

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of H. B. HALL, who will operate under the assumed name of Golden Eagle Stage Lines, for a certificate of Public Convenience and Necessity to operate an Automotive Stage Service for the transportation of passengers between Morena, California and San Diego, and between Campo, California and Junction of Highway 79 and 80.

Application No. 24041

ORIGINAL

- H. B. HALL, in propria personam
H. C. LUCAS, W. D. RICHARDS and C. C. JENSEN, for Pacific Greyhound Lines, interested party,
G. W. SHAVER and DOLE HARLON, for San Diego Electric Railway, interested party,
D. L. McNAUGHTON, for San Diego & Arizona Eastern Railroad, interested party,
D. L. AULT and WALTER W. COOPER, for the City of San Diego, interested party.

BY THE COMMISSION:

OPINION

By the above entitled application filed on March 11, 1941, H. B. Hall, an individual doing business as the Golden Eagle Stage Lines, seeks authority to operate as a passenger stage corporation for the transportation of passengers (1) between Camp Morena and San Diego and (2) between Campo and Buckman Springs.

1 Camp Morena is located at Morena Lake, about sixty miles due east of San Diego and about seven miles north of Campo. Campo is a point on State Highway No. 94, approximately fifty-three miles east of San Diego and intermediate to Camp Morena. Buckman Springs is located at the junction of State Highways Nos. 79 and 80, and about thirteen miles due north of Campo.

A public hearing was held at San Diego on March 19, 1941, before Examiner Broz, at which time evidence was received and the matter was submitted on the record. It is now ready for decision.

The Pacific Greyhound Lines, San Diego Electric Railway, San Diego & Arizona Eastern Railroad and the City of San Diego appeared at the hearing as interested parties but offered no evidence in opposition to the granting of the authority sought herein.

Testifying personally, in support of the application, the applicant stated that the Eleventh Cavalry Corps of the United States Army numbering about seven hundred men is presently

stationed at Camp Morena; that the Corps will be increased to about twenty-five hundred men within the next sixty days; that there is no common carrier passenger service now available between Camp Morena and San Diego nor between Campo and Buckman Springs; that the commanding officer at Camp Morena has requested the applicant to inaugurate the service proposed herein as soon as possible, and has given him permission to operate busses in and out of the Camp.

To carry on the proposed service, the applicant testified that he would operate two thirty-six passenger busses, 1941 Ree model, and four thirteen passenger Plymouth station wagons, 1941 model, all of which equipment he now has on hand and ready for use. He proposes to operate two schedules of service daily in each direction, between Camp Morena and San Diego, except on Saturdays, Sundays and holidays, when four schedules would be operated in each direction. Between Campo and Buckman Springs one schedule a day would be operated to connect with the Pacific Greyhound Lines' eastbound bus at Buckman Springs. A time schedule reflecting the proposed departure and arrival times

of all busses was attached to the application, and was deemed incorporated in the record by reference.

The route over which applicant proposes to operate the described service from Camp Morena to San Diego is via State Highway No. 94 (via Campo) to the so-called Federal Extension at 30th and "F" Streets in the City of San Diego, thence south on 30th Street to Market Street, and west on Market Street to applicant's San Diego terminal at 701 Market Street. The return trip would be over the same route in the reverse direction. Between Campo and Buckman Springs, the applicant would operate over State Highway No. 94. While applicant's main depot, garage and office are now located at Campo, and would be so located if this application is granted, the applicant said he proposed to maintain one regular terminal at the United States Cavalry Corps Canteen at Camp Morena, and another terminal at 701-723 Market Street, in the City of San Diego.

Passenger fares to be charged by the applicant are offered upon a basic fare of $1\frac{1}{2}$ ¢ per mile, with a 90 cent one-way fare between Camp Morena and San Diego and a 20 cent one-way fare between Campo and Buckman Springs. Other fares from or to intermediate points are likewise predicated upon the basic fare of $1\frac{1}{2}$ ¢ per mile.²

The applicant outlined his personal experience with respect to transportation matters by reference to specific trucking operations conducted by him in the State of Texas between 1927 and 1931, and since that time the applicant asserted he has been

² Intermediate points on State Highway No. 94, proposed to be served as flag stops en route between Camp Morena and San Diego, are Potrero, Barrett, Dulzura and Jamul. At the present time there is no for-hire passenger service between these points and San Diego. The potential traffic density from or to these points is unknown.

connected with the transportation business, more or less generally, in San Diego. The financial ability of applicant to carry on the proposed operations was supported by testimony tending to show that applicant's present assets consisting of real estate, interest in automotive equipment and cash on hand, amount to \$28,600. His liabilities were described as \$2100.00 due on contract payments for automotive equipment and \$600.00 on a personal note, not yet due. It was asserted therefore that applicant now possesses net assets of \$25,900 with which to support the inauguration and maintenance of the proposed operations.

The anticipated revenues and expenses were estimated by the witness as follows: the traffic density between Camp Morena and San Diego was estimated at thirty-five to forty passengers daily, except on Saturdays, Sundays and holidays, when the potential passenger traffic would be about one hundred fifty to one hundred seventy-five persons. The local service between Campo and Buckman Springs was calculated to serve about five passengers daily, to connect with the Greyhounds' eastbound busses, and this service is offered only as an accommodation to the army personnel at Camp Morena at the request of the commanding officer.

Operating expenses of 7 $\frac{1}{2}$ ¢ per mile for the station wagons and 16 cents per mile for the busses were estimated by the applicant. These costs, he said, include drivers' wages, fuel consumption and allowance for depreciation on equipment. Overhead expense was estimated as follows: Rental of garage and office at Campo, \$40.00 per month; wages of bookkeeper and office manager (the applicant's daughter), \$100.00 per month; and wages for a full time mechanic, \$100.00 per month.

Upon cross-examination by counsel for interested parties, the applicant stipulated to the following restrictions in service:

(1) no service will be rendered locally within the City of San Diego nor between the City of San Diego and points intermediate to Jamul (exclusive of Jamul) on State Highway No. 94; (2) no through nor direct service will be rendered between Buckman Springs on the one hand, and San Diego on the other hand.

The applicant pointed out, in conclusion, that at the present time the Cavalry camp is temporarily located at Camp Morena on Morena Lake, and a permanent Cavalry camp is being constructed at this time at Campo (the headquarters of the proposed bus operation); and that the permanent camp will be ready for occupancy in three or four months, at which time the Eleventh Cavalry Corps will take up quarters in the new camp. Campo is about seven miles south of Morena Lake. The witness indicated that when the army personnel is transferred to Campo he will apply to the Commission for authority to abandon the service from and to Morena Lake, but would continue to render service between Campo and San Diego and Campo and Buckman Springs.

No one appeared at the hearing in opposition to the granting of the authority here sought, nor was any evidence introduced in protest thereof.

The evidence indicates that there is a public need for the passenger transportation service here proposed and that there is no existing certificated service between the points involved. The record supports the conclusion that there is now and will be in the future a genuine demand and a resulting necessity for direct passenger service between Camp Morena and San Diego and between Campo and Buckman Springs. It is affirmatively shown also that the applicant offers adequate transportation facilities and time schedules to meet this demand and that he proposes to charge fares on /^{the same} level as those contemporaneously maintained by other passenger stage corporations in the same

territory. Based upon a full consideration of this record we are of the opinion that there is a public need for the establishment of the proposed service, and recommend that a certificate therefor be granted.

H. B. Hall 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

A public hearing having been had upon the above entitled application, the matter having been submitted and the Commission being fully advised therein,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity justifies and requires the establishment and operation by H. B. Hall, an individual doing business as Golden Eagle Stage Lines, of an automotive service for the transportation of passengers, as a passenger stage corporation as defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act (1) between Camp Morena and San Diego and certain intermediate points, (2) between Campo and Buckman Springs and intermediate points; and in conformity with the foregoing declaration,

I.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it hereby is granted to H. B. Hall, an individual, doing business as Golden Eagle Stage Lines,

to establish and operate an automotive service for the transportation of passengers, as a passenger stage corporation, (1) between Camp Morena and San Diego and intermediate points, and (2) between Campo and Buckman Springs and intermediate points, subject to the following restrictions:

- (a) No service shall be performed locally within the city of San Diego; nor between the city of San Diego, on the one hand, and points west of Jamul (exclusive of the latter) on the other hand; nor between Buckman Springs and San Diego.

II.

IT IS HEREBY FURTHER ORDERED that H. B. Hall, doing business as Golden Eagle Stage Lines, shall operate said passenger stage service authorized under Section I above in compliance with the following conditions and regulations:

- (1) File written acceptance of the certificate herein granted within fifteen (15) days from the date hereof.
- (2) Commence said service within fifteen (15) days from the effective date hereof, on five (5) days' notice to the Commission and to the public.
- (3) File in triplicate, with the Commission, tariffs and time schedules in conformity with the fares and schedules of service proposed in this proceeding, and in a form satisfactory to the Commission, and to become effective on five (5) days' notice to the Commission and to the public.
- (4) Subject to the authority of this Commission to change or modify such at any time, conduct said passenger stage operation over and along the following route:

Camp Morena - San Diego:

Commencing at U. S. Cavalry Corps Canteen at Camp Morena, thence to State Highway No. 94, thence via State Highway No. 94 via Campo to 30th and "F" Streets in the City of San Diego, thence south on 30th Street to Market Street, thence west on Market Street to the San Diego Terminal at 701 Market Street, thence returning via the reverse of the above route.

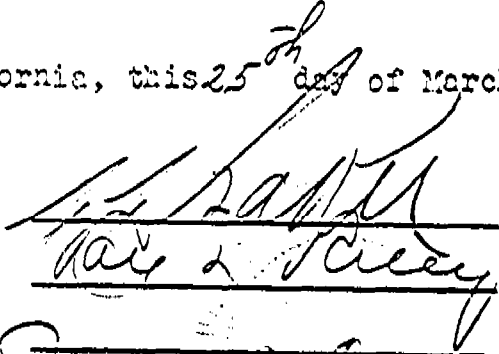
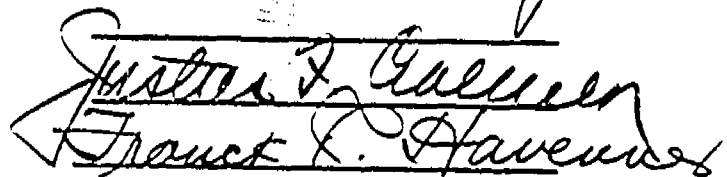
Campo - Buckman Springs:

Commencing at Campo, thence via State Highway No. 94 to Buckman Springs, thence returning via the same route.

- (5) Applicant shall not sell, lease, transfer, pledge, or otherwise assign the operative right herein granted to him, to any other person, firm or corporation except upon formal application to and approval of this Commission authorizing said sale, lease, transfer, pledge or assignment.

The effective date of this order shall be fifteen (15) days from the date hereof.

Dated at San Francisco, California, this 25th day of March, 1941.

COMMISSIONERS.