

Decision No. 37177

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 HARRY C. HICKS, doing business under
 the firm name and style of BEACON CABS,
 for a certificate of public convenience
 and necessity to operate an automotive
 stage service for the transportation of
 passengers and baggage between the Ryan
 School of Aeronautics adjacent to Hemet,
 California, via State Highways #74 and #395
 and U. S. Highway #60, to Wilshire Boule-
 vard and Figueroa Street, Los Angeles,
 California.

) ORIGINAL

) Application No. 26121

In the Matter of the Application of P. C.
 CROSS, doing business as HEMET BUS LINE,
 for a certificate of Public Convenience
 and Necessity to operate bus service as a
 common carrier of passengers between RYAN
 FIELD and LOS ANGELES, in California.

) Application No. 26166

LEONARD J. DIFANI, for applicant in Application No. 26121,
 Protestant in Application No. 26166.

P. C. CROSS, in Propria Persona, in Application No. 26166,
 Protestant in Application No. 26121.

C. W. Cornell, for Pacific Electric Railway Company,
 Protestant in both applications.

C. J. Kimball, for Brotherhood of Railroad Trainmen,
 Protestant in both applications.

E. D. Woodward, for Hemet Valley Chamber of Commerce;
 Edward Poorman, for San Jacinto Chamber of Commerce;
 James Hall, for Hemet Chamber of Commerce;
 B. H. Riley, for City of Hemet;
 Lieutenant Kenneth C. Brumm, Ryan Field of Aeronautics.

BY THE COMMISSION:

O P I N I O N

Harry C. Hicks, operating as Beacon Cabs, and P. C. Cross,
 doing business as Hemet Bus Line, ⁽¹⁾ by their respective applications
 request authority to operate an "on call" passenger stage service
 from the Ryan School of Aeronautics, near Hemet, California, to Los
 Angeles.

The two matters were consolidated for hearing, which was
 held June 12, 1944, at Hemet, before Examiner Chiesa. Evidence having

(1) Hereafter applicants will be referred to by their surnames.

been adduced and the matters submitted, they are now ready for decision.

Both applicants are now operating as "passenger stage corporations" with authority from this Commission; Hicks, between Camp Haan, on the one hand, and Perris, Elsinore and Hemet, on the other hand, and between Perris and Elsinore, Perris and Hemet, and Elsinore and Hemet;⁽²⁾ Cross, between Riverside and Hemet and intermediate points via Gilman Hot Springs and San Jacinto,⁽³⁾ and between Box Springs, Ryan Field, Hemet and intermediate points.⁽⁴⁾

Ryan School (also known as Ryan Field) is located approximately four miles southwest of Hemet and is a primary flight training camp of the U. S. Air Forces. About six hundred cadets, instructors and civilian government employees are now temporary residents there. Both applicants propose to establish "on call" passenger stage service, exclusively for said military personnel and government employees, between said school and Los Angeles; said service to be a through operation with no intermediate stops between the termini mentioned.

At present Cross and the Pacific Electric Railway Company offer a connecting passenger service between Ryan School and Los Angeles consisting of a trip leaving Ryan Field on Saturdays at 12:30 P.M. and returning on Sundays at 8:45 P.M. This service requires a transfer, each way, at Riverside. The round-trip fare is \$3.22. There is evidence that this service is neither satisfactory nor adequate for the Ryan Field personnel. Lieutenant Brumm, as the

(2) Decision No. 34644, dated October 7, 1941

(3) Decision No. 32461, dated October 17, 1939

(4) Decision No. 35391, dated May 19, 1942. This decision grants operative rights as an extension and enlargement of those created by Decision No. 32461 but subject to certain restrictions not material in this proceeding.

representative of the Commandant of Ryan School, testified that there is an urgent need for a service such as proposed by applicants; that present service is unsatisfactory because of delays at Riverside, the transfer point, often resulting in the loss of two to four hours a round trip and occasionally causing some cadets to over-stay their leaves; that, except for three hours Wednesday evenings, the cadets are granted leave only on week-ends, between 11 A.M. Saturday and 9 P.M. Sunday, when the Pacific Electric bus facilities at Riverside and Los Angeles are crowded, due to the heavy soldier traffic from Camp Haan and other military posts in that vicinity; that the cadets would benefit from the lower fares as proposed; and that the morale of the cadets would be aided if satisfactory week-end transportation to Los Angeles were made available.

The evidence in this record shows that approximately 80 to 100 cadets each week-end would use the proposed direct service; also, that either applicant owns or could obtain enough equipment to provide all the necessary transportation; that public convenience and necessity do not require the establishment of this service by both of said applicants.

The principal equipment which applicant Hicks has available consists of school busses. His round-trip fare would be \$2.75 with a 48-hour return limitation. He offers no one-way fares. On the other hand, Cross would use equipment more suitable for adult travel and charge \$2.25 for round-trip and \$1.50 for a one-way fare with no time limit.

The evidence indicates that this operation would be sanctioned by the proper federal agencies.

The protestants, Pacific Electric Railway Company and the Brotherhood of Railroad Trainmen, oppose the granting of any certificate on the grounds that the present service is adequate and satisfactory and because a duplication of service would result. Their

contentions are not supported by the evidence. The proposed service is a direct and restricted one, such as is not now available.

The record fully supports findings that public convenience and necessity warrant the establishment of a direct service as proposed by applicant P. C. Cross; that said applicant can adequately provide all the needed service upon terms and conditions more favorable and satisfactory to the public than that which is proposed by applicant Harry C. Hicks; that public convenience and necessity do not require the establishment and operation of the service proposed by Harry C. Hicks.

Therefore, this Commission is of the opinion that the application of P. C. Cross, No. 26166, be granted and that the application of Harry C. Hicks, No. 26121, be denied.

P. C. Cross is hereby 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.

ORDER

A public hearing having been held in the above entitled proceeding, the matters having been submitted, and the Commission being fully advise;

IT IS ORDERED as follows:

I

- (1) That a certificate of public convenience and necessity be and it is hereby granted to P. C. Cross, authorizing

the establishment and operation of service as a "passenger stage corporation," as that term is defined in Section 2 $\frac{1}{2}$ of the Public Utilities Act, between the Ryan School of Aeronautics, near Hemet, California, and Los Angeles, California, subject to the following conditions:

- (a) 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) That, in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:
 - (a) The provisions of General Order No. 79 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs, and time schedules 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.
 - (b) Subject to the authority of this Commission to change or modify it at any time by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following route:

From the Ryan School of Aeronautics, adjacent to the City of Hemet, via unnamed county roads to State Highway No. 74, thence to Perris via Highway No. 74; thence to Riverside via U. S. Highway No. 395; thence to Los Angeles via U. S. Highway No. 60, to Sixth and Los Angeles Streets in said city.
 - (c) Service shall be limited to the transportation of military personnel and government employees located at said Ryan School of Aeronautics.
 - (d) No service shall be rendered to, from nor between any points intermediate of the Ryan School of Aeronautics and the City of Los Angeles.

IT IS FURTHER ORDERED:

II

That the application of Harry C. Hicks, Application No. 26121 be and it is hereby, denied.

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

Dated at San Francisco, California, July 11, 1944.

Richard L. Lusk
Justice J. Cassman
Frank R. Harcum

James H. Wallace
COMMISSIONERS