

ORIGINAL

Decision No. 37081

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of R. F.)
MARTIN for an order consolidating certain)
certificates of public convenience and)
necessity owned by him, to unify the)
operation of the same, and to remove)
certain restrictions imposed upon his)
operation between Redwood City and Palo)
Alto, California.)

Application No. 25826

J. RICHARD TOWNSEND and H. A. ENCELL by J.
Richard Townsend, for applicant.

DOUGLAS BROOKMAN and R. A. THOMAS by Douglas
Brookman, for Pacific Greyhound Lines,
interested party.

LORENZ COSTELLO, for Knapp and Demeter, doing
business as Palo Alto City Lines, interested
party.

W. C. BLACK, for town of Atherton, interested
party.

PAUL A. McCARTHY, for city of Redwood City,
interested party.

FERRIS MILES, GENE HUFFMAN, MELVIN MENSOR, MISS
GLADYS GABERT, MRS. ARIETTI HENDERSON, MRS.
ETHEL LOUDENBACH and C. C. WHITE, interested
parties.

CLARK, Commissioner:

O P I N I O N

R. F. Martin, applicant in the above-entitled matter,
now provides service as a passenger stage corporation between San
Carlos and Redwood City and between Redwood City and Palo Alto over
Middlefield Road. These are separate operative rights. The certif-
icate between Redwood City and Palo Alto is limited so that appli-
cant may provide service only between the terminals of Redwood City
and Palo Alto, on the one hand, and points intermediate thereto, on

the other hand. Under this limited certificate no service may be provided between the terminals nor between the points intermediate to the terminals. In the above-entitled application applicant requests the Commission to remove these limitations and to consolidate the two operative rights so that a complete unified service may be provided between San Carlos, Redwood City and Palo Alto and all intermediate points over the routes presently used.

A public hearing in this matter was had at Redwood City on April 26 and May 1, 1944, when the matter was submitted, and is now ready for decision. There was no opposition to the granting of the application.

The service now provided by Martin is a local intercity operation designed to provide an urban service in Redwood City over three loop routes which serve the business district, residential districts and certain industries. The operation between San Carlos and Redwood City is over a route designed to provide a service principally between the business sections of each of these cities and the intervening residential sections. The operation between Redwood City and Palo Alto was originally designed to provide a service for residents at points intermediate to these two cities by means of which there is provided transportation to the business districts of each of these towns. Under the proposed plan of operation the present routes would be used without change. Service is presently provided from about 5:00 A.M. to 12:15 A.M. on an approximate fifteen-minute headway during morning, noon and evening peak periods and an approximate thirty-minute headway at other times. Under the new plan of operation a through service would be provided between San Carlos and Palo Alto via Redwood City and schedules would be increased to a frequency of twenty-minute headways between these termini.

Applicant's present fare between San Carlos and all points served in Redwood City, including the cement plant just outside Redwood City, is ten cents. The same fare is charged for transportation between points within Redwood City. The fare charged for transportation on the Redwood City-Palo Alto route is also ten cents. Commutation tickets are sold on a basis of fourteen rides for \$1.00. Applicant's fares, as set forth in the margin, under the proposed consolidated operation, would result in reductions in some cases.

(1) Fares proposed to be established are as follows:

PASSENGER FARES				
Item No.	Between	And	Type of Transp.	Fare
20	All pts. in Redwood City & San Carlos incl. cement plant.	All pts. in Redwood City & San Carlos incl. cement plant.	One-way adult	10¢
			One-way child (half-fare)	5¢
			14-trip commutation (see note 1)	\$1.00
25	All pts. in Redwood City & San Carlos, incl. cement plant, except as otherwise provided in item No. 30 series.	Palo Alto	One-way adult	20¢
			One-way child (half-fare)	10¢
			14-trip commutation (see note 1)	\$2.00
30	Southern Pacific Depot in Redwood City	Palo Alto	One-way adult	10¢
			One-way child	5¢
			14-trip commutation (see note 2)	\$1.00

Note 1 - Valid only for 15 days from date of purchase. Not subject to refund if not fully used within 15 days from date of sale. Valid between points west of Bayshore Highway only.

Note 2 - Valid only for 15 days from date of purchase. Not subject to refund if not fully used within 15 days from date of sale.

The record shows that applicant at the present time has seven pieces of equipment with seating capacities as noted in the margin. ⁽²⁾ Applicant testified that he has on order two Wayne bodies to replace the two 16-passenger seating capacity stages. One of these will seat 29 passengers and the other 25 passengers.

A number of public witnesses testified in support of this application. This testimony was principally to the effect that through service is needed between Redwood City and Palo Alto over Middlefield Road. It is not necessary to discuss this evidence in detail as it clearly shows that there is a public need for the proposed consolidation of the two operative rights and for the removal of the present limitation existing in the operative right between Redwood City and Palo Alto. Some evidence was introduced with respect to the experience of this applicant in providing service between Redwood City and Palo Alto, on the one hand, and Gate No. 1 of the United States Army Hospital, known as Dibble General Hospital, which is situated on Middlefield Road, now served by applicant, on the other hand. As hereinbefore indicated, applicant proposes that commutation tickets sold shall be "Not subject to refund if not fully used within 15 days from the date of sale." While this provision is ambiguous it was shown that applicant makes no redemption or refund on unused commutation tickets. Such a provision is not justified. He will be required to make appropriate provisions for the redemption of unused commutation tickets. He will also be required to establish appropriate provisions respecting the making of refunds where the amount of the commutation fare paid exceeds the aggregate of the charges which would have been paid on the basis of the one-way fare for each trip made.

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- (2) Two 16-passenger
 Two 21-passenger
 One 25-passenger
 One 27-passenger
 One 29-passenger

From a careful review of this record it is my opinion that the authority requested by R. F. Martin is in the public interest and should be granted. The present operative right between Redwood City and Palo Alto should be revoked and a new certificate granted therefor and consolidated with the San Carlos-Redwood City certificate. I recommend the following form of order.

R. F. Martin 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 thereon having been had, evidence having been adduced, the matter submitted, the Commission now being fully informed therein and it being hereby found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity is hereby granted to R. F. Martin authorizing the establishment and operation of service as a passenger stage corporation, as defined by Section 2 $\frac{1}{2}$ of the Public Utilities Act, for the transportation of passengers and baggage between Redwood City and Palo Alto and intermediate points.

(2) That the certificate of public convenience and necessity granted in paragraph (1) of this order is hereby consolidated with and made a part of the certificate of public convenience and necessity heretofore granted by the Commission's Decision No. 36595, rendered September 7, 1943, in Application No. 25511.

(3) That the certificate of public convenience and necessity heretofore granted in the Commission's Decision No. 25081, rendered August 22, 1932, in Application No. 18260, and acquired by R. F. Martin under the authority of the Commission's Decision No. 36420, rendered June 8, 1943, in Application No. 25570, is hereby revoked and annulled.

(4) That R. F. Martin is hereby authorized to establish and put in effect the fares, rates and charges as set forth in Exhibit No. 2 in this proceeding except that commutation fares shall be made subject to appropriate redemption and refund provisions.

(5) That in providing service pursuant to the certificate herein granted R. F. Martin shall comply with and observe the following service regulations:

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 Order No. 79 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify them by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over the following route in

conjunction with and as a part of the routes described in Decision No. 36595, or any combinations thereof:

Beginning in Palo Alto at the intersection of Lytton Avenue and Alma Street, thence along Alma Street, University Avenue, Middlefield Road, Main Street (Redwood City), and Broadway to its intersection with Perry Street.

- 4. Applicant may turn its motor vehicles at termini or intermediate points either in the intersection of the street or by operating around a block, contiguous to such intersection, in either direction.

The effective date of this order shall be the date hereof.

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.

Dated at Los Angeles, California, this 31st day of May, 1944.

Richard Lachse
Justus J. Casner

[Signature]

COMMISSIONERS