

Decision No. 23698

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of COAST LINE STAGES, INC., a corporation, for certificates of public convenience and necessity (a) to operate motor vehicles for the transportation of passengers and their baggage between Rockport and Fort Bragg, California, and all intermediate points as an enlargement of present operations between the same points; (b) to operate motor vehicles for the transportation of passengers and their baggage between Navarro River Junction and Cloverdale, California, as an extension of present rights between the same points; (c) to operate motor vehicles between Jenner Bridge and Petaluma, California, for the transportation of passengers, baggage, express and freight; (d) for consolidation and merger of all of said rights with all of the existing rights of applicant and for the issuance of an in lieu certificate to applicant covering all of the operations. In the Matter of the Application of COAST LINE STAGES, INC., a corporation, for right to abandon operations between Jenner Bridge and Monte Rio, California.

ORIGINAL

Application No. 23698

EDWARD M. BEROL and MARVIN HANDLER, for Applicant.

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

A. J. GAUDIO, for Northwestern Pacific Railroad, Interested Party.

HARVEY SANBORN, CLAIR MacLEOD, and A. T. NELSON, for California Western Railroad and Navigation Company, Interested Parties.

H. R. BOLANDER, JR., for Mendocino Transit Company, Protestant.

BY THE COMMISSION:

O P I N I O N

By this application Coast Line Stages, Inc. seeks authority to operate as a passenger stage corporation (1) between Rockport and Fort Bragg, (2) between Navarro River Junction and

Cloverdale, (3) between Jenner Bridge and Petaluma, and to consolidate said operative rights with its existing operative rights as a passenger stage corporation. The application seeks authority (4) to abandon existing passenger stage service between Jenner Bridge and Monte Rio, and (5) to consolidate and merge existing operative rights of the applicant as a highway common carrier between Rockport, Fort Bragg and San Francisco (with certain restrictions) and receive an in lieu certificate therefor.

Public hearings were had in this matter before Examiner Broz at Fort Bragg and San Francisco, evidence was received and the matter was submitted on the record. It is now ready for decision.

The Pacific Greyhound Lines, Northwestern Pacific Railroad, California Western Railroad & Navigation Company, Petaluma & Santa Rosa Railroad and Pacific Motor Transport Company appeared as interested parties. The Mendocino Transit Company (hereinafter referred to as the Mendocino Company) appeared as a protestant to the applicant's proposed extension of service between Navarro Junction and Cloverdale and offered evidence in support of its protest.

No changes are proposed in applicant's existing operations as a highway common carrier; hence this opinion deals mainly with its proposed passenger stage services.⁽¹⁾

At the outset, it was testified that the E. J. Willig Transportation Company presently holds an option to purchase all

(1) Applicant operates as a highway common carrier for the transportation of property between Rockport and San Francisco via the Coast route and also via Cloverdale and U. S. Highway No. 101. This freight service is restricted so that no local shipments may be handled from or to points between San

(continued on next page)

of the operative rights of Coast Line Stages, Inc., and that an application to purchase said operative rights has been filed with the Interstate Commerce Commission. The traffic manager of the Willig company testified as the chief operating witness for the applicant. He stated that Coast Line Stages now operates a daily passenger stage service between Fort Bragg and Monte Rio via California Highways Nos. 1 and 12 (the Coast Route), connecting at Monte Rio with the Pacific Greyhound Lines for through service to Santa Rosa and San Francisco. Applicant seeks to abandon that part of its present passenger operation between Jenner and Monte Rio and substitute therefor an extension of passenger service from Jenner to Petaluma, connecting at that point with the Greyhound Lines for through service to Santa Rosa and San Francisco. In addition, the applicant desires to perform a new passenger service between Rockport and Fort Bragg, and between Navarro River Junction and Cloverdale,⁽²⁾ there being no for-hire service available to the public traveling between these points at the present time. Applicant now performs a freight service only between Navarro River Junction and Cloverdale.

The applicant, according to the witness, owns sufficient automotive equipment to engage in the additional passenger service

Footnote No. 1 concluded:

Francisco, on the one hand, and points intermediate to Jenner on the Coast Route and points intermediate to and including Cloverdale on U. S. Highway No. 101, on the other hand. Traffic originating at or destined to points in this intermediate territory, however, may be transported to or from points between Jenner and Cloverdale (including Jenner and Cloverdale) on the one hand, and Rockport and intermediate points, on the other hand. The applicant stipulated at the hearing that it sought no extension nor enlargement of its existing operative rights as a highway common carrier.

- (2) The proposal to operate between Navarro River Junction and Cloverdale is substantially similar to Application No. 23616 (Mendocino Transit Company) which seeks authority to operate a passenger stage service between Fort Bragg and Santa Rosa via Cloverdale.

and offers to inaugurate appropriate time schedules to connect with the Greyhound Lines at Petaluma and at Cloverdale, for passengers going to Santa Rosa and San Francisco.

A statement of estimated revenues and expenses offered in evidence discloses that applicant anticipates its annual passenger revenue would amount to \$15,065.92, passenger operating expenses \$14,424.80, and an annual profit of \$641.12 from all passenger operations, including the new service. While this showing was not controverted in the record, an exhibit showing actual operating revenues and expenses of Coast Line Stages for both passenger and freight service for the year 1940, received in evidence, indicates that applicant's actual revenues from all sources amounted to \$62,271.87, that total operating expenses were \$64,289.71, leaving a deficit for the year from all operations of \$2,017.84.⁽³⁾

Several public witnesses appeared and testified on behalf of applicant with respect to the establishment of the proposed passenger service between Rockport and Fort Bragg and the extension of service from Jenner to Petaluma. A few public

(3) A segregation of actual operating revenues and expenses for the year 1940 as between freight and passenger service was shown on Exhibit No. 2 as follows:

	<u>Gross Revenue</u>	<u>Direct Operating Expenses</u>
Freight	\$54,464	\$29,246
Passenger	4,732	4,333

Indirect operating expenses not apportionable as between freight and passenger service amounted to \$19,077. From the foregoing it would appear that the freight operations of applicant were fairly remunerative, while passenger services barely returned sufficient revenue to cover direct operating expenses,

witnesses testified also with respect to the need for passenger service between Navarro River Junction and Cloverdale and asked that the applicant be permitted to render this service.

The manager of the Rockport Lumber Company stated that he employs a large number of men at his lumber mill located 27 miles north of Fort Bragg. His employees number between 150 and 400 men at times and now travel between the mill and Fort Bragg in their own cars or ride with one another. The witness said this arrangement is unsatisfactory and undependable and that there is a need for applicant's service between Rockport and Fort Bragg.

The owners and operators of vacation and fishing resorts at Fort Ross, Gualala, Stewarts Point, Point Arena and Jenner all testified in support of applicant's proposal to extend its passenger service from Jenner into Petaluma, stating that this would afford a better connection with the Greyhound Lines and would save two hours time in transit to San Francisco, improving service to all points along the coast as far north as Fort Bragg.

Public witnesses further testified in support of applicant's proposed service through Anderson Valley between Navarro River Junction and Cloverdale. They pointed out that applicant's service would satisfy an urgent public need inasmuch as there is no for-hire passenger service operating between Fort Bragg and Cloverdale through Anderson Valley at the present time. (4)

(4) The number of public witnesses who testified in support of the application of Mendocino Transit Company in Application No. 23616, substantially exceeded the number of witnesses who appeared in support of the applicant herein.

Attached to the application as an exhibit and made a part of the applicant's evidence at the hearing, is a proposed passenger tariff naming one-way and round-trip fares between Rockport, Petaluma and Cloverdale. The proposed fares are constructed on a basis of 3 cents per passenger mile or higher.

Applicant now operates one Chevrolet 11-passenger stage and one Studebaker 7-passenger stage. Under the time schedule proposed between Rockport and Fort Bragg, one stage would leave Rockport at 11:00 A.M. and arrive at Fort Bragg at 11:50 A.M., and on the return movement, leave Fort Bragg at 8:00 P.M. and arrive at Rockport at 8:50 P.M. The proposed schedule between Fort Bragg and Petaluma shows a departure from Fort Bragg at 7:10 A.M. and arrival at Petaluma at 12:01 P.M.; leaving Petaluma at 1:00 P.M. and returning to Fort Bragg at 6:00 P.M. This schedule would connect with the Greyhound at Petaluma during the noon hour for passengers going to or coming from Santa Rosa or San Francisco. Between Navarro River Junction and Cloverdale applicant's stage, under the proposed plan, would leave Fort Bragg at 12:00 noon, arrive at Navarro River Junction at 12:42 P.M. and at Cloverdale at 2:40 P.M.; returning, the stage would leave Cloverdale at 5:00 P.M., arrive at Navarro River Junction at 6:58 P.M. and at Fort Bragg at 7:40 P.M. This schedule would connect with the Greyhound at Cloverdale to handle passengers for Ukiah, Santa Rosa or San Francisco.

In support of the proposed abandonment of passenger service between Jenner and Monte Rio, applicant pointed out that few, if any, passengers are now handled locally between these points; that passengers from Rockport and Fort Bragg would be carried to Petaluma for a connection with Greyhound at that point instead of Monte Rio, and that the Petaluma extension here sought would make

existing service between Jenner and Monte Rio unnecessary. There is no evidence of record of any protest or opposition to the proposed abandonment of applicant's service between Jenner and Monte Rio.

The evidence offered by protestant Mendocino Transit Company (applicant in Application No. 23616) was confined to a statement of the president of that company that there is not sufficient traffic in the Anderson Valley to support two public passenger carriers operating between Fort Bragg and Cloverdale, and that the service under the plan offered by his company is superior to that proposed by this applicant in that a passenger would be required to make a physical transfer between the Coast Line Stages and Pacific Greyhound Lines at Cloverdale, whereas in the case of the plan proposed by the Mendocino Company passengers would be afforded through service between Fort Bragg and Santa Rosa without transfer and at lower fares. (5) The witness pointed out, moreover, that he filed his application prior to the application of the Coast Line Stages; that he made the original survey of passenger transportation needs of Anderson Valley and the territory between Fort Bragg and Cloverdale and obtained support of a greater number of public witnesses than the applicant herein.

(5) The proposed fares of the Mendocino Company and Coast Line Stages, for service between competitive points, are as follows:

BETWEEN:	AND:	<u>Boonville</u>	<u>Yorkville</u>	<u>Cloverdale</u>	<u>Santa Rosa</u>
<u>Fort Bragg</u>		One : Round Way ; Trip	One : Round Way : Trip	One : Round Way : Trip	One : Round Way : Trip
Mendocino Transit.....		\$1.60 \$2.90	\$2.00 \$3.60	\$2.50 \$4.50	\$3.10 \$5.60
Coast Line Stages.....		1.90 3.55	2.45 4.45	3.20 5.80	3.80* 6.90*

* - Combination fares with Pacific Greyhound Lines via Cloverdale.

The evidence shows that passenger stage service is needed between Rockport and Fort Bragg; also, that direct operation of the Coast Line Stages into Petaluma and connection with Pacific Greyhound Lines at that point will definitely shorten the time in transit for persons traveling between Fort Bragg and San Francisco and intermediate points. From this record it appears that the applicant is a qualified passenger stage operator and the establishment of these new services will materially benefit the traveling public by improving existing service and by extending service to new territory which does not enjoy public passenger service at the present time.

With respect to applicant's proposal to extend service between Navarro River Bridge and Cloverdale, the record supports the following conclusions: (1) that there is not sufficient traffic in the affected territory to support the operation of two carriers; (2) that the evidence offered in support of the application of the Mendocino Company outweighs that offered by the applicant herein for the reason that (a) Mendocino Transit Company offers lower fares and through service to Santa Rosa and (b) Mendocino Company was the first to survey the passenger transportation needs of Anderson Valley and succeeded in securing the support of a substantially greater number of public witnesses than applicant herein.

For these reasons and for other reasons set forth in our decision in Application No. 23616 issued contemporaneously herewith, we are of the opinion that Mendocino Transit Company should be authorized to render service between Fort Bragg and Santa Rosa through the Anderson Valley. Accordingly, the application of Coast Line Stages to operate a passenger service between Navarro River Junction and Cloverdale should be denied.

Upon consideration of the evidence of record and the testimony of public witnesses we are of the opinion and find that public convenience and necessity justify and require the establishment of a passenger stage service by the Coast Line Stages, Inc. between Rockport and Fort Bragg and intermediate points and between Jenner and Petaluma and intermediate points, both operations to be conducted as an extension and enlargement of applicant's existing passenger service between Fort Bragg and Jenner; and that a proper and sufficient showing has been made for the abandonment of existing passenger service between Jenner and Monte Rio. Finally, the record amply supports applicant's request for a consolidation of its operative rights as a passenger stage corporation and the issuance of a separate in lieu certificate consolidating its operative rights as a highway common carrier. In all other respects the application will be denied.

O R D E R

Upon the record in the above-entitled proceeding, and based upon the Commission's findings in the foregoing opinion that public convenience and necessity so require,

IT IS ORDERED that a certificate of public convenience and necessity be and it hereby is granted to the Coast Line Stages, Inc. to operate an automotive service as a passenger stage corporation, as that term is defined in Section 2½ of the Public Utilities Act, for the transportation of passengers, baggage and express (1) between Rockport and Fort Bragg and intermediate points; and (2) between Jenner and Petaluma and intermediate points, as an extension and enlargement of existing passenger operative rights of Coast Line Stages, Inc., subject to the conditions hereinafter set forth.

IT IS FURTHER ORDERED that Coast Line Stages, Inc. be and it hereby is authorized to abandon service as a passenger stage corporation for the transportation of passengers, baggage and express between Jenner and Monte Rio and intermediate points.

IT IS FURTHER ORDERED that an in lieu certificate of public convenience and necessity be and it hereby is granted to the Coast Line Stages, Inc. to operate as a passenger stage corporation, as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers, baggage and express between Rockport and Petaluma and intermediate points, via the route hereinafter designated, and subject to the limitations and restrictions hereinafter set forth.

IT IS FURTHER ORDERED that the passenger stage certificate granted to the Coast Line Stages, Inc. in the third ordering paragraph herein, is subject to the following conditions and restrictions:

1. Subject to the right of the Commission to change such route at any future time, the passenger stage operations authorized herein shall be conducted over and along the following route:

Beginning at Rockport on California State Highway No. 1, thence southerly to Jenner, thence via State Highway No. 1 via Bodega, Valley Ford, Bloomfield and Two Rock to Petaluma, and returning over the same route in the reverse direction.

2. The transportation of express shipments authorized herein shall be restricted to shipments of 100 pounds or less. Said shipments may be handled on passenger vehicles only.

IT IS FURTHER ORDERED that an in lieu certificate of public convenience and necessity be and it hereby is granted to the Coast Line Stages, Inc. to operate an automotive service as a high-speed motor bus, as that term is defined in Section 2-3/4 of the

CORRECTION

CORRECTION

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HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

IT IS FURTHER ORDERED that Coast Line Stages, Inc. be and it hereby is authorized to abandon service as a passenger stage corporation for the transportation of passengers, baggage and express between Jenner and Monte Rio and intermediate points.

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2. The transportation of express shipments authorized herein shall be restricted to shipments of 100 pounds or less. Said shipments may be handled on passenger vehicles only.

IT IS FURTHER ORDERED that an in lieu certificate of public convenience and necessity be and it hereby is granted to Coast Line Stages, Inc. to operate an automotive service as a highway common carrier, as that term is defined in Section 2-3/4 of the

Public Utilities Act, for the transportation of property as follows:

1. Locally between Jenner and Cloverdale, on the one hand, and Rockport and intermediate points via authorized routes, on the other hand.
2. Between San Francisco, on the one hand, and points between Jenner and Cloverdale (including Jenner but excluding Cloverdale) and Rockport, and intermediate points via authorized routes, on the other hand.
3. Between points intermediate between San Francisco, Jenner and Cloverdale, (including said points), on the one hand, and points between Jenner and Cloverdale (including Jenner but excluding Cloverdale) and Rockport and intermediate points via authorized routes, on the other hand.
4. By diversion from Jenner to Duncan Mills, serving points between Jenner and Duncan Mills, locally, and in conjunction with the operative rights authorized in 1, 2 and 3 above.

IT IS FURTHER ORDERED that the highway common carrier certificate granted to the Coast Line Stages, Inc. in the fifth ordering paragraph herein is subject to the following conditions and restrictions:

1. Subject to the right of the Commission to change such routes at any future time, the highway common carrier operations authorized herein shall be conducted over and along the following routes:

(a) Beginning at Rockport, on California State Highway No. 1, thence southerly to Navarro River Junction, thence southeasterly along California State Highway No. 28 to Cloverdale, thence along U. S. Highway No. 101 to San Francisco, and returning over the same route in the reverse direction.

(b) Beginning at Rockport, on California State Highway No. 1, thence southerly to Jenner, thence easterly and southerly via State Highway No. 12 and county road via Monte Rio and Sebastopol to Cotati, thence via U. S. Highway No. 101 to San Francisco, and returning over the same route in the reverse direction.

(c) Beginning at Rockport, on California State Highway No. 1, thence southerly to Jenner, thence via State Highway No. 1 via Bodega, Valley Ford and Bloomfield to Petaluma, thence via U. S. Highway No. 101 to San Francisco, and returning over the same route in the reverse direction.

2. No property may be transported by Coast Line Stages, Inc. under the certificate herein granted, from, to or between the following points:

Locally between San Francisco, on the one hand, and Jenner and Cloverdale, and intermediate points, on the other hand, via any of the routes authorized herein, or via any other route.

IT IS FURTHER ORDERED that Coast Line Stages, Inc. shall comply with the following service regulations:

1. File a written acceptance of the in lieu certificates herein granted with the Commission within fifteen (15) days from the effective date of this order.
2. File within thirty (30) days from the effective date of this order, appropriate time schedules and tariffs in accordance with services authorized herein and in a manner satisfactory to the Commission, upon not less than ten (10) days' notice to the Commission and to the public.
3. Cancel tariffs and time schedules covering passenger service between Jenner and Monte Rio and intermediate points.
4. Commence the new services herein authorized within thirty (30) days from the effective date of the order herein.
5. Comply with and observe General Orders Nos. 91 and 93-A of the Commission in the operation of the authorized services.

IT IS FURTHER ORDERED that certificates of public convenience and necessity heretofore granted or transferred to Coast Line Stages, Inc. by former order of this Commission authorizing service as a passenger stage corporation and as a highway common carrier by said Coast Line Stages, Inc., be and they are hereby revoked, cancelled and annulled.

IT IS FURTHER ORDERED that the application in the above-entitled proceeding, in all other respects, be and it is hereby denied.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 10th day of June, 1941.

Ray L. Riley
Justin J. O'Connell
Francis J. Havens
Richard L. Lachse
COMMISSIONERS