

Decision No. 32725

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GREYHOUND LINES for certificate)
of public convenience and necessity to)
operate automotive stage service for the) Application No. 23046
transportation of passengers, baggage)
and express between Salinas and Marina)
via Camp Ord.)

H. C. LUCAS, for Pacific Greyhound Lines

FRED C. McCARGER, for Salinas Chamber of Commerce,
in support of applicant.

BAKER, COMMISSIONER:

OPINION ON FURTHER HEARING

On February 27, 1940, the Commission reopened the above-entitled proceeding for the taking of further evidence for the purpose of determining whether Decision No. 32725 should be altered or amended in so far as said decision relates to applicant's request for a certificate of public convenience and necessity for the transportation of express between the points as hereinafter set forth. A further hearing thereon was had at Salinas on March 8, 1940, and the matter, having been taken under submission, is now ready for decision.

No one appeared in protest to the granting of the authority sought.

Applicant is now providing a certificated service for the transportation of passengers, baggage and express, between Monterey and Salinas and intermediate points, over two routes. One route is via State Route No. 117 (sometimes referred to as the Toro Canyon Route) on the south side of Camp Ord Military Reservation. The other route, which is on the north side of said Reservation, is over State

Route No. 56 from Monterey to Castroville (commonly referred to as Monterey - Castroville Highway) via Workfield and Marina, thence from Castroville to Salinas, via Cooper and Graves, over State Route No. 118.

By Decision No. 32725, on the original application herein, the Commission granted a certificate to applicant authorizing the transportation of passengers and baggage between Salinas and Marina and intermediate points, via Camp Ord, as an extension and enlargement of applicant's other operative rights. The authority to transport express between such points, although sought, was not granted because of a lack of showing of a public need for such service. Upon receipt of the certificate granted by said Decision No. 32725, applicant established a third route of operation between Salinas and Monterey which is via Camp Ord and Marina.

Applicant is seeking a certificate, as an extension of its present operative rights, for the transportation of express as a passenger stage corporation as such term is defined in section 2 $\frac{1}{2}$ of the Public Utilities Act, between;
(1)

- (a) Salinas and Marina via River Junction and Camp Ord over the County Highway; and
- (b) Camp Ord Road and River Junction via the County Highway,

subject to the following restrictions and exceptions:

In the transportation of express no single shipment shall be accepted for transportation that weighs in excess of one hundred pounds, and all express is to be transported in passenger vehicles only.

Such restriction shall not apply to property transported for or through the agency of Railway Express Agency, Incorporated, nor to milk and cream, or empty containers therefor when being transported to or from a rail junction point in connection with rail transportation.

(1) The routes as described are the same as those certificated by Decision No. 32725 for the transportation of passengers and baggage.

The aforesaid restrictions and exceptions in regard to the transportation of express now apply to applicant's present operative rights between Salinas and Monterey over the routes via Toro Canyon and Castroville hereinbefore referred to.

In support of applicant's request a newspaper man at Salinas testified that he has need for a service for the transportation of newspapers from Salinas to Camp Ord.

A Salinas merchant testified that he is now using applicant's facilities for the transportation of shipments of parcels and packages to Monterey, Castroville, Pacific Grove and other points along the route of applicant's present routes of operation between such points.

The president of the Monterey Chamber of Commerce testified that such Chamber now maintains an employee at Post Exchange No. 2 at Camp Ord. The function of this employee is to render assistance in connection with a personal shopping service for the benefit of the personnel located at Camp Ord. Requests are received by this employee for the purchase of various articles, which requests are then telephoned to the Monterey Chamber of Commerce. Such articles are then purchased and accumulated and later delivered by such employee at Camp Ord. No transportation charge is made for such service. This witness further testified that there is a need for a public transportation service which could be used to transport shipments of articles of merchandise to Camp Ord, which are purchased by his Chamber's shopping service.

The local agent and the district passenger agent of applicant testified that they have had at least one request daily in regard to express service to and from Camp Ord. The commodities involved in

such requests include such articles as suit cases containing personal belongings of members of the military establishment at Camp Ord; packages from merchants at Salinas which include auto parts, sporting goods, radios, and other similar articles; and goods for personal use. The weight of these shipments was not indicated in the record. However, there was introduced through witness Lyle, applicant's district passenger agent, Exhibits Nos. 4, 5, 6 and 8, which are shipping documents covering four separate shipments, each of which was destined to Camp Ord and moved over the facilities of applicant to Salinas and there delivered to the consignees. Three of these shipments originated at San Francisco and one at Santa Barbara. The weight of each of these shipments varied from four to sixty-six pounds.

Mr. R. D. Sherman, manager of the parts and accessories department of a motor parts company, engaged in business in Salinas, testified that his company operates a truck on a regular weekly scheduled tour supplying its customers with goods which it has for sale. Some of its customers are located at Camp Ord. He has never had any demand for shipments to be made at any time when such truck is not calling on his company's customers. However, he stated that he had received an inquiry from the supply officer at Camp Ord in regard to facilities for the transportation of shipments to Camp Ord from Salinas.

Two witnesses, engaged in the auto parts business at Monterey, testified that they had occasion to make shipments between San Francisco and Monterey. One of such witnesses also ships between Salinas and Monterey. They testified that they have a need for an earlier morning and later evening service than that now provided by applicant; and that such need could be met if applicant were authorized to transport express shipments on its early morning and late evening schedules operating between Salinas and Monterey via Camp Ord.

It was shown that applicant is now operating four daily round trip schedules between Salinas and Monterey, via Camp Ord; that it is operating one daily schedule between such points, via Castroville; and that it is operating eight daily round trip schedules between such points through Toro Canyon (the southerly route). The earliest of these schedules leaves Salinas at 7:00 A.M. and arrives at Monterey at 7:45 A.M., moving via Camp Ord. On the return trip such schedule leaves Monterey at 7:55 A.M. and arrives at Salinas at 8:38 A.M., via Camp Ord. The latest of these schedules leaves Monterey at 9:50 P.M. and arrives Salinas at 10:55 P.M., via Camp Ord and on the return trip leaves Salinas at 10:50 P.M. and arrives at Monterey at 11:30 P.M. If shipments of express could move over said early schedules they would arrive at Monterey approximately 1 hour and 10 minutes earlier than they would if moving over applicant's routes via either Castroville or Toro Canyon over which it may transport express. Likewise, if express shipments could move over its latest schedule operating between Salinas and Monterey, a service would be available by which receivers of express at Monterey would receive shipments approximately 55 minutes later than that now provided by applicant. Approximately the same situation prevails with respect to shipments moving in the opposite direction between such points.

From a careful review of this record, it is clear that there is a need for the establishment and operation of a passenger stage service for the transportation of express in the nature of small parcels, suit cases, radios, sporting goods, auto parts, and various articles of merchandise and newspapers, to and from Camp Ord, in shipments not exceeding one hundred (100) pounds. It also shows that there is some need, the extent of which is not definite, for a movement between Monterey and Salinas and other points on applicant's lines on

earlier schedules than those now available, which could be met if applicant were authorized to handle express over its route via Camp Ord. It was not shown, nor was any evidence introduced tending to show, that there is a need for the handling of traffic contemplated by the exceptions proposed by applicant, that is to say, for the transportation of milk and cream and empty containers therefor and property transported for or through the agency of Railway Express Agency, Incorporated, either to or from Camp Ord, or moving between Salinas and Monterey, via Camp Ord, without limitation as to the weight of shipments or the vehicle used for transportation. Neither was it shown that Railway Express Agency possesses an operative right to serve Camp Ord as an express corporation.

Therefore, in consonance with such conclusions, I recommend that a certificate of public convenience and necessity be granted to applicant for the transportation of shipments of express, weighing not in excess of one hundred (100) pounds each, on its passenger stages; and that the request for a certificate of public convenience and necessity for the transportation of milk and cream and empty containers therefor, and shipments of property transported for or through the agency of Railway Express Agency, Incorporated without limitation as to the weight of shipments or the vehicle of transportation thereof be denied.

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.

ORDER ON FURTHER HEARING

A further public hearing having been had in the above-entitled matter for the taking of evidence with respect to the need for a service for the transportation of express, the matter having been duly submitted, and the Commission now being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Pacific Greyhound Lines, a corporation, of an automotive service as a passenger stage corporation, as such term is defined in section 2½ of the Public Utilities Act, for the transportation of express in passenger vehicles only, and in shipments not to exceed one hundred (100) pounds in weight, between Salinas and Marina via River Junction and Camp Ord; and between the junction of Camp Ord Road and State Route No. 117 and River Junction over the county highways connecting such points and serving all intermediate points, as an extension and enlargement of the operative rights heretofore created by Decision No. 23244, on Application No. 16989.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby granted to Pacific Greyhound Lines, subject to the following conditions:

1. The authority herein granted shall lapse and become void if applicant shall not have complied with all of the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.
2. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
3. 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 applicant's Joint and Inter-Division Express Tariff No. Z-14, C.R.C. No. 1, in so far as they conform to the certificate herein granted, or rates and rules 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.

IT IS FURTHER ORDERED that the application in all other respects, except as herein granted, is hereby denied.

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 twenty (20) days from the date hereof.

Dated at Los Angeles, California, this 26th day of March, 1940.

Ray L. Green
Frank D. Miller
Raymond J. Miller
W. H. Miller

-2-

Justin J. Casmen

Commissioners.