

Decision No. 29561

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
AIRLINE BUS COMPANY
for a certificate of public convenience and necessity to operate passenger, baggage, and express service, as a common carrier, between San Francisco and Los Angeles and certain intermediate points, via Coalinga.

APPLICATION NO. 19971

ORIGINAL

In the Matter of the Application of
PACIFIC GREYHOUND LINES, INC.,
a corporation, for certificate of public convenience and necessity to operate a passenger stage service, as a common carrier of passengers, baggage and express, between Maricopa Junction and Coalinga via Taft and McKittrick.

APPLICATION NO. 19972

In the Matter of the Application of
PACIFIC GREYHOUND LINES, INC.,
a corporation, for certificate of public convenience and necessity to operate a passenger stage service, as a common carrier of passengers, baggage and express, between Coalinga and Fresno via Caruthers and Riverdale.

APPLICATION NO. 20037

HARRY A. ENCELL, for Applicant in Application No. 19971; as protestant in Applications Nos. 19972 and 20037.

H. C. LUCAS, for Applicant in Application No. 20037; for Applicant in Application No. 19972; as protestant in Application No. 19971, representing in each case the Pacific Greyhound Lines and California Parlor Car Tours.

H. W. HOEBS, for Protestants Southern Pacific Company and Pacific Motor Transport Company in Application No. 19971; also for Southern Pacific Company and Pacific Motor Transport Company, interested parties in Applications Nos. 19972 and 20037.

EDWARD STERN, for Railway Express Agency, Inc.,
Protestant in Application No. 19971, and appearing
in Applications Nos. 19972 and 20037.

WOODWARD M. TAYLOR and GIBSON, DUNN & CRUTCHER, for
Los Angeles Railway Corporation, Protestant.

EARL C. COOK, for Cook Stages, Protestant.

JAMES GUNN, for Board of Public Utilities and Trans-
portation, City of Los Angeles, interested party.

C. C. HAWORTH, for Orange Belt Stages and Kern County
Transit.

WALLACE K. DOWNEY, for Pacific Freight Lines, protest-
ant in Applications Nos. 19972 and 20037.

CARL F. KENNEDY, for merchants and business men and
certain residents of Coalinga, as interested party.

ARTHUR L. BLANK, City Attorney for the City of Coalinga,
as interested party.

LOREN VANDERLIP, Secretary of the Chamber of Commerce
of Coalinga, as interested party.

J. J. DEUEL, for San Benito County Farm Bureau.

CHESTER ROSS, for the Hollister Grange.

JOHN T. LEWIS, District Attorney of San Benito County,
for the Board of Supervisors of San Benito County,
and for Joseph Tirado, owner of the San Benito-
Tres Pinos Stage Line, in support of
Application No. 19971.

EDWIN G. WILCOX, for the Oakland Chamber of Commerce,
in support of Application No. 19971.

EDWARD J. LYNCH, for the San Francisco Hotel Association,
in support of Application No. 19971.

BY THE COMMISSION:

O P I N I O N

By Application No. 19971, as amended, Joseph Miller,
doing business under the fictitious name and style of Airline

Bus Company, seeks authority to establish an auto stage service as a common carrier for the transportation of passengers, baggage and newspapers between San Francisco and Los Angeles and intermediate points, via Gilroy, Bolsa Road, Hollister, Coalinga, Avenal, McKittrick, Taft, Maricopa, Grapevine or Maricopa Junction, and U. S. Highway No. 99. The applicant does not request authority to render service locally between Gilroy and San Francisco and intermediate points, between Grapevine and Los Angeles and intermediate points, or between McKittrick and Maricopa and intermediate points. Applicant seeks authority to use alternate routes between San Francisco and Sunnyvale; between Bitterwater and Priest Valley, and between Glendale and Los Angeles. This application was filed May 24, 1935.

By Application No. 19972, filed May 24, 1935, Pacific Greyhound Lines, Inc., seeks authority to transport, by an auto stage service, passengers, baggage and express as a common carrier between Coalinga and Grapevine or Maricopa Junction via Avenal, McKittrick, Taft and Maricopa. This application also excepts local service between McKittrick and Maricopa and intermediate points.

By Application No. 20037, filed June 27, 1935, Pacific Greyhound Lines, Inc., seeks authority to transport passengers, baggage and express by an auto stage service as a common carrier between Coalinga and Fresno via Riverdale and Caruthers.

Pacific Greyhound Lines, Inc., also seeks authority to consolidate any operating rights which may be granted to it under said applications with each other, and with its existing rights.

These three applications were consolidated for the purposes of public hearings and decision. Public hearings were con-

ducted by Examiner McCaffrey at Los Angeles on October 4, 7, 8 and 9, 1935; Taft on December 4 and 5, 1935; Coalinga on December 11 and 12, 1935; Riverdale on December 12, 1935; Hollister on December 18 and 19, 1935; Los Angeles on January 3 and 4, 1936; San Francisco on January 9 and 10, 1936; Los Angeles on January 30 and 31, and February 1, 1936; Hollister on February 5, 1936; San Francisco on February 20, 21, 24 and 25, 1936; and Los Angeles on February 29, 1936.

During the course of said hearings, a record, consisting of two thousand three hundred pages of typewritten transcript and one hundred and forty-six exhibits, was developed. The testimony of two hundred and thirty-six public witnesses, as well as several transportation experts, was received. Great public interest was manifested in these proceedings throughout the whole territory traversed by the proposed routes. Appearances were entered and an active part was taken by numerous public bodies and associations. A large number of such organizations passed formal resolutions which were introduced into the record. Several of them also filed briefs.

The matters were submitted in Los Angeles on February 29, 1936, on concurrent opening and reply briefs.

There is considerable testimony unrefuted, in the record, indicating that the people between and including Coalinga, Riverdale, Caruthers and Fresno are in real need of a passenger stage and express service between all of those points. Application No. 20037 of the Pacific Greyhound Lines, Inc., offers such a service to this area.

The territory between Coalinga and Grapevine or Maricopa, which is 122 miles in length, includes not only the

important communities of Taft and Coalinga, but is the location of the largest oil field development in the State, and the second largest in the United States. There is also a substantial livestock industry in this general region. While this territory as a whole is immensely wealthy, it is so large that the principal communities are scattered. This area, with a population in excess of 25,000, is, for all practical purposes, isolated, in so far as transportation of passengers is concerned. (1)

It was established by the testimony of public witnesses that there is a pressing need for passenger service locally between all the intermediate points in this territory and between said points and the region surrounding Los Angeles and the San Francisco Bay area.

The service proposed in Application No. 19972 by connecting with existing main line schedules of the Pacific Greyhound at Grapevine Junction, would meet the need for passenger

(1) At the time of the filing of Applications Nos. 19971 and 19972, the following operations were in effect: Cook Stages, with large sedans, made three round trips a day between Bakersfield and Taft via Greenfield Corners, and in addition made one trip, with a truck which could carry but one passenger, from Bakersfield to Greenfield Corners, to Taft, to Maricopa, back to Taft, to Fellows, to McKittrick, to Reward, and to Bakersfield. Home Stages maintained an "on call" service between Fellows, Taft and Maricopa. Passengers could get out of these points to the north or south only by using Cook Stages to Greenfield Corners or Bakersfield and there transferring to other carriers. Kern County Transit Company operated one round trip daily between Bakersfield and Paso Robles via Famosa. This operation merely crosses the proposed route between McKittrick and Devils Den and gives practically no service to the territory in question. Orange Belt Stages operated one round trip daily between Coalinga and Visalia. Passengers could get out of Coalinga to the north or south only by using this one schedule to Visalia Airport or Visalia and there transferring to another carrier.

service to the region of Los Angeles and locally between the intermediate points in the territory covered by this application. If this application and Application No. 20037, above referred to, were both granted and consolidated with each other and with existing Greyhound rights, they would provide a service over a circuitous route from this Maricopa-Coalinga territory to the San Francisco Bay area.

As has been pointed out above, Application No. 19971 of the Airline Bus Company proposes a service which would offer to the people of the region between Coalinga and Grapevine or Maricopa not only a local service between points in that region, but also a service between that region and Los Angeles on the south and San Francisco on the north. Thus the proposal of this application would also meet the pressing need which exists in that territory for a passenger service.

As to the territory between Coalinga and Hollister, there is at the present time no passenger stage service worthy of note. (2) Although the population in the territory lying between these points is sparse, the record indicates that there is some need of a passenger service, both locally between points in that territory and Coalinga and Hollister, and between points in that territory and the San Francisco Bay area

(2) The only passenger service in this territory is performed by the San Benito-Tres Pinos Stage Line, which makes two round trips a day between Hollister and Tres Pinos and one round trip between Tres Pinos and San Benito. The equipment used accommodates only one passenger. The holder of this right, Joseph Dirado, by his attorney supports the Airline Bus Company application.

and Los Angeles and environs.

There is considerable testimony in the record relative to a seventeen-mile stretch of road, known as "Lewis Creek Road," which is on the proposed route of the Airline Bus Company between Coalinga and Hollister. At this place an alternate route is proposed. It was established that both the principal route and the alternate route, at times during the rainy season, become impassable. However, the record shows that at such times the service could be maintained by diverting from the proposed routes at a point just north of Bitterwater to King City, thence on U. S. Highway No. 101 to San Lucas, thence back to the principal proposed route at a point just north of Priest Valley. According to the testimony, these detours would delay schedules not more than one hour. Hence there is nothing in the condition of the roads here referred to which would of itself justify the denial of an application for a certificate of public convenience and necessity.

On the date of the filing of the application the city of Hollister was served by five schedules a day, each way, of the Pacific Greyhound Lines, Inc. This service, which was given in large sedans, was via San Juan to Chittenden Junction, where connections were made with main line cars to Los Angeles and San Francisco and intermediate points. There is no direct train service to Hollister. (3) Many witnesses testified in

(3) In addition to the connections with Pacific Greyhound Main Line schedules at Chittenden Junction, Exhibit No. 73 shows that the Southern Pacific Company has four southbound schedules a day which connect with Pacific Greyhound schedules at Gilroy for Hollister. Coming from Hollister, two of the Greyhound schedules connect with northbound Southern Pacific trains at Gilroy. It is necessary for passengers traveling between Hollister and most of the points intermediate between San Jose and San Francisco to make a change of trains at San Jose. The Southern Pacific Company

regard to the service between San Francisco and Hollister some contending that such service was inadequate and inefficient. Dissatisfaction was expressed with the required transfer at Chittenden Junction. Other witnesses testified as to the adequacy of the present service. Applicant Miller failed to make an affirmative showing for the necessity of his proposed service between such points. The record also shows that the operation of Pacific Greyhound Lines, Inc. between these points is being conducted at a loss.

In so far as the territory where the proposals of the two applicants are directly competitive (that is, between Coalinga and Grapevine Junction) is concerned, the proposal of the Airline Bus Company is to be preferred, because the service offered by it is a direct service, operating without any change of cars over the most direct route in each direction, whereas the service proposed by the Pacific Greyhound Lines, Inc., involves a change of cars, together with the inevitable hazard of missing connecting schedules en route to Los Angeles, and a similar hazard, coupled with a circuitous route, en route to San Francisco. The Airline Bus Company also would serve the territory between Hollister and Coalinga, where, as we have seen, there is no existing or other proposed service.

(3) Continued

also has two schedules daily to and from Los Angeles, Glendale and Burbank which connect with Hollister schedules of the Pacific Greyhound Lines at Gilroy.

After carefully reviewing all of the evidence in this proceeding we hereby conclude and find as a fact that applicant failed to sustain the burden of developing a sufficient record to justify a showing of public convenience and necessity for the establishment of an additional service between the termini as proposed.

After carefully analyzing the entire record of these proceedings, the Commission is of the opinion that there was a conclusive showing of a need for public transportation in the west side oil fields territory, between such territory and San Francisco and Los Angeles, and that Application No. 19971 should be granted to that extent in so far as it pertains to the transportation of passengers, their baggage, and newspapers.

Inasmuch as the service proposed by the Pacific Greyhound Lines, Inc., in Application No. 19972, is between points and over a route which is part of the route proposed by the Airline Bus Company, and inasmuch as the service offered by the Pacific Greyhound Lines, Inc. is less adequate to meet the public need, which has been shown to exist, than is the more extensive and more direct service offered by the Airline Bus Company, Application No. 19972 should be denied.

Application No. 20037 of the Pacific Greyhound Lines, Inc. offers a service between Coalinga and Fresno of which there is a real public need. Such application should be granted.

Subsequent to the submission of the matters herein involved, all operating rights of Pacific Greyhound Lines, Inc., were transferred to a new corporation, Pacific Greyhound Lines.

Joseph Miller, doing business as Airline Bus Company, and Pacific Greyhound Lines are 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 by the state which is not in any respect limited as to the number of rights which may be given.

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that the public convenience and necessity require the operation by Joseph Miller, an individual doing business under the fictitious name and style Airline Bus Company, of a service as a passenger stage corporation as

that term is defined in Section 2-1/4 of the Public Utilities Act, for the transportation of passengers, their baggage and newspapers:

- (a) Between Hollister and Maricopa Junction (Grapevine Junction) and intermediate points.
- (b) Between the territory set forth in (a) on the one hand, and San Francisco, on the other hand.
- (c) Between the territory set forth in (a) on the one hand, and Los Angeles, on the other hand.

provided that no service may be given,

- 1. Between San Francisco and Hollister and intermediate points, on the one hand, and the junction of Maricopa Road with U. S. Highway No. 99 at Maricopa Junction (Grapevine Junction) and Los Angeles and intermediate points on the other hand; provided that service may be given between Hollister and Los Angeles.
- 2. Locally between San Francisco and Hollister and intermediate points.
- 3. Locally between McKittrick and Maricopa and intermediate points.
- 4. Locally between the junction of Maricopa Road with U. S. Highway No. 99 at Maricopa Junction (Grapevine Junction) and Los Angeles and intermediate points.

The service herein authorized is to be given over and along the following routes:

Starting at Fourth and Howard Streets in San Francisco; thence along Fourth Street to Market Street; thence across Market Street to Ellis Street; thence along Ellis Street to Powell Street; thence along Powell Street to Geary Street; thence along Geary Street to Taylor Street; thence along Taylor Street to Market Street; thence across Market Street to Sixth Street; thence along Sixth Street to Howard Street; thence along Howard Street to South Van Ness Avenue; thence along South Van Ness Avenue to Army Street; thence along Army Street to Bayshore Highway; thence on Bayshore Highway to Alemany Boulevard; thence on Alemany Boulevard to Junipero Serra Boulevard; thence on Junipero Serra Boulevard to U. S. Highway No. 101; thence on U. S. Highway No. 101 to Broadway in Redwood City;

thence on Broadway to Middlefield Road; thence on Middlefield Road via Atherton, Menlo Park, Palo Alto, to the junction of Middlefield Road with Bayshore Highway just north of Sunnyvale, ---or, as an alternate route (to be used only for northbound sections carrying no passengers destined to points on the main route between said junction of Army Street with Bayshore Boulevard and said junction of Middlefield Road with Bayshore Highway) from said junction of Army Street with Bayshore Highway along Bayshore Highway to said junction of Middlefield Road with Bayshore Highway just north of Sunnyvale; ---thence along Bayshore Highway to the junction of Bayshore Highway with the Alviso-Santa Clara Road, which junction is on the line between Sections 26 and 27, Township 6 South, Range 1 West, Mount Diablo Base and Meridian; thence along the Alviso-Santa Clara Road to U. S. Highway No. 101; thence along U. S. Highway No. 101 via San Jose and Gilroy to the junction of said highway with Bolsa Road at Carandero Creek; thence along Bolsa Road to Hollister; thence along the road known as Airline Highway via Pinnacles and Bitterwater to its junction with the Lonoak Road in Section 6, Township 19 South, Range 10 East, of the Mount Diablo Base and Meridian; thence along said Airline Highway to Priest Valley, ---or as an alternate route from said junction of the Airline Highway with the Lonoak Road along the Lonoak Road to Lonoak; thence along the Peach Tree Road to either the New Mustang Grade or the Old Mustang Grade; thence along either of said grades to its junction with said Airline Highway;--- or as an additional alternate route (with no authority to give any service thereon) by diverting from Air Line Highway at a point just north of Bitterwater southwesterly over the public highway to King City; thence along U. S. Highway No. 101 to San Lucas; thence northeasterly along the public highway to its intersection with Airline Highway just north of Priest Valley; thence again along said Airline Highway to Priest Valley; thence along said Airline Highway to Maricopa via Coalinga, Avenal, Devils Den, Blackwell's corner, McKittrick, Fellows and Taft; thence along the Maricopa Road to its junction with U. S. Highway No. 99 at Grapevine or Maricopa Junction, which junction is in Section 12, Township 11 North, Range 20 West of San Bernardino Base and Meridian; thence along U. S. Highway No. 99 to Broadway in Glendale; thence along Broadway in Glendale to Verdugo Road; thence along Verdugo Road to San Fernando Road; thence along San Fernando Road to Figueroa Street; ---or as an alternate route (for southbound sections carrying no passengers destined to points on the main route between said junction of U. S. Highway No. 99 with Broadway in Glendale and said junction of Verdugo Road with San Fernando Road) from the junction of U. S. Highway No.

99 with Broadway in Glendale, along San Fernando Road to Figueroa Street;---thence along Figueroa Street to Solano Street; thence along Solano Street to Broadway in Los Angeles; thence along Broadway to Bernard Street; thence along Bernard Street to Adobe Street; thence along Adobe Street to New Depot Street; thence along New Depot Street to Figueroa Street; thence along Figueroa Street to Diamond Street; thence along Diamond Street to Fremont Avenue; thence along Fremont Avenue to Sixth Street; thence along Sixth Street to Grand Avenue; thence along Grand Avenue to Fifth Street; and thence along Fifth Street to Fremont Avenue.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and the same hereby is, granted to Joseph Miller, an individual doing business under the fictitious name and style of the Airline Bus Company, to perform the above described service, subject, however, to the following conditions:

- (1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
- (2) Applicant shall commence the service herein authorized within a period of not to exceed ninety (90) days after the date hereof, and shall file in triplicate and concurrently make effective on not less than ten days' notice to the Railroad 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 amended application filed March 6, 1936, in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
- (3) Applicant shall file, in duplicate, and make effective within a period of not to exceed ninety (90) days after the date hereof, on not less than five (5) days' notice to the Railroad Commission and the public, time schedules identical with the time schedules shown in the exhibit attached to the amended application filed March 6, 1936, 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 obtained.
- (5) No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Applicant shall not within one year from the date of commencing operations hereunder, decrease the number of schedules operated under the third condition above, nor in any way whatsoever decrease the amount of service offered to the public by its application unless authorized by further order of the Commission.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 19971 be, and the same hereby is, denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that the public convenience and necessity require the operation by Pacific Greyhound Lines of a service as a passenger stage corporation, as that term is defined in Section 2-1/4 of the Public Utilities Act, for the transportation of passengers, baggage and express between Coalinga and Fresno and intermediate points via Riverdale and Caruthers, and the consolidation of such service with the existing service of the Pacific Greyhound Lines.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is granted to Pacific Greyhound Lines, not as a separate operating right but as an extension and enlargement of the operating rights heretofore granted by Decision No. 23244 in Application No. 16989, and amendments thereto, as heretofore acquired by said Pacific Greyhound Lines under authority of Decision No. 29403 in Application No. 20925, subject, however, to the

following conditions:

- (1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
- (2) Applicant shall commence the service herein authorized within a period of not to exceed ninety (90) days from the date hereof, and shall file in triplicate and concurrently make effective on not less than ten days' notice to the Railroad 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 final amended application in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
- (3) Applicant shall file, in duplicate, and make effective within a period of not to exceed ninety (90) days after the date hereof, on not less than five days' notice to the Railroad 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 obtained.
- (5) No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Applicant shall not within one year from the date of commencing operations hereunder decrease the number of schedules operated under the third condition above, nor in any way whatsoever decrease the amount of service offered to the public by its application, unless authorized by further order of the Commission.
- (7) In the transportation of express, no single shipment weighing in excess of 100 pounds shall be accepted for transportation, excepting, however, shipments transported for or through the Railway Express Agency, Inc., and milk and cream and

empty containers therefor when being transported to or from the rail agency point in connection with rail transportation thereof; and all express shall be transported on passenger vehicles only.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity do not require the operation by the Pacific Greyhound Lines, of a service as a passenger stage corporation, as that term is defined in Section 2-1/4 of the Public Utilities Act, for the transportation of passengers, baggage and express between Coalinga, Avenal, Devils Den, Blackwell's Corner, McKittrick, Fellows, Taft, Maricopa and Grapevine or Maricopa Junction and points intermediate to all of said points; therefore,

IT IS HEREBY ORDERED that Application No. 19972 be, and the same is, hereby denied.

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 19th
day of February, 1937.

Malcolm
Leon Whitell
Orwell K. Adams
Raymond
Ray & Riley
COMMISSIONERS.