

Decision No. 31210

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
Orange Belt Stages, Inc., for a cer-
tificate of public convenience and
necessity to transport passengers,
baggage and express between Coalinga
and King City, and to consolidate
same with remainder of applicant's
system.)

) Application No. 21537

W. R. WILLIAMS, C. C. HAWORTH & T. S. HAWORTH,
for Applicant.

HARRY ENCELL, for Joseph Miller, doing business
as Airline Bus Company, Protestant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Orange Belt Stages, Inc., requests a certificate for the establishment and operation of a passenger stage service for the transportation of passengers, baggage and express between Coalinga and King City and intermediate points, subject to certain restrictions, as an extension and enlargement of applicant's present operative right, for the transportation of passengers, baggage and express between Delano and Coalinga and intermediate points via Porterville, Visalia, Hanford and Lemoore.

The proposal is made subject to the following restrictions:

- (1) That no passengers, baggage or express will be transported locally between San Lucas and King City.
- (2) That no passengers or baggage will be transported locally between Coalinga and a point on the Priest Valley Road where such road is intersected by the highway known as State Route No. 198.
- (3) That in the transportation of express no package will be transported the weight of which exceeds 100 pounds and all express is to be transported on passenger vehicles only.

A public hearing in this matter was conducted by Examiner Paul at Coalinga and at King City and the matter having been duly submitted is now ready for decision.

At the Coalinga hearing applicant produced thirteen witnesses who gave testimony supporting the application. The majority of these witnesses testified that if the proposed service were established they would avail themselves of its facilities in order to travel to King City. Thomas B. Green, owner of a service station at Buck Horn in the Waltham Canyon, testified as to the need for express service.

Witness Bensberg, now employed by applicant and Pacific Greyhound Lines as agent, testified that he frequently has requests for transportation between Coalinga and King City; that during the months of October, November and December, 1937, ten tickets were sold at a fare of \$6.45 for transportation over a circuitous route between Coalinga and King City; and that during March 1938 he sold two tickets for the same trip. The record shows that some of the witnesses require transportation between points now served by applicant and King City once or twice annually while others travel between said points three to four times monthly.

At the King City hearing eleven witnesses testified for the applicant. All of these witnesses testified that upon occasion they would use the proposed service to travel between King City and various points in San Joaquin Valley now served by applicant. Some of these witnesses testified that they would use the service two or three times during the year while others testified that they had occasion to make trips into the San Joaquin Valley as much as thirty times annually. It was shown that most of these witnesses have their own private automobiles which they generally, at the present time, use for such transportation, but in the event of the establishment

of a common carrier service advantage thereof would be taken because in so doing the trip could be made more economically. A few of these witnesses testified that they have no automobiles and in order to travel between King City and San Joaquin Valley points are required to make the circuitous trip by way of Santa Barbara, Ventura and Castaic or by way of Paso Robles and Famosa or by way of Gilroy and Los Banos. Two witnesses who are engaged in business at King City testified as to the need for the express service proposed by applicant. One witness, engaged in the general merchandise business in King City, testified that he has a number of customers at Priest Valley to whom shipments are now made by United States Parcel Post, or by some private accommodation.

T. S. Haworth, president of the applicant corporation, testified that the application was filed as a result of numerous inquiries from persons desiring transportation between San Joaquin Valley points and King City and for the purpose of improving applicant's present service thereby affording travelers the opportunity of making direct connections at King City with other carriers giving service north and south thereof. The record shows that the applicant possesses adequate equipment to maintain the proposed additional service.

Mr. Haworth estimated that a minimum of five passengers will be transported on the proposed single daily round-trip schedule and the revenue from such transportation will be more than sufficient to return the added expense incident to the establishment of such extended service.

Joseph Miller, doing business as Airline Bus Company, entered an appearance as a protestant but offered no evidence in support of such position.

After carefully considering the evidence in this proceeding, we are of the opinion that there is a public need for the

proposed service and that public interest will be subserved by the granting of the application.

Orange Belt Stages, 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.

A public hearing having been held in the above-entitled proceeding, evidence adduced, the matter submitted, and the Commission now being fully informed therein,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Orange Belt Stages, Inc., a corporation, of a service as a passenger stage corporation as defined in section 24 of the Public Utilities Act for the transportation of passengers, baggage and express for compensation between Coalinga and King City and intermediate points, over and along the following route:

State Route 198 between Coalinga and San Lucas
and U. S. Highway 101 between San Lucas and
King City,

not as a separate operative right but as an extension and enlargement of the certificate heretofore granted by Decision No. 27442, dated October 15, 1934, on Application No. 19518.

IT IS ORDERED that a certificate therefor is hereby granted to Orange Belt Stages, Inc., a corporation, subject to the following restrictions and conditions: