

ORIGINAL

Decision No. 30005

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Floyd B. Pearson, doing business
 under the name and style of Palo Alto
 Transit, (a) for permission to re-
 route a certain portion of his auto-
 mobile passenger operative right
 between Palo Alto and the intersec-
 tion of Bay Road and Berkeley Avenue,
 (b) to abandon that portion of said
 operative right between said inter-
 section of Bay Road and Berkeley
 Avenue, to Willow Road, via Bay Road,
 Menlo Avenue and Coleman Avenue,
 (c) to consolidate the remaining por-
 tion of his so called U. S. Veterans'
 Hospital No. 24 operative right and
 his so called Stanford University,
 East Palo Alto and Mayfield operative
 right into one unified operative right,
 in lieu of his present rights, and
 (d) to operate said consolidated and
 unified operative right as a consol-
 idated and unified stage service.

Application No. 21349

BY THE COMMISSION:

O P I N I O N

Floyd B. Pearson herein applies for authority to reroute a portion of the passenger service applicant is now conducting in the city of Palo Alto and vicinity thereof; to consolidate and unify applicant's operating rights created by Decisions Nos. 29705 and 25725 authorizing service in Palo Alto and nearby unincorporated territory known as North Palo Alto; and to discontinue publication of school children's fares as now shown in Palo Alto Transit, Local Passenger Tariff No. 1, C.R.C. No. 1, and Supplement No. 1 thereto, and Local Passenger Tariff No. 2, C.R.C. No. 4, and Supplement No. 2 thereto, now on file with the Commission.

As justification for the rerouting sought, applicant alleges that the proposed rerouting of applicant's so-called U. S. Veterans' Hospital Line will provide added convenience and better provide for the necessities of the traveling public; that said rerouting entails the abandonment of present "on call" service over a portion of said U. S. Veterans' Hospital Line which is sparsely settled and during the month of May, 1937, service was required by only sixteen passengers along such route; and that such rerouting will enable applicant to serve a more densely populated area.

As justification for the consolidation sought, applicant alleges that such consolidation will result in lower operating costs and provide a more flexible service in the handling of equipment and passengers, particularly, during peak periods of operations. As set forth in Tariff Exhibit A, attached to the application herein, applicant proposes that all one-way, round-trip and commutation fares, now in effect via either line, will be extended to apply over the proposed consolidated operation which will result in a substantial fare reduction on through traffic.

Applicant has submitted a letter from the Palo Alto Chamber of Commerce which endorses the proposed changes of operations and requests favorable action in regard thereto.

There is no other carrier operating in the territory involved and it does not appear that this is a matter requiring a public hearing. The application will be granted.

Floyd B. Pearson 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

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Floyd B. Pearson of a passenger stage service for the transportation of passengers only, between Palo Alto, North Palo Alto, U. S. Veterans' Hospital, and intermediate points, over and along the following route:

Beginning at the intersection of University Avenue and U. S. Highway 101, thence along University Avenue to Alma Street, to Lytton Avenue, returning via Lytton Avenue to University Avenue, to Waverley Street, to California Avenue, to Williams Street, to College Avenue, to Yale Street, to California Avenue.

Beginning at the intersection of University Avenue and Waverley Street, thence along University Avenue to Bayshore Highway, to Manhattan Avenue, to O'Connor Street to University Avenue.

Beginning at the intersection of University Avenue and Middlefield Road, thence along Middlefield Road to Melville Avenue, to Channing Avenue, to Lincoln Avenue, to University Avenue.

Beginning at the intersection of University Avenue and Chaucer Street, thence along Chaucer Street and Pope Street to Laurel Avenue, to Walnut Street, to Donohoe Street, to U. S. Veterans' Hospital No. 24 on Willow Road thence along Willow Road to Bay Road, to Berkeley Avenue.

Beginning at the intersection of University Avenue and Middlefield Road, thence along Middlefield Road to Willow Road, to the intersection of Willow Road and Donohoe Avenue.

and,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor is hereby granted to Floyd B. Pearson, for the establishment and operation of the service herein authorized, as a consolidated and unified operation in lieu of and not in addition to the operating rights heretofore created by Decision No. 29705, dated April 26, 1937, on Application No. 21132, and Decision No. 25725, dated March 13, 1933, on Application No. 18731.

IT IS HEREBY FURTHER ORDERED that said Decisions Nos. 29705 and 25725 are hereby revoked and annulled.

IT IS HEREBY FURTHER ORDERED that applicant is hereby authorized to cancel and discontinue the publication of school children's fares as now shown in Palo Alto Transit, Local Passenger Tariff No. 1, C.R.C. No. 1 and Supplement No. 1 thereto, and Local Passenger Tariff No. 2, C.R.C. No. 4 and Supplement No. 2 thereto.

The authority herein authorized is subject 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 thirty (30) days from the effective 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 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 thirty (30) days after the effective date of this order, 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.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 9th day of August, 1937.

Walter H. Moore
Frank R. Allen
Karl Walden
Ray L. Riley
COMMISSIONERS.