the Commission's General Orders in so far as they conform to the certificate herein granted.

3. Applicant Pacific Greyhound Lines, Inc. shall file, in duplicate, and make effective within a period not to exceed thirty (30) days from the date hereof, on not less than three (3) days' notice to the Commission and the public, time schedules in accordance with the Commission's General Order No. 83, covering the service herein authorized and 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 obtained.

5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it 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 the date hereof.

Dated at San Francisco, California, this 18th
day of November, 1935.

A. A. Carr

M. B. Lewis

W. H. Brown

Frank R. Hill
COMMISSIONERS.