

Decision No. 29784

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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 San
Francisco and Boulder Creek via
Skyline Blvd., and between Monterey
and San Luis Obispo and intermediate
points via Big Sur P.O., San Simeon
and Cayucos.

ORIGINAL

Application No. 20747

ORIGINAL

H. C. LUCAS, for Applicant.

DOUGLAS BROOKMAN, for Valley & Coast
Transit Company, Protestant.

CARMEL MARTIN, for Del Monte Properties,
Inc., Protestant.

BY THE COMMISSION:

O P I N I O N

Pacific Greyhound Lines, Inc., herein seeks a certificate of public convenience and necessity authorizing it to establish and operate stage service for the transportation of passengers, baggage and express between San Francisco and Boulder Creek via Skyline Boulevard, and between Monterey and San Luis Obispo and intermediate points, via Big Sur, San Simeon and Cayucos. The last named route of 140 miles is of great scenic beauty and has been difficult of access by automotive traffic. Applicant now possesses full authority to operate between Boulder Creek and Monterey and between San Luis Obispo and Los Angeles over the Coast Highway.

Applicant proposes to provide one schedule each way daily between San Francisco and Los Angeles with an additional one way

Saturday and Sunday schedule between San Francisco and Santa Cruz. The fares and rates between points common to applicants present operations will be the same as those now in effect and fares and rates to be charged between new points proposed to be served have been constructed on a basis comparable to those now in effect on applicant's system.

Public hearings thereon were conducted by Examiner W. R. Williams at San Francisco, Monterey and San Luis Obispo.

Witnesses presented by applicant along the routing from San Francisco to Boulder Creek, via Skyline Boulevard, indicate that there are approximately seven new communities on Skyline Boulevard that now have no transportation except at remote distance, and the route will traverse communities having a population, particularly in summer, which would require transportation at least once a day in each direction.

In support of the application, there were produced Mrs. Irene Anderson, San Francisco, who has a summer home near Boulder Creek; Matthew J. Hanlon, a summer cottager near Boulder Creek; Zola Holser, Santa Cruz; S. T. Leach, Santa Cruz; Andy Balich, proprietor of the Palomar Hotel, Santa Cruz; F. K. Camp, proprietor of Brookdale Lodge; Herman Irwin, Brookdale; Floyd B. Pearson, Palo Alto; Fred A. Dickinson, Ben Lomond; G. W. Boswell, Skylonda; F. W. Horstman, Boulder Creek; J. W. Bearup, President of Boulder Creek Chamber of Commerce; Mrs. Helen Goodman, Kings Mountain. These witnesses cited numerous instances of necessity for the service, particularly in the summer period when out-of-town resorts and cabin areas are being visited; also some business necessity in the distribution of materials and supplies by express. In addition, petitions, signed by more than two hundred residents along the route, requesting the granting of the application as a matter of need, were filed.

No opposition to the application, in so far as the Skyline Boulevard route is concerned, was made. The affirmative testimony produced is ample to justify granting this portion of the certificate.

Opposition, however, did develop at the hearing at Monterey, but only as to the operative right between Monterey and San Luis Obispo via the new Ocean Highway being constructed by the California State Highway Commission. Del Monte Properties, Inc., entered a protest to the use of the route by stages, on the ground that the stages would cause an interference with, and some danger to, normal road traffic, because of the character of the road. The objection of Del Monte Properties, Inc., was voiced by C. S. Olmsted, manager of the properties and division engineer. His objection is that the road is not changed in alignment, has many short radius curves, is narrow; not all of the bridges necessary to safe travel are in place, and for the further reason that the routing at seasons presents a distinct fog hazard. Jack Beaumont, secretary of Del Monte Properties, Inc., urged that if a certificate is granted, service be restricted to daylight hours. The other objection was by Valley and Coast Transit Company of San Luis Obispo, which has operative rights for passengers, freight and express between San Luis Obispo and San Simeon, covering about forty miles of the south end of the new Ocean Highway.

Witnesses at Monterey were E. Russell Field living two miles below Big Sur (34 miles south of Monterey); H. C. Sharpe, South Carmel (14 miles south of Carmel); Barnett Segal; Mrs. Ella Bennison; M. Sebastian, Jr., San Simeon; L. H. Toomire, Cambria, Secretary of the Chamber of Commerce; H. M. Lannin, Cambria; J. R. Fort, Morro Bay; Ray Dolin, Cambria Pines; D. Pereira, Cayucos, and

A. D. Crocker, Manager of the Credit Bureau of San Luis Obispo County, all testifying as to the desire and need for the service proposed by applicant. Many of the witnesses expressed the desire for through transportation between points on the new Ocean Highway and points south of San Luis Obispo, including Los Angeles, or to the San Francisco Bay region.

At a further hearing at San Luis Obispo, E. R. Green, district construction engineer for the Department of Public Highways, State of California, who is in direct charge of the work of constructing the new highway between Carmel and San Simeon, testified that the Department expects to have the road in traversable condition by July 1, 1937. At the time of this hearing (April 8, 1937), the road was impassable because of a number of slides caused by the continuous rainfall, but Mr. Green estimated these would be all cleared before the opening of the highway. The grading and preliminary work on the highway is completed to Big Sur. The north portion, for a distance of fourteen miles, is paved in part with hard surface pavement. Below Big Sur there are twelve miles of grading to be completed.

Mr. Green further stated that all the bridges had not been constructed, because of budget insufficiency, but it was expected they would be constructed during the next biennium; that two are to be built shortly, and these are at points of considerable elevation. In order to route traffic before the bridges are completed, detours are provided at somewhat sharp angles and steep grades. For instance, the bridge at Big Creek will cover a sixty-foot span when constructed. The detour now provided involves descending and ascending steep grades with sharp turns at the bottom, with 17.5% up-grade on the south side. This is probably the steepest grade of any of the detours provided.

It was Mr. Green's opinion that any service to be conducted by Pacific Greyhound Lines, Inc., with experienced drivers, would not involve any particular danger except, perhaps in periods when fog appears. Mr. Green stated that in fog periods during the progress of the road work, a workman was sent ahead of cars traversing the highway in order to guide the vehicles used in the work. He said the fog is not persistent for long periods.

T. Finkbohner, superintendent of applicant's company, testified that he had gone over the route in a special 37-passenger bus just prior to the hearing, and found the route easily and safely traversable for vehicles of that type. Mr. Finkbohner expressed the belief that the roadway, with the scheduled operations not exceeding forty miles per hour, is perfectly safe in good weather. In fact, he declared it was much better than many routes now used by his company in traversing mountain territory. The schedules proposed provide daylight service between Monterey and San Luis Obispo.

At this hearing, by agreement with protestant, Valley and Coast Transit Company, it was stipulated that applicant would accept the following restriction between San Luis Obispo and Monterey:

"(2) No express or merchandise, excepting newspapers and baggage of passengers, to be picked up or delivered at any point on this route between San Luis Obispo and Monterey."

This, in effect, means that applicant will continue to transport express between San Luis Obispo and Monterey, but not from said points to any intermediate point nor between any two intermediate points. Valley and Coast Transit Company has now pending an application for freight and express service between San

Simeon, its present terminus, and Monterey over the new highway. Upon this stipulation, Valley and Coast Transit Company withdrew its protest against the application.

There is no question as to the desirability and public benefit of the service proposed over Skyline Boulevard. which will serve a large area now without any transportation facilities. The route between San Luis Obispo and Monterey is not, and for some time will not be, constructed to the high standard of roads administered by the California Highway Commission. It is largely in the preliminary stage, but eventually will be of the same high character as other main state highways. If it is to be used by applicant at all before this condition has been reached, it must be with due regard to the necessity for extreme caution in the operation of public vehicles because of the palpable dangers at many points, many of which include twisting roads at the south end where an oiled highway is surfaced only rather narrowly.

The application will be granted but with certain conditions imposed.

Subsequent to the filing of this application, all operating rights of Pacific Greyhound Lines, Inc., were transferred to a new corporation, Pacific Greyhound Lines.

Pacific Greyhound Lines, 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

Pacific Greyhound Lines having made application as above entitled, public hearings having been held, the matter having been duly submitted, and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Pacific Greyhound Lines of an automotive service as a passenger stage corporation as defined in Section 2½ of the Public Utilities Act for the transportation of passengers, baggage and express,

1. Between San Francisco and Boulder Creek and intermediate points via Skyline Boulevard.
2. Between San Bruno and San Bruno Junction (Skyline Boulevard) and intermediate points.
3. Between San Mateo and Crystal Springs Dam and intermediate points.
4. Between Monterey and San Luis Obispo and intermediate points via Carmel, Big Sur and San Simeon over and along the following routes:
 - (a) Over and along Alemany Boulevard between its intersections with Bayshore Boulevard and Skyline Boulevard, State Route 55, thence along said Skyline Boulevard to Saratoga Gap, thence along State Route 42 to Waterman's Gap, thence along State route 116 to Boulder Creek, provided that operations over route (a) may be conducted seasonally between the approximate dates of May 15 and September 15 of each year, and, provided further, that between San Francisco and Crystal Springs Dam service may be given optionally via route (c) in conjunction with applicant's routes via El Camino Real (Highway 101) and Bayshore Highway between San Francisco and San Mateo.
 - (b) Over the county highway between San Bruno and San Bruno Junction provided that regularly scheduled service will not be required but may be used for extra schedules only.
 - (c) Via State Route 105 between San Mateo and Crystal Springs Dam, provided that service over said route may be conducted seasonally between the approximate dates of May 15 and September 15 of each year, or used as part of an optional

route between Crystal Springs Dam and San Francisco in lieu of service between Crystal Springs Dam and San Francisco via route (a).

(d) Via State Route 56 between Monterey and San Luis Obispo including an optional detour through the town of Carmel.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is, granted Pacific Greyhound Lines as an extension and enlargement of the operative rights granted by Decision No. 23244 on Application No. 16989, and amendments and supplements thereto, and consolidated therewith, subject to the following conditions:

- (1) No passengers, baggage, or express shall be handled locally between Monterey and Carmel.
- (2) In the transportation of express, no 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 Railway Express Agency, Inc. and milk and cream and empty containers of such commodities when being transported to or from a rail junction point in connection with rail transportation thereof, to which said restrictions as to weight and vehicle shall not apply; provided, however, that no express, except newspapers and baggage of passengers, having either point of origin or destination intermediate to Monterey and San Luis Obispo shall be transported.
- (3) Applicant shall file its written acceptance of the certificate herein granted, within a period of not to exceed fifteen (15) days from date hereof.
- (4) 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 (10) 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, in so far as they conform to the certificate herein granted.
- (5) 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 (5) days' notice to the Commission and the public, time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

- (6) 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.

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 24th day of May, 1937.

Leon A. ...
Frank R. ...
Ray ...
Ray & ...
COMMISSIONERS