

Decision No. 31844

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST LINE EXPRESS, a corporation,
and VALLEY AND COAST TRANSIT COMPANY,
a corporation, for operative rights
to serve the U. S. Military Reserva-
tion of Fort Ord and Camp Clayton,
in Monterey County, and Paso Robles
Airport, in San Luis Obispo County,
California.

ORIGINAL

APPLICATION NO. 23952

BY THE COMMISSION:

O P I N I O N

In this proceeding Coast Line Express, a corporation, requests a certificate of public convenience and necessity authorizing it to establish and operate common carrier service as an express corporation, as such term is defined in Section 2(k) of the Public Utilities Act.

- (a) Between the U. S. Military Reservations of Fort Ord and Camp Clayton in Monterey County on the one hand, and on the other hand all points South and East of, but not including, Soledad, served by Coast Line Express, as enumerated in its Local Express Tariffs Nos. 1 and 2, C.R.C. Nos. 1 and 2 respectively;
- (b) Between the U. S. Military Reservation of Paso Robles Airport in San Luis Obispo County on the one hand, and on the other hand all points served by Coast Line Express, as set forth in its Local Express Tariffs Nos. 1 and 2, C.R.C. Nos. 1 and 2 respectively.

Valley and Coast Transit Company a corporation, in this proceeding requests a certificate of public convenience and necessity authorizing it to establish and operate a highway

common carrier service limited to the handling of loadings of Coast Line Express, an express corporation,

- (a) Between the U. S. Military Reservations of Fort Ord and Camp Clayton on the one hand and Salinas on the other hand;
- (b) Between the U. S. Military Reservation of Paso Robles Airport, on the one hand, and Paso Robles on the other hand;

said certificate to be a part of and consolidated with its present operative right as created by Decision No. 23643 on Application No. 16704.

As justification for the authority sought it is alleged substantially as follows:

That there is now being constructed the U. S. Government Military Reservations known as Fort Ord and Camp Clayton in that portion of Monterey County located some seven miles in a general westerly direction from Salinas; that Salinas, located on Highway 101, is included within the express operative rights of Coast Line Express and is also on the route traversed by Valley and Coast Transit Company under its operative rights as a highway common carrier.

That there is now also being constructed the U. S. Government Military Reservation known as Paso Robles Airport in that portion of San Luis Obispo County located approximately two and a half miles East of Paso Robles; that Paso Robles, located on Highway 101, is included within the express operative rights of Coast Line Express and is also on the route traversed by Valley and Coast Transit Company under its operative rights as a highway common carrier.

That all of said U. S. Government Military Reservations are, so applicants are informed, to be permanent bases in the present program for National Defense; that many of the patrons of Coast Line Express, particularly in Southern California, are receiving frequent orders for merchandise to be transported to the U. S. Military Reservations above mentioned, and are requesting of Coast Line Express that it handle said shipments of merchandise; that an emergency exists whereby the service of Coast Line Express to and from said U. S. Military Reservations has become necessary, and public convenience and necessity require the operation by Coast Line Express of an express service for the transportation of commodities generally between the points above set forth.

Waivers of protest to the granting of this application have been received from Southern Pacific Company and Pacific Motor Trucking Company, which are the only common carriers of general commodities between the points involved. It appears that a public hearing is not necessary. The application will be granted.

Coast Line Express and Valley and Coast Transit Company are 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 Coast Line Express, a corporation, of a common carrier service for the transportation of property as an express corporation, as such term is defined by Section 2(k) of the Public Utilities Act,

- (a) Between the United States Military Reservation of Fort Ord, including Camp Clayton, in Monterey County, on the one hand, and, on the other hand, all points south and east of, but not including, Soledad, lawfully served by Coast Line Express as enumerated in its Local Express Tariffs Nos. 1 and 2, C.R.C. Nos. 1 and 2 respectively;
- (b) Between the United States Military Reservation of Paso Robles Airport in San Luis Obispo County, on the one hand, and, on the other

hand, all points lawfully served by Coast Line Express, as enumerated in its Local Express Tariffs Nos. 1 and 2, C.R.C. Nos. 1 and 2 respectively.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby granted to Coast Line Express subject to the following conditions:

1. 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.
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 conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
3. 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.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY FURTHER DECLARES that public convenience and necessity require the establishment and operation by Valley and Coast Transit Company of an automotive service, as a highway common carrier, as such term is defined by Section 2-3/4 of the Public Utilities Act, limited to the transportation of the loadings of Coast Line Express, an express corporation;

- (a) Between the United States Military Reservation of Fort Ord, including Camp Clayton, on the one hand, and Salinas, on the other hand;
- (b) Between the United States Military Reservation of Paso Robles Airport, on the one hand, and Paso Robles, on the other hand;

as an extension and enlargement of the operative right heretofore created by the Commission's Decision No. 23643 on Application No. 16704 over and along the following route:

- (a) Between Salinas and the U. S. Military Reservations of Fort Ord via State Highway Route No. 117 to its point of intersection south of Salinas with the Marina-Hilltown or Fort Ord Road, thence via the said Marina-Hilltown or Fort Ord Road to port of entry at Richardson Gate (Fort Ord).
- (b) Between Paso Robles and the U. S. Government Reservation of Paso Robles Airport, via both of the unnumbered County roads approximately 2.5 miles in length, connecting Paso Robles Airport.

IT IS FURTHER ORDERED that a certificate of public convenience and necessity therefor is hereby granted to Valley and Coast Transit Company, a corporation, subject to the following conditions:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) 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 conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
3. 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 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.
6. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter,

comply with all of the provisions of this Commission's
General Order No. 91.

For all other purposes the effective date of this order shall
be the date hereof.

Dated at San Francisco, California, this 21st day
of January, 1941.

[Signature]
Barbara Field,
Ray L. Kelley
Justin J. Cooney
Frank R. Hoover
COMMISSIONERS