

Decision No. 31612

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
RHODES STAGES INC. for certificate of  
public convenience and necessity to  
operate motor busses for an all expense  
tour service during winter months bet-  
ween San Francisco, Oakland, and area  
immediately contiguous thereto, and  
Mineral, Tehama County, California.

Application No. 22400

ORIGINAL

IRVING M. LINER for Applicant.

E. C. LUCAS and H. D. RICHARDS by H. D. Richards  
for Pacific Greyhound Lines, Interested Party.

WHITSELL, COMMISSIONER:

O P I N I O N

By this application, as amended, Rhodes Stages, Inc., a corporation, seeks authority to establish and operate an automotive service as a common carrier of passengers, baggage and snow sports equipment between San Francisco, Oakland, Berkeley and Albany on the one hand and Mineral, Tehama County on the other hand, for the purpose of conducting two all expense round trip tours during the winter sports season from approximately November 1 to March 15 of each year.

(1)

A public hearing in this matter was had in San Francisco on December 20, 1938 where testimony was received, the matter was submitted and it is now ready for decision.

No protests to the granting of this application were received but Pacific Greyhound Lines entered an appearance as an interested party. Support to the granting of this application has

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1. Before Examiner McGettigan

been received from the Board of Directors of the Red Bluff Chamber of Commerce.

Allen E. Rhodes, general manager of applicant, testified that he had been engaged in charter car work for the past eight years and had particular experience in the handling of the type of snow sport tour proposed herein.

It was his testimony that interest in snow sports has been on the increase, particularly during the past year and that as a consequence thereof he had had a considerable number of requests for service between the bay region and Mineral. Mineral is a resort center for both winter and summer sports. Applicant's interest lies in the transportation of parties interested in the winter sports consisting principally of skiing.

Under the proposal of applicant, Mr. Rhodes stated, two tours are to be operated of  $1\frac{1}{2}$  days and  $2\frac{1}{2}$  days duration respectively, as shown in amended exhibits "B" and "C" attached to the application. These tours are "all expense tours" and include transportation, lodging and meals. Accommodations are to be arranged for at Mineral Lodge which has accommodations for 150 people, according to this witness. The  $1\frac{1}{2}$  day tour, designated as tour No. 1 will cost \$9.75, of which amount \$6.12 is allocated to the cost of transportation and \$3.63 applies to meals and lodging. The  $2\frac{1}{2}$  day tour will cost \$12.60 and the allocation to the cost of transportation is given as \$6.12 with the remaining \$6.48 applied to meals and lodging. The service is strictly a round trip proposal and no intermediate service nor stopover privileges (except at Mineral) are contemplated. Passengers will be picked up and discharged only at the following specified depots: 44 Fourth Street, San Francisco, 1801 Telegraph Avenue, Oakland, 2169 Shattuck Avenue, Berkeley, 1011 San Pablo Avenue, Albany and Mineral. Complete tariff rates, rules and regulations are

contained in amended exhibit "B" attached to the application.

Leaving and arrival times are as set forth in applicant's time schedule (amended exhibit "C") and operation of these scheduled tours is subject to a minimum of fifteen (15) passengers. In the event that the prescribed minimum number of passengers is not available, applicant will notify each person taking the particular tour of the cancellation thereof at least twenty-four hours before scheduled leaving affording them at the same time the opportunity to accept either a refund of their money or a reservation on a future tour.

Witness Rhodes further testified that, during the winter season of 1936, his company had transported some 400 people to Mineral for snow sports under charter car operation. He further stated that his company has four pieces of equipment available for this service, consisting of two 29 passenger yellow coaches, one 29 passenger White and one 33 passenger Wills. The first three named are 1930 models and the Wills is a 1931 model. Additional equipment can be obtained if required according to this witness.

In connection with the transportation of snow equipment witness Rhodes stated that it consisted principally of skis and an occasional toboggan. Ample cargo space, he stated, was available on top of the busses, to adequately handle all of this equipment.

P. M. Solomon, manager of the H. C. Capwell Company Travel Bureau, testified in behalf of applicant. He stated that he had had six to eight years travel bureau experience including the handling of snow sport tours. It was his opinion that people are now snow sport conscious and that interest therein was increasing. He stated that he had received a number of requests during past seasons for trips to the snow area but had found it rather difficult to obtain satisfactory public transportation. On occasions, he stated,

group arrangements had been made for as many as 150 people. He believed that Rhodes Charter Stages, Inc. would afford a satisfactory means of transporting ski enthusiasts and others to Mineral which he recognized as a popular winter sports land.

It appears from this record that the interest in snow sports is materially increasing. Beyond question also is the fact that a service, such as proposed by applicant, would fill a definite public need in so far as the devotees of winter sports are concerned. Applicant appears as an experienced and capable operator of some eight years standing, familiar with and used to handling the particular type of service discussed herein.

No similar common carrier service is now provided between the termini set forth herein, and Mt. Lassen Transit, Inc., operating a passenger bus service under certificate between Red Bluff and Mineral, has waived protest to the granting of this application in writing. No protests to the granting of this application have been received.

In view of the circumstances set forth above it would appear that in the public interest Rhodes Stages, Inc. should be authorized to establish and operate the service as prayed for.

The application will be granted.

Rhodes 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.

## 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 Rhodes Stages, Inc. of an automotive service, for the transportation of passengers, baggage and snow sports equipment, as a passenger stage corporation as such is defined in section 2½ of the Public Utilities Act between San Francisco, Oakland, Berkeley and Albany on the one hand, and Mineral, Tehama County, on the other hand over and along the following route:

Commencing at 44 Fourth Street, San Francisco (Santa Fe Transportation Co. Depot), thence via San Francisco-Oakland Bay Bridge to 1801 Telegraph Avenue, Oakland (Santa Fe Burlington Trailways Depot) thence to Atlas Travel Bureau 2169 Shattuck Avenue, Berkeley, thence to Rhodes Stage Depot, 1011 San Pablo Avenue, Albany, thence to Davis Junction via U. S. Highway No. 40; thence to Red Bluff via U. S. Highway No. 99W; thence to Mineral via U. S. Highway No. 36, returning via the same route reversed

for the purpose of conducting two round trip all expense motor tours having both final point of origin and final point of destination at San Francisco, Oakland, Berkeley and Albany, respectively with stop-over at Mineral to participate in winter sports, subject to the following restrictions:

1. In the transportation of baggage and snow sports equipment not more than one hundred (100) pounds may be transported on any single adult ticket and such baggage and snow sports equipment shall be transported on passenger vehicles only.
2. The service herein authorized is to be confined to and operated for bona fide tour passengers only, restricted to the two tours hereinbefore referred to and is to be operated from approximately November 1 to March 15 yearly and then only when there is available a minimum load of fifteen (15) passengers for any particular tour.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be, and the same hereby is, granted to Rhodes Stages, Inc. 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 five 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, a time schedule or 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 foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

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

Dated at San Francisco, California this 28<sup>th</sup> day of December, 1935.

R. B. Washburn

James P. Deane

H. B. Baker

COMMISSIONERS