

Decision No. 36712

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of CHARLES)
H. CUNNINGHAM, A. A. WILKINS, co-partners,)
doing business as Sausalito-Stinson Beach &)
Bolinas Auto Line to sell and COAST LINE)
STAGES, INC. to purchase an automobile)
passenger, baggage, freight and express line)
operated between Sausalito, Stinson Beach and)
Bolinas, California and intermediate points,)
together with certain automotive equipment.)

Application
No. 25558

In the Matter of the Application of COAST)
LINE STAGES, INC. to extend the operations of)
Sausalito, Stinson Beach & Bolinas Auto Line,)
when authorized to acquire the same, between)
San Francisco and Sausalito, for the)
transportation of passengers, express and)
freight with a restriction as to local)
service between San Francisco and Sausalito.)

In the Matter of the Application of PACIFIC)
GREYHOUND LINES, a corporation, for a)
certificate of public convenience and)
necessity to transport passengers, baggage)
and express between Tamalpais Junction and)
Bolinas and intermediate points and to con-)
solidate same with the remainder of its)
system, and to transport freight between)
Sausalito and Bolinas, and intermediate)
points.)

Application
No. 25647

BEROL and HANDLER by EDWARD M. BEROL, for applicants in
Application No. 25558.

STINSON BEACH PROGRESSIVE CLUB, by GEORGE H. HARLAN, in
support of Application No. 25558, protestant in
Application No. 25647.

PACIFIC GREYHOUND LINES, by EARL A. BAGBY, protestant in
Application No. 25558.

EARL A. BAGBY & MARTINELLI-GARDINER, by JORDAN L.
MARTINELLI, for applicant in Application No. 25647.

DOUGLAS BROOKMAN for Sausalito-Mill Valley & San Francisco
Express Co., Robert G. Anderson doing business as
Marin-Sonoma Fast Freight and The Gray Line, Inc.,
protestants in Application No. 25558.

REGINALD L. VAUGHAN for Kellogg Express and Draying
Company, interested party.

BY THE COMMISSION:

O P I N I O N

Applicants Charles H. Cunningham and A. A. Wilkins were authorized by the Commission's Decision No. 34395, rendered July 8, 1941, to acquire from Mattie Caltoft, administratrix of the estate of W. H. Caltoft, a passenger stage and highway common carrier operative right between Sausalito, Stinson Beach and Bolinas. On March 22, 1943, Application No. 25558 was filed (and amended on May 20, 1943) in which these applicants request authority for the transfer of this operative right and one station wagon to Coast Line Stages, Inc. a corporation, (hereinafter referred to as Coast Line). The latter requests authority to purchase and acquire this right and equipment. The total consideration for the proposed transfer is to be \$3000. Applicants assert that \$2000 of this sum represents the value of the operative right and the remainder the value of the equipment. Coast Line also requests a certificate of public convenience and necessity, de novo, which will authorize the transportation of passengers and property between R.C.A. Communications, Inc.'s plant (located about three miles northwesterly of Bolinas) and San Francisco and intermediate points, via Bolinas, Stinson Beach, Tamalpais Valley Junction and Sausalito, over the routes described in the application, excluding any local service between San Francisco and Tamalpais Valley Junction and intermediate points.

(1) This right is a prescriptive operative right established by E. A. Langford by operations on and prior to May 1, 1917, as evidenced by Langford's Local Passenger and Baggage Tariff, C.R.C. No. 1 and Local Freight Tariff, C.R.C. No. 1, showing fares and rates between Sausalito, Stinson Beach and Bolinas.

On May 27, 1943, Pacific Greyhound Lines filed its Application No. 25647, as above entitled, requesting a certificate of public convenience and necessity authorizing the transportation of passengers, baggage and express between Bolinas and Tamalpais Junction and intermediate points as an extension and enlargement of its present operative rights. Tamalpais Junction is an intermediate point on Greyhound's operation between San Francisco and Mill Valley. It also requests a certificate authorizing the establishment and operation of service as a highway common carrier between Bolinas and Sausalito and intermediate points.

Public hearing was held before Examiner Paul on Application No. 25558 at Stinson Beach on April 22 and 23, 1943, and at San Francisco on May 24 and June 8, 1943. Pacific Greyhound Lines' application was heard on June 8 and 9, 1943. On June 8 the two matters were consolidated for hearing and decision. On June 10, following oral argument, the matters were submitted for decision.

Protestants

Coast Line Stages and Pacific Greyhound Lines opposed each others application. The Gray Lines, Inc. opposed the application of Coast Line Stages to serve Muir Woods, an intermediate off-route point. This protestant holds an operative right for the transportation of passengers, baggage and express between San Francisco, Mill Valley, Muir Woods and Mt. Tamalpais and intermediate points, subject to a local restriction between San Francisco and Mill Valley. This right is under lease to Pacific Greyhound Lines for a period of three years. More recently the Commission authorized the temporary suspension of operations over this route.

Sausalito-Mill Valley and San Francisco Express Co., a
(2)
corporation, and Robert G. Anderson, doing business as Marin-Sonoma Fast Freight, opposed the application of Coast Line for a certificate authorizing the extension of the highway common carrier operative right from Sausalito to San Francisco. The corporation provides a highway common carrier service between San Francisco and San Rafael and intermediate points.

The protest of Kellogg Express and Draying Company was withdrawn during the hearing.

(3)
Proposal of Coast Line Stages

Coast Line, if granted the authority sought, proposes to provide five daily round-trip passenger schedules. Two of these round-trip schedules would operate and provide a through service between San Francisco, Stinson Beach and Bolinas leaving Bolinas at 6:30 A.M. and 3:00 P.M., and arriving at San Francisco

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- (2) Since submission of this proceeding the corporate name of Sausalito Mill Valley and San Francisco Express Co. has been changed to Marin-Sonoma Fast Freight. This corporation was authorized to acquire the highway common carrier operative rights of Robert G. Anderson between San Francisco, on the one hand, and points north of San Rafael to and including Santa Rosa, on the other hand.
- (3) Coast Line presently provides service as a passenger stage corporation between Rockport and Petaluma and intermediate points via Fort Bragg, Jenner and Bodega. It also provides a highway common carrier service in general as follows: (a) locally between Jenner and Cloverdale, on the one hand, and Rockport and intermediate points on the other hand, (b) between San Francisco, on the one hand, and points between Jenner and Cloverdale (including Jenner but excluding Cloverdale) and Rockport and intermediate points, on the other hand, and (c) between points between San Francisco, Jenner and Cloverdale (including said points), on the one hand, and points between Jenner, Cloverdale (including Jenner but excluding Cloverdale) and Rockport and intermediate points, on the other hand.

at 7:50 A.M. and 4:20 P.M., respectively. One round-trip schedule would operate a through service between Stinson Beach and San Francisco, leaving Stinson Beach at 11:00 P.M. and arriving at San Francisco at 12:10 A.M. Conversely, these schedules would leave San Francisco at 8:00 A.M. and 5:00 P.M. for Bolinas, and at 12:15 A.M. for Stinson Beach, arriving at Bolinas at 9:20 A.M. and 6:20 P.M. and at Stinson Beach at 1:30 A.M. However, the Stinson Beach schedule would operate "on-call" beyond Stinson Beach to Bolinas and all schedules would operate "on-call" beyond Bolinas to the R.C.A. plant. All five schedules would operate regularly between Marin City and Stinson Beach. Three of these schedules are designed especially to meet the shift changes at Marinship yards. Two schedules would run between Marin City and Stinson Beach only.

Freight service would be provided on schedule every Wednesday and Saturday only of each week between San Francisco and Bolinas. Service to the R.C.A. wireless station would be provided "on-call."

Tentative arrangements have been made to establish passenger terminal facilities on 8th Street near Market Street, San Francisco. Coast Line's present freight terminal facilities at 565 Berry Street, San Francisco, would be used for the handling of freight traffic of the proposed operation.

The equipment which applicant would use in this service would be from its present stock used in its passenger stage operation between Rockport, Fort Bragg and Petaluma. This stock consists of seven pieces of equipment varying in seating capacity from eight passengers to twenty-one passengers.

The one-way and round-trip fares, in cents, proposed to be

charged and the mileages from San Francisco are indicated in the following table:

Mileage From San Francisco		00	9	11	12	14	16	18	20	25	32
Between											
And	Kind of Ticket	San Francisco	Sausalito	Marin City	Manzanita	Tamalpais Valley	Deas Ranch	Green Gulch	Muir Beach	Stinson Beach	Bolinas
Tamalpais Valley	OW	60	35	35	25	-	-	-	-	-	-
	RT	110	65	65	45	-	-	-	-	-	-
Deas Ranch	OW	65	40	35	25	25	-	-	-	-	-
	RT	120	75	65	45	45	-	-	-	-	-
Green Gulch	OW	70	45	35	25	25	25	-	-	-	-
	RT	125	80	65	45	45	45	-	-	-	-
Muir Beach	OW	75	50	35	25	25	25	25	-	-	-
	RT	135	90	65	45	45	45	45	-	-	-
Stinson Beach	OW	90	65	45	40	35	30	25	25	-	-
	RT	165	120	80	70	60	50	45	45	-	-
Bolinas	OW	110	85	65	60	55	50	45	35	25	-
	RT	200	150	120	110	100	90	80	60	45	-

The fares to and from Bolinas would be extended to include the R.C.A. wireless station. The proposed round-trip fares would be 180 per cent of the one-way fares.

Sixty ride commutation tickets and fourteen ride strip tickets would be sold between San Francisco, Sausalito and Marin City, on the one hand, and Tamalpais Valley, Muir Beach, Stinson Beach and Bolinas (including the wireless station), on the other hand. One-way and round-trip military tickets would be sold at reduced fares to uniformed members of the military forces covering transportation between San Francisco and Sausalito, on the one hand,

and Muir Beach, Stinson Beach and Bolinas, on the other hand. These proposed fares are as set forth in the following tables:

60 RIDE COMBINATION TICKETS

Between And	San Francisco	Sausalito	Marin City
Tamalpais Valley	\$12.00	\$ 9.00	\$ 9.00
Muir Beach	17.50	12.50	12.50
Stinson Beach	20.00	15.00	15.00
Bolinas(Includes Wireless Sta.)	22.50	17.50	17.50

14 RIDE STRIP TICKETS

Between And	San Francisco	Sausalito	Marin City
Tamalpais Valley	\$ 5.00	\$ 3.00	\$ 3.00
Muir Beach	7.00	4.00	4.00
Stinson Beach	8.00	5.00	5.00
Bolinas(Includes Wireless Sta.)	9.00	6.00	6.00

MILITARY TICKETS

Sold Only to Uniformed Members of the Military Forces				
Between And		Muir Beach	Stinson Beach	Bolinas
San Francisco	OW	\$.50	\$.65	\$.75
	RT	.90	1.10	1.35
Sausalito	OW	.40	.50	.65
	RT	.75	.90	1.10

Proposal of Pacific Greyhound Lines

Pacific Greyhound Lines (hereinafter called Greyhound) proposes to provide six daily round-trip passenger stage schedules between Bolinas and Sausalito, three of which would continue to San Francisco and provide a through service between San Francisco and

Bolinas, without transfer. The through schedules would leave Bolinas at 9:35 A.M., 1:10 P.M. and 6:00 P.M. On the return trip these through schedules would leave San Francisco at 11:25 A.M., 5:25 P.M. and 9:25 P.M. The other three schedules are designed to meet the shift changes at Marinship and would provide a service between the shipyards and Bolinas and intermediate points for the shipyard workers. These latter three round-trip schedules would connect at Manzanita Wye with Greyhound's main line operation to provide service for passengers traveling between San Francisco and points on the Bolinas route.

A scheduled service for freight would be provided on Wednesday and Saturday only of each week between Sausalito, Bolinas and intermediate points.

The equipment for the proposed service would be obtained from the present pool of equipment maintained by Greyhound. If this equipment is insufficient to properly care for the freight traffic which might be offered other equipment would be obtained by lease or purchase.

The one-way and round-trip fares, in cents, proposed by Greyhound and the mileages from San Francisco are set forth in the following table:

Mileage From San Francisco		00	9	10	11		16		20	25	32	21
Between												
And	Kind of Ticket	San Francisco	Sausalito	Marin City	Manzanita	Tamalpais Valley	Deas Ranch	Green Gulch	Muir Beach	Stinson Beach	Bolinas	Bootjack Road
Tamalpais Valley	OW	30	10	10	10	-						
	RT	55	20	20	20	-						
Deas Ranch	OW	30	10	10	10	10	-					
	RT	55	20	20	20	20	-					
Green Gulch	OW	35	15	15	15	10	10	-				
	RT	65	30	30	30	20	20	-				
Muir Beach	OW	40	20	15	15	10	10	10	-			
	RT	75	40	30	30	20	20	20	-			
Stinson Beach	OW	45	25	25	25	20	15	15	10	-		
	RT	85	45	45	45	40	30	30	20	-		
Bolinas	OW	60	35	35	35	30	30	25	20	15	-	
	RT	110	65	65	65	55	55	45	40	30	-	
Bootjack Road	OW	40	20	20	15	15	10	(1) 15	(1) 20	10	20	-
	RT	75	40	40	30	30	20	(1) 30	(1) 40	20	40	-

(1) Via Deas Ranch

Greyhound would also publish monthly commutation fares between San Francisco and Stinson Beach and Bolinas and individual thirty ride, sixty day limit book tickets between Bolinas and Stinson Beach, on the one hand, and Marinship, on the other hand, as shown in the following tables:

INDIVIDUAL MONTHLY COMMUTATION FARES

BETWEEN		
San Francisco	AND	Stinson Beach
		\$15.10
San Francisco	AND	Bolinas
		18.75

INDIVIDUAL THIRTY (30) RIDE--60 DAY LIMIT-BOOK TICKETS

BETWEEN			
Stinson Beach	AND	Marinship	\$6.50
Bolinas	AND	Marinship	6.50

Motion to Dismiss Application No. 25558

Coast Line seeks authority to take over the Sausalito-Stinson Beach-Bolinas line from Charles H. Cunningham and A. A. Wilkins, who acquired such line in 1941 pursuant to Commission authorization. Greyhound, joined by other protestants, has moved for dismissal of the present transfer application upon the ground that the real owner is not an applicant. Such motion is based upon the testimony of Floyd D. Allensby, a witness for applicants. Allensby testified that in 1941 Cunningham and Allensby were business associates; that the price paid for the stage line was \$2,500, of which sum half was paid by Cunningham, and half was loaned by Allensby to Mrs. A. A. Wilkins, who is Allensby's mother; and that shortly after the transfer Allensby refunded to Cunningham the money advanced by the latter, whereupon Cunningham withdrew from the business. Regular scheduled service has since been rendered by and under the management of a salaried employee, subject to some supervision by Allensby. Mrs. Wilkins has not been active in the business.

Protestants urge that the application be dismissed in view of the asserted irregularities disclosed by Allensby's testimony. However, we must not lose sight of the real issues presented. The controlling issue in this, as in other similar cases, is how the public interest, including public convenience and

and necessity, can best be served and the matter will be decided on that basis. Dismissal, sought by protestants, would constitute a refusal even to consider these questions of public interest. In our opinion, these proceedings should be determined upon their merits. Therefore, the motion is denied.

Evidence in Support of Application No. 25558

More than fifty witnesses testified in regard to this application. These comprised merchants, shopkeepers, resort operators, resident shipyard workers employed at Marinship, members of the United States Coast Guard, officers of improvement clubs, representative citizens and others. About eight of these witnesses stated that they need an improved, more reliable and adequate through service for the transportation of property between San Francisco and the Stinson Beach-Bolinas area. A representative of the R.C.A. Communication wireless station stated that this plant is situated about three miles northwesterly from Bolinas and is not presently served by any common carrier. At times it receives large shipments of property and has experienced difficulty in arranging delivery to the plant. Some of its shipments are fragile radio equipment of considerable value and its transportation should be by an experienced carrier with proper equipment. The plant has a force of more than fifty employees, most of whom reside at Bolinas or nearby points. This witness stated that these employees work seven days and then have twenty-four hours off and need an adequate through service to and from San Francisco. Prospective employees recently have refused to consider employment because of inadequate passenger transportation service. Merchants, shopkeepers and resort operators gave similar testimony in regard to their needs for an improved highway common carrier service.

The principal testimony was in regard to the need for an

improved passenger stage service between the Stinson Beach-Bolinas area and San Francisco without transfer at Sausalito as presently required. Many witnesses stated that on trips between the area and San Francisco they meet delays at Sausalito because of the crowded condition of the Greyhound stages running to and from San Francisco. Some stated that they have waited thirty to forty-five minutes to obtain passage as no room would be available on the first sections of these stages.

Many of the witnesses stressed the point that in the Stinson Beach-Bolinas territory no druggist, medical or hospital services are obtainable; that no banking, complete clothing stores, or recreational facilities are available and as a consequence a more adequate and reliable passenger stage service is needed with schedules so arranged that trips may be made to San Francisco where such facilities are available. It was pointed out that the present operator has given scant consideration to the many requests made to provide a service commensurate with the needs of the community.

In an attempt to improve this situation a representative of the Stinson Beach Progressive Club testified that an effort was made by the club to develop a better service. During 1941 and again during 1942 it attempted to persuade Greyhound to extend its service from Sausalito to Stinson Beach and Bolinas. The company would not consider the requested extension. On June 2, 1943, the club, by resolution (Exhibit No. 15), quite vigorously supported the application of Coast Line and opposed that of Greyhound.

The traffic manager for Coast Line testified that he had made an investigation in regard to the establishment of the proposed service. In effect, it is his belief that the fares and rates proposed would be compensatory. The fares include the five-

cent toll over the Golden Gate Bridge. If his estimates were not achieved a resulting loss would be incurred.

Evidence in Support of Application No. 25647

In support of its application Greyhound produced evidence through the testimony of seven public witnesses. The principal witness was the employee transportation officer of Marinship. During the previous December or January he had requested Greyhound to provide a service between Marinship and Stinson Beach but was informed it could not do it. Shortly thereafter he attended a meeting of Marinship employees residing at Stinson Beach, at which arrangements were made for a transportation service. His opinion was that a reliable and adequate service is needed which would include not only schedules to meet the shift changes at Marinship but to meet the needs of the families of the workers between the points involved. There had been about 120 Marinship workers living in the Stinson Beach-Bolinas area but this number has been considerably reduced because of the unreliable character of the service. Another witness needed a through freight service to San Francisco for farm products. In general, the remaining witnesses, in effect, expressed the opinion that a more dependable service is needed between San Francisco and the area involved.

No evidence was offered by Greyhound in support of its request to establish a highway common carrier service between Sausalito and Bolinas other than the testimony from the representative of a connecting carrier with respect to its willingness to enter into joint rates and through route arrangements with Greyhound at Sausalito.

Discussion and Conclusions

We conclude that there is no question of the record

clearly and unmistakably disclosing a public need for a more reliable and adequate service between the Stinson Beach-Bolinas area and Sausalito and intermediate points for the transportation of passengers and property. With respect to the public need for a through service between this area and San Francisco, the record establishes the desirability and a certain degree of public convenience for such service, but its urgent necessity is not as great as the need for adequate, convenient and low-cost service for the preponderant passenger traffic moving between the beach area and the shipyards at Marinship. We are satisfied that such service should promptly be established.

Two carriers are before us, offering to provide such service. The record is clear that the field is incapable of supporting more than one carrier. Both carriers possess the experience and ability to perform this operation, although Greyhound is much larger and financially much stronger than Coast Line.

Coast Line filed its application on March 22, 1943. During the three days of public hearing on April 22 and 23, 1943, and May 24, 1943, Greyhound opposed the application only in so far as a request was made to extend the service from Sausalito to San Francisco. Thereafter Greyhound filed its application on May 27, 1943, which, in effect, duplicates the proposal of Coast Line except the latter's offer to serve the R.C.A. Communication wireless plant northwesterly of Bolinas. It should not be overlooked, however, that Greyhound offers to provide one more round-trip schedule than Coast Line, that Greyhound's equipment is different and its proposed fares lower than Coast Lines. Greyhound's one-way fares appear to be on a 1½-cents a mile basis with a ten-cent minimum. Coast Line's one-way fares between the more distant

points are approximately twice those of Greyhound, with a twenty-five cent minimum. The present operator names only five one-way fares which can be compared with those proposed by applicants. These are considerably in excess of those proposed by Coast Line. The following table shows the comparative one-way fares of the present operator, and those proposed by applicants.

BETWEEN	San Francisco	Sausalito	Marin City	Manzanita	Tamalpais Valley	Deas Ranch	Green Gulch	*Muir Beach	Stinson Beach
AND									
Cunningham & Wilkins Coast Line	-	-	-	-	-	-	-	-	-
Greyhound	.60	.35	.35	.25					
Cunningham & Wilkins Coast Line	.30	.10	.10	.10					
Greyhound									
Cunningham & Wilkins Coast Line	-	-	-	-	.25				
Greyhound	.65	.40	.35	.25	.10				
Cunningham & Wilkins Coast Line	.30	.10	.10	.10					
Greyhound									
Cunningham & Wilkins Coast Line	-	-	-	-	.25	.25			
Greyhound	.70	.45	.35	.25	.10	.10			
Cunningham & Wilkins Coast Line	-	.75	-	-	.25	.25	.25		
Greyhound	.75	.50	.35	.25	.10	.10	.10		
Cunningham & Wilkins Coast Line	-	1.00	-	-	.35	.30	.25	.50	
Greyhound	.90	.65	.45	.40	.20	.15	.15	.25	
Cunningham & Wilkins Coast Line	-	1.25	-	-	.55	.50	.45	1.00	.50
Greyhound	1.10	.85	.65	.60	.30	.30	.25	.35	.25
Cunningham & Wilkins Coast Line	.60	.35	.35	.35				.20	.15
Greyhound									

* Shown as Big Lagoon in tariffs of Cunningham and Wilkins.

Greyhound's and Coast Line's proposed commutation fares compare as follows:

COMPARISON OF PROPOSED COMMUTATION FARES (IN DOLLARS)

BETWEEN AND	Tamalpais Valley	Muir Beach	Stinson Beach	Bolinas
San Francisco				
C.L., 14-ride	5.00	7.00	8.00	9.00
C.L., 60-ride	12.00	17.50	20.00	22.50
G., Calendar mo.	(1)15.10	(1)15.10	15.10	18.75
Sausalito				
C.L., 14-ride	3.00	4.00	5.00	6.00
C.L., 60-ride	9.00	12.50	15.00	17.50
G., calendar mo.	(2)15.10	(2)15.10	(3)15.10	(3) 18.75
Marin City (C.L.) Marinship (G.)				
C.L., 14-ride	3.00	4.00	5.00	6.00
C.L., 60-ride	9.00	12.50	15.00	17.50
G., 30-ride	(1) 6.50	(1) 6.50	6.50	6.50

- (1) Intermediate to Stinson Beach
 (2) Intermediate to Stinson Beach and San Francisco
 (3) Intermediate to San Francisco

C.L. - Coast Line
 G. - Greyhound

No evidence was offered by either carrier to show what the cost of the proposed operations would be. Nor was any substantial evidence submitted to show the expected volume of traffic. Coast Line submitted an exhibit (No. 27) which shows that during the period May 10 to June 9, 1943, a total of 3,241 passengers were transported over the present line. Of these, 2,752 passengers appear to have been workers employed at Marinship and residing at beach communities. During the same period the freight revenues amounted to \$74.89.

Greyhound's financial ability to furnish this service as offered, now and in the future, regardless of cost of operation and

of a compensatory return under its proposed schedule of fares, is unquestioned. Coast Line, on the other hand, is not in a financial position to absorb any considerable temporary or permanent operating losses on any of its lines and has made no offer to meet Greyhound's proposed fares.

This Commission in numerous instances has granted certificates of public convenience and necessity, and has permitted or required the furnishing of service on new lines, or operations of existing carriers, where the public interest required such service and the carrier was able and willing to sustain temporary or permanent losses resulting from the rendering of such service. The Interstate Commerce Commission has taken similar action in many such cases. Many citations could be made. We will only refer to this Commission's Decision No. 30790, Santa Fe Transportation Company, (41 C.R.C. 239, 265) in which this particular point was fully considered. The Commission in that decision quotes from Wenatchee Southern Railway Company, 90 I.C.C. 237, 255, as follows:

"Ability to earn is not the sole test of public convenience and necessity, although always a factor to be given consideration . . . When it is established, however, that a project will render important public service, and its sponsors are willing to assume the risk of loss in the expectation of ultimate gain either directly through the property or indirectly through benefits to themselves and to the shipping community, the requirements as to the public interest may be fully satisfied, although losses to investors seem more probable than gains . . . Where only the private aspect is involved, individuals are at liberty to take risks . . . Our approval of a new enterprise neither constitutes nor requires a finding that such enterprise will prove successful . . . Prospective earnings or losses may properly be considered as one of the factors evidencing the public interest, but, taken alone, do not determine whether a particular enterprise is or is not required by public convenience and necessity."

Against Greyhound must be weighed the evidence in this

record that shortly before acquisition of the present operation by Cunningham and Wilkins in July 1941 their predecessor in interest offered its operative right for sale to Greyhound, which offer was declined. In May 1941 a representative group at Stinson Beach attempted to interest Greyhound in providing service for the territory. A further attempt was made in 1942. Again, during December 1942 or January 1943 the director of employee transportation at Marinship requested Greyhound to provide a service between Marinship and Stinson Beach for shipyard employees. On those occasions Greyhound declined to furnish the service. It is true that no carrier, Coast Line or any other, made its appearance prior to the filing of Application No. 25558 on March 22 of this year, offering to give better service to this territory. But the position of Coast Line is that Greyhound, after being threatened with a through service to and from San Francisco, came forward with its application. We think through service to San Francisco, under an existing or a new certificate, must be considered on its own merits and goes beyond the matter of improving an existing service under the original operative right heretofore referred to.

It was pointed out by counsel of the Stinson Beach Progressive Club that the community desires a service on a basis of reasonable fares consistent with a permanent and satisfactory service. The community does not wish to be faced with the probability of a future fare increase or a reduction, or possible abandonment of service once established. The Club points out that this has happened in other communities similarly situated off the main routes of travel. While the Commission must retain jurisdiction over carrier rates and service at all times we shall consider, in this case as in others, the assured permanence of

satisfactory and adequate service at the lowest reasonable rates, an important factor in this proceeding.

After a full consideration of the evidence of record, it is our conclusion that the public interest will best be served by granting, with certain conditions, Greyhound's Application No. 25647 for the following reasons:

- (a) Greyhound has offered and is in a position to furnish a more complete, satisfactory and dependable service, and we will expect such service to be continued until otherwise ordered by the Commission;
- (b) The equipment and other facilities that are to be made available for this service by Greyhound are of a superior, more comfortable and larger type than the equipment which could be made available by Coast Line. Greyhound has available a large reservoir of such equipment and there is little or no danger of interruption to service from lack of available equipment;
- (c) The rates offered by Greyhound, cash fares and commute and reduced ticket fares, are substantially lower than the rates offered by Coast Line, and there is no doubt in our mind that Greyhound is in a position to maintain such rates;
- (d) Greyhound offers a more frequent through service between Bolinas and Stinson Beach on the one hand, and San Francisco on the other, and also offers a more frequent local service to and from the shipyards at Marinship;
- (e) Under present wartime conditions, and having in mind increasing manpower and equipment shortages, the granting of a new certificate authorizing transportation of passengers and property between Bolinas and San Francisco is not in the public interest and public convenience and interest does not require the granting of such a certificate inasmuch as such through service can be had under an existing certificate and can satisfactorily be furnished by an existing operator;
- (f) A certificate of public convenience and necessity authorizing Greyhound to establish and operate service as a highway common carrier between Bolinas and Sausalito and intermediate points should be granted as a necessary adjunct to the passenger service above referred to;

- (g) Greyhound should make available passenger and freight service "on-call" to the plant of R.C.A. Communications, Inc., located about three miles northwesterly of Bolinas.

Application No. 25558, as amended, will be denied.

Pacific Greyhound Lines is placed upon notice that "operative rights" as such do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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 held in the above-entitled proceedings, evidence having been received, the matters submitted and the Commission now being fully advised and it being found that public convenience and necessity so require,

IT IS ORDERED that a certificate of public convenience and necessity is hereby granted to Pacific Greyhound Lines, a corporation, authorizing the establishment and operation of service as a passenger stage corporation, as defined in section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers, baggage and shipments of express weighing not in excess of 100 pounds each on passenger-carrying vehicles between Tamalpais Valley Junction and Bolinas and intermediate points as an extension and

enlargement of the operative right heretofore created by Decision No. 23244.

IT IS FURTHER ORDERED that a certificate of public convenience and necessity is hereby granted to Pacific Greyhound Lines, a corporation, authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of property between Sausalito and Bolinas and intermediate points.

Said certificates are granted subject to the following conditions:

- a. That Pacific Greyhound Lines shall, within ten (10) days after the effective date hereof, file with the Commission an application for a certificate of public convenience and necessity authorizing the establishment and operation of a passenger stage service and a highway common carrier service between Bolinas and the Radio Corporation of America Wireless Station, situated approximately three miles northwesterly of Bolinas, and intermediate points, as an extension of the service herein authorized; that it shall accept any certificate or certificates that may be granted by the Commission authorizing such service; and that it shall thereafter conduct and operate such service.
- b. That in the operation of the passenger stage service herein authorized, Pacific Greyhound Lines shall maintain and operate daily, except Sundays and holidays, until the further order of the Commission, three round-trip schedules between San Francisco and Bolinas, providing through service between said points without transfer, and three additional schedules between Sausalito and Bolinas.
- c. The authority herein granted is subject to the provisions of Section 52(b) of the Public Utilities Act and further to the condition that Pacific Greyhound Lines, its successors or assigns, shall never claim before this Commission, or any court or other public body, a value for said operative rights or claim as the cost thereof, an amount in excess of that paid to the State as the consideration for such rights.

IT IS FURTHER ORDERED that in providing service pursuant to the authority herein granted the following service regulations shall be observed:

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 comply with the provisions of General Orders Nos. 79 and 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time tables satisfactory to the Commission within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify them at any time by further order, Pacific Greyhound Lines shall conduct said operations, pursuant to the foregoing authority, over and along the following routes:

Passengers and property between Tamalpais Valley Junction and Bolinas via the county highway through Muir Beach, Alpine Lodge, Bootjack and Stinson Beach. Property over California sign route No. 1 between Sausalito and Tamalpais Valley Junction.

IT IS FURTHER ORDERED that Application No. 25558 is hereby denied.

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

Dated at San Francisco, California, this 23rd day of November, 1943.

Francis D. Havenner

H. H. Ball

Richard Parker
Stimwell

COMMISSIONERS