

ORIGINAL

Decision No. 38190

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of R. F. MARTIN, d.b.a. REDWOOD CITY BUS LINES, for a certificate of public convenience and necessity authorizing operations between Redwood City and Palo Alto along routes via Atherton and Menlo Park and consolidation thereof with existing operative rights. Application No. 26609

In the Matter of the Application of FRANK J. KNAPP* and JOHN P. DEMETER, co-partners doing business as PALO ALTO CITY LINES, for certificate of public convenience and necessity to operate passenger stage service between Palo Alto, North Palo Alto, East Palo Alto and South Palo Alto. Application No. 25563 3rd Supplemental
Re: Extending existing stage service to Menlo Park and vicinity.

AARON H. GLICKMAN, for R. F. Martin in Application No. 26609, interested party in Application No. 25563.

LORENZ COSTELLO, for Knapp and Demeter in Application No. 25563, interested party in Application No. 26609.

PAUL A. MCCARTHY, for City Council of Redwood City, interested party in Application No. 26609.

DONALD FISHER, for town of Menlo Park, interested party.

FLOYD BAKER, for Citizens League of East Palo Alto, interested party.

BY THE COMMISSION:

O P I N I O N

R. F. Martin is presently conducting a passenger stage service between San Carlos, Redwood City, Palo Alto and intermediate points heretofore authorized by the Commission. Between Redwood City and Palo Alto he operates over Middlefield Road, one

* See footnote (1)

of the intermediate points being Gate No. 1 to Dibble General Hospital operated by the United States Army. In the application here considered Martin seeks authority to establish operations over a circuitous new route beginning in Redwood City at the intersection of Main Street and Middlefield Road and terminating at the intersection of Ravenswood Avenue and Middlefield Road in Atherton at the northerly corner of Dibble Hospital reservation. Operation over this route would extend applicant's service to a large residential section of Atherton, a new residential area and the business district of Menlo Park all lying westerly of El Camino Real, and Gate No. 2 of Dibble Hospital on Ravenswood Avenue:

At the time of submission of these matters Frank J. Knapp and John P. Demeter, partners, were conducting a passenger stage service between Palo Alto and various adjacent suburban areas. Following submission, Frank J. Knapp died and his widow will be substituted for him. ⁽¹⁾ One of the points served is Gate No. 1 of Dibble Hospital on Middlefield Road. In the application here considered, applicants propose to establish a service over a circuitous route between Palo Alto and Gate No. 2 at Dibble Hospital on Ravenswood Avenue near Pine Avenue. This route would serve a residential area and the business section of Menlo Park lying westerly of El Camino Real as well as Gate No. 2 of Dibble Hospital

(1) On July 31, 1945, there was filed with the Commission a petition, stating that following the submission of these matters, Frank J. Knapp had died, that his widow Evelyn M. Knapp had succeeded to all his right, title and interest in the passenger stage business heretofore conducted by said Frank J. Knapp and his partner John P. Demeter; and that said Evelyn M. Knapp and John P. Demeter propose to continue such operations under a new partnership. The petition requests that said Evelyn M. Knapp and John P. Demeter, as partners, be substituted in the above entitled proceeding as the parties applicant therein.

on Ravenswood Avenue.

A public hearing was had on these matters before Examiner Paul at Menlo Park on June 28 and 29, 1945, at the conclusion of which they were submitted. The record was consolidated for taking of evidence and decision.

Martin proposes to establish 23 round trips daily, excepting Sundays and holidays, in both directions over the proposed route. These schedules would be operated between approximately 5:00 a.m. and 12:45 a.m. The headways vary from 45 minutes to one hour. Certain of the schedules are designed to meet commuter trains at Redwood City. The following local fares which are now applicable between Redwood City and Palo Alto would be charged:

One way cash fare	.10
Children, over 5 but not over 12 years of age	.05
Children under 5 years of age accompanied by adults	Free
14 ride commute tickets	1.00

Initially two 29-passenger Ford transit type stages would be used in this service. Three new units of this type are now on order. Martin presently operates eight units of equipment varying in seating capacity from 21 to 29 passengers.

Knapp and Demeter propose to operate 25 round-trip schedules daily, excepting Sundays and holidays, on a 30 minute headway. The first and last schedules would leave Palo Alto at 6:00 a.m. and 6:30 p.m., respectively. Schedules would operate in both directions over this route. The present local fares of Knapp and Demeter would be applicable to the proposed operation. These fares are as follows:

One way cash fare	.10
20 ride school ticket, good for 30 days	1.00
60 ride commutation ticket, good for 60 days	4.50
30 ride commutation ticket, good for 60 days	2.50

These fares would include a free transfer to other routes served by these applicants.

Knapp and Demeter now operate 12 units of passenger stage equipment varying in seating capacity from 19 to 29 passengers. This equipment would be available for the proposed operation. They plan to acquire three additional new units of transit type equipment.

Between Gate No. 2, Dibble Hospital, and the intersection of Cotton Avenue and Santa Cruz Avenue in Menlo Park both applicants would operate over Santa Cruz Avenue serving residential territory and the business area of Menlo Park. At the intersection of Cotton Avenue and Santa Cruz Avenue, the routes of the two applicants diverge, that of one continuing to Palo Alto, and the other to Redwood City.

Public witnesses testified in support of each application. These witnesses indicated the transportation needs of persons stationed at Dibble Hospital, students of Stanford University and residents of the areas involved. It was shown that there are approximately 2,750 patients at Dibble Hospital. Its staff consists of approximately 950 officers, nurses, and enlisted personnel. Approximately 800 civilians are employed. Many of these employees reside at Menlo Park, Atherton and Palo Alto and have a need for and would use the proposed operations. In addition there are many visitors to the Hospital who would use the services. The proposal of Martin would also provide a needed service, not heretofore available, directly to and from business sections of Menlo Park and

Redwood City for the residents of the area. It was also shown that the proposal of Knapp and Demeter would, through the use of a transfer, provide a needed new service for students of Stanford University residing at Menlo Park as well as service to and from the business sections of Menlo Park and Palo Alto.

Evidence in support of the application of applicant Martin indicated that his proposed route of operation would serve a large and growing area, now without transportation. To provide the proposed service would require approximately 470 route miles of operation each day at an approximate out-of-pocket cost of 18-cents a mile or \$84 a day. It is Martin's opinion that at the inception of the proposed operation approximately 800 riders would use such service daily, returning a gross revenue of approximately \$80. He was also of the opinion that within a very short time sufficient revenue would be derived to more than defray the expenses of the proposed operation.

A witness for Knapp and Demeter stated that to provide their proposed service would require approximately 165 route miles of operation each day at an approximate out-of-pocket cost of 15-cents a mile or about \$25 a day. He estimated that they would derive a daily revenue approximating the out-of-pocket cost at the inception of the service. In his opinion the revenue would soon increase sufficiently to exceed the out-of-pocket cost.

Both Martin, the individual, and Knapp and Demeter, partners, are operators of long experience and the evidence shows that they have ample financial resources to establish and conduct the proposed extended services. Although both propose to use an identical route along Santa Cruz Avenue in Menlo Park, we do not

believe that in view of the nature of the proposals and the showing made that any restrictions should be imposed upon either applicant.

Both applicants propose to cross the main line of Southern Pacific Railroad at Oak Grove Avenue which at this time is protected by a human flagman and automatic signals. ⁽²⁾ Knapp and Demeter also propose to cross the main line of Southern Pacific Railroad tracks at Ravenswood Avenue, which is provided with a lower standard of protection than Oak Grove Avenue. ⁽³⁾ In the interest of public safety, we believe that all the operations should be over the Oak Grove Avenue crossing.

After full consideration of all the evidence of record, we find that public convenience and necessity require the services proposed by both applicants which should be authorized. Such will be the order.

R. F. Martin, an individual, and Evelyn M. Knapp and John P. Demeter, partners, are 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

(2) Oak Grove Avenue - Crossing No. E-28.8

Protected by: 1 Standard No. 1 Crossing Sign
1 No. 3 wigwag signal (G.O. 75-B)
1 Human Flagman for 16 hours from
6:00 a.m. to 10:00 p.m.
2 Advance Warning signs, as required
by the California Vehicle Code.

(3) Ravenswood Avenue - Crossing No. E-29.0

Protected by: 2 Standard No. 1 Crossing Signs
1 No. 3 wigwag signal (G.O. 75-B)
3 Advance Warning Signs, as required
by California Vehicle Code.

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

Applications therefor having been filed and public hearing having been held and evidence adduced, and it having been 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 in Section 2½ of the Public Utilities Act, for the transportation of passengers between Redwood City and the intersection of Ravenswood Avenue and Middlefield Road in Atherton, and intermediate points, via Atherton and Menlo Park, as an extension and enlargement of and consolidated with the certificate heretofore granted by Decision No. 37081, in Application No. 25826.

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

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 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 the Commission to change or modify it by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following route:

Beginning at the intersection of Middlefield Road and Ravenswood Avenue (Atherton), south on Ravenswood Avenue to Laurel Avenue, thence via Laurel Avenue to Oak Grove Avenue, Oak Grove Avenue to Merrill Avenue (Southern Pacific Company Menlo Park Depot), Merrill Avenue to Santa Cruz Avenue, Santa Cruz Avenue to Murray Avenue, Murray Avenue to Cloud Avenue, Cloud Avenue to Avy Avenue, Avy Avenue to Alameda de Las Pulgas, Alameda de Las Pulgas to Atherton Avenue, Atherton Avenue to Selby Lane, Selby Lane to Oakwood Boulevard, Oakwood Boulevard to East Oakwood Boulevard, East Oakwood Boulevard to Oakwood Boulevard, Oakwood Boulevard to Murray Court, Murray Court to Center Street, Center Street to El Camino Real, El Camino Real to Main Street, thence along Main Street to its intersection with Middlefield Road (Redwood City).

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

(3) That a certificate of public convenience and necessity is hereby granted to Evelyn M. Knapp and John P. Demeter, partners, authorizing the establishment and operation of service as a passenger stage corporation, as defined in Section 24 of the Public Utilities Act, between Palo Alto and Menlo Park and intermediate points, as an extension and enlargement of and consolidated with the certificate heretofore granted by Decision No. 36299, in Application No. 25563.

(4) That in providing service pursuant to the certificate herein granted, Evelyn M. Knapp and John P. Demeter shall comply with the following service regulations:

1. Applicants shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
2. Applicants 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 the Commission to change or modify it by further order, applicants shall conduct operations, pursuant to the certificate herein granted, over and along the following route:

Beginning at the intersection of University Avenue and Alma Street (Palo Alto), thence along Alma Street, Palo Alto Drive, El Camino Real, Cambridge Avenue, Arbor Road, Middle Avenue, Cotton Street, Santa Cruz Avenue, Merril Street, Oak Grove Avenue, Pine Avenue, Ravenswood Avenue, Laurel Street to its intersection with Oak Grove Avenue.

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

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

Dated at San Francisco, California, this 12th day of September, 1945.

David Rudman
Justin F. Carver

Thomas E. ...
James ...
 COMMISSIONERS