

ORIGINAL

Decision No. 41716

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
HARRY E. FRYER for certificate of)	
public convenience and necessity to)	Application No. 29210
operate passenger and express service))	
between Santa Maria, Betteravia and)	
Guadalupe.)	

In the Matter of the Application of)	
CHARLES NASH, an individual doing)	
business under the name of CITY)	
TRANSIT LINES, for a certificate of)	
public convenience and necessity to)	
operate a passenger and express)	Application No. 29226
service as a common carrier of)	
passengers, and baggage (1) in the)	
City of Santa Maria and its environs;))	
(2) between the City of Santa Maria)	
and Orcutt; and (3) between the City)	
of Santa Maria and Guadalupe,)	
including Betteravia, California.)	

JACK H. GLINES, for applicant Fryer in Application No. 29210 and protestant in Application No. 29226.
 MARION A. SMITH, for applicant Nash in Application No. 29226 and protestant in Application No. 29210.
 RICHARD M. CLARE, City Attorney of Guadalupe, interested party.

O P I N I O N

By Application No. 29226, Charles Nash requests a certificate authorizing the establishment and operation of a passenger stage service (1), for the transportation of passengers and baggage locally over three routes within the City of Santa Maria, and (2), between Santa Maria, Mayer Tract, Orcutt, Betteravia, Guadalupe and intermediate points.

Harry E. Fryer, by Application No. 29210, seeks a certificate authorizing the establishment and operation of a passenger stage service for the transportation of passengers and baggage between Santa Maria, Betteravia, Guadalupe and intermediate points.

These matters were heard on a consolidated record before Examiner Paul at Santa Maria on May 7, 1948, and were submitted.

Applicant Nash, pursuant to a franchise issued to him by the City of Santa Maria, inaugurated local service within the corporate boundaries of the City of Santa Maria on May 7, 1948. The local cash one-way fare for this service is 15 cents or two tokens for 25 cents. The charge to students for school tickets good for twenty rides useable on school days is \$1.25. The proposed fares between Santa Maria, Orcutt, Betteravia and Guadalupe and (1) intermediate points are set forth in the margin. Orcutt and Guadalupe are approximately six and one half miles southerly and ten miles westerly, respectively, of Santa Maria. Betteravia is

(1)

SANTA MARIA TO ORCUTT

Between	Santa Maria	Newlove Drive	Beacon Area	Orcutt "Y"	Golf Club & Park	Air Base Gate	Foster Road
And							
Santa Maria	15¢						
Newlove Dr.	15¢						
Beacon Area	20¢	10¢					
Orcutt "Y"	20¢	10¢	10¢				
Gold Club & Park	25¢	15¢	10¢	10¢			
Air Base Gate	30¢	20¢	15¢	15¢	10¢		
Foster Road	35¢	25¢	20¢	20¢	15¢	10¢	
Orcutt	40¢	30¢	30¢	25¢	20¢	20¢	15¢

SANTA MARIA - BETTERAVIA - GUADALUPE

Between	Santa Maria	Betteravia Road	Five C Refinery	Betteravia	S. P. Station
And					
Santa Maria	15¢				
Betteravia Road	20¢				
Five C Refinery	25¢	10¢			
Betteravia	25¢	15¢	10¢		
S.P. Station	45¢	25¢	25¢	30¢	
Guadalupe	50¢	30¢	30¢	30¢	10¢

about seven miles southwesterly of Santa Maria and three miles south of the main route between Santa Maria and Guadalupe. Local service within the City of Santa Maria and contiguous areas would be provided daily except Sundays and holidays on a 30-minute headway from 6 a.m. to 6 p.m., thence hourly until 11 p.m. On Sundays and holidays an hourly service would be performed from 9 a.m. to 6 p.m. Between Santa Maria and Orcutt applicant Nash proposes to operate on an hourly basis from 7 a.m. to 7 p.m., and on a daily basis of five round trips between Santa Maria, Betteravia and Guadalupe.

Applicant Nash has two new 1948 model Studebaker city transit type buses with a seating capacity of 21 passengers each which he uses in conducting the local service within Santa Maria. He plans to acquire two additional units of the same type and capacity to provide service between Santa Maria, Orcutt and Guadalupe and intermediate points if certificated. He has one 1938 year model reconditioned Federal coach with a seating capacity of 20 passengers which would be maintained as a standby unit. Each of these units of equipment has a head-room of 74 inches.

Applicant Fryer proposes to operate five round trips between Santa Maria and Guadalupe daily, three of which would serve Betteravia. In providing this service he would use a reconditioned 1935 Dodge school bus with a head-room of 68 inches and would obtain an additional unit for standby service if authorized to establish the operation. The fares which applicant Fryer would charge are comparable to those of applicant Nash between Santa Maria, Betteravia and Guadalupe. Applicant Fryer does not seek authority to operate local service within the City of Santa Maria, nor between Santa Maria and Orcutt as proposed by applicant Nash.

Each of the applicants produced witnesses who gave testimony in regard to public need for passenger stage service between the points involved. This testimony in substance was to the effect that an estimated population of about 12,000 resides in Santa Maria and adjacent residential areas. The Valley surrounding Santa Maria is devoted largely to the growing of agricultural products. There is also a considerable oil field development near Santa Maria, Orcutt and Betteravia. At Betteravia a sugar refinery is operated on a three shift basis with about 250 employees from approximately the middle of May to December of each year. During the remainder of the season the plant employs a maintenance force of about one-third of that used during the operating season. Within the Cities of Santa Maria and Guadalupe canneries and packing sheds are engaged in processing various agricultural products produced in Santa Maria Valley. There was testimony that in the aggregate a relatively large number of persons are employed throughout the year by these plants and the farms in the area along the routes proposed to be used by applicants. Many of these persons are in need of a public transportation service which is not presently available except for a limited number of schedules operated by Pacific Greyhound Lines between Santa Maria and Orcutt. It was pointed out that the only local transportation service available is that of taxicabs at rates which most of the people can ill afford to pay.

Applicant Nash testified that he anticipates that he would transport between 500 and 1,000 passengers daily on his operations within the City of Santa Maria and that while he had made no study concerning the detailed costs of this operation he had estimated that it would average about \$53 a day. His estimate of the cost included the wages of two drivers. Santa Maria covers

an area about two miles square. Each of applicant Nash's city lines would begin and end in the business district which is in the center of the City. It is the stated opinion of both applicants Nash and Fryer that the proposed operations between Santa Maria and Guadalupe would cost approximately ten cents and twenty cents per mile, respectively.

On this record there is no question as to the need for public transportation between the various points involved which the two applicants propose to serve. The only question is whether the record shows there is sufficient public need to justify the establishment of service by both applicants.

While both applicants propose to provide a service between Santa Maria, Betteravia, Guadalupe and intermediate points, only applicant Nash requests a certificate to provide local service within Santa Maria, and between Santa Maria and Orcutt. The record clearly shows a public need for local service within Santa Maria as well as between Santa Maria and all other points involved. Inasmuch as only applicant Nash proposes a more extensive service, for which a public need was shown to exist, it is our judgment that his proposal should be certificated and that of applicant Fryer denied as the record does not show a public need for the operation of both services. The record shows that applicant Nash has sufficient modern equipment, maintenance facilities and finances to establish the service. However, on the facts of record applicant Nash has not justified the level of fares for the operation within the City of Santa Maria. Our conclusion is that he should establish a one-way local cash fare of ten cents between points within the City of Santa Maria for adults and one-half the adult fare for children under twelve years of age when occupying a seat to the

exclusion of any fare paying passenger and that school tickets should be sold to school children at a rate of twenty rides for \$1.00 good only on school days with a fixed time limit. This fare structure is more comparable to that of many operators in similar localities throughout the State.

After due consideration of all the facts of record the Commission is of the opinion and finds that public convenience and necessity require the establishment of the passenger stage service proposed by applicant Nash subject to the filing of local fares for service in the City of Santa Maria as above set forth and the denial of the application of applicant Fryer.

Charles Nash 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.

O R D E R

Applications therefor having been filed, a public hearing held thereon, the matters duly submitted, the Commission being fully informed therein, 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 Charles Nash 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 trans-

portation of passengers and baggage within Santa Maria and between Santa Maria, Orcutt, Betteravia, Guadalupe, Mayer Tract and intermediate points.

(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- a. Applicant Nash shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, applicant Nash shall establish the service herein authorized and comply with the provisions of General Orders Nos. 79 and 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables.
- c. Subject to the authority of this Commission to change or modify them by further order, applicant Nash shall conduct operations pursuant to the certificate herein granted over and along the following routes:

Local Routes within Santa Maria

Along Broadway between Stowell Road and the Mayer Tract. Along Main Street between Blosser Road and Airport Avenue. Beginning at Broadway and Alvin Avenue, thence along Alvin Avenue and Miller Street to Main Street. Beginning at Broadway and Cypress Street, thence along Cypress Street, Airport Avenue, Central Avenue, Miller Street, Camino Colegio to Broadway. Beginning at Broadway and Park Avenue, thence along Park Avenue, Depot Street, Orange Street, Railroad Avenue, Barrett Street, Blosser Road, Fesler Street, Depot Street, Fesler Street, Thornburg Street and El Camino Street to Broadway.

Santa Maria - Orcutt Route

Between Santa Maria and Orcutt over and along U. S. Highway 101 and Orcutt Road.

Santa Maria - Guadalupe Route

Between Santa Maria, Betteravia and Guadalupe over State Highway 166, and via Lower Betteravia Road and Green Canyon Road.

Motor vehicles may be turned at termini or intermediate points either in the intersection of the street, or by operating around a block, in either direction, contiguous to such intersection.

(3) That applicant Nash shall establish the fares for local operations within the City of Santa Maria as set forth in the conclusions of the opinion preceding this order.

(4) That applicant Nash shall file with the Commission, not later than the 15th day of each month, a statement covering the preceding month showing gross operating expenses and gross operating revenues for each of the first twelve calendar months of operations authorized herein, said statement showing separately said revenues and expenses of the operation conducted within the City of Santa Maria and the operation conducted between Santa Maria and other points authorized to be served.

(5) That Application No. 29210 be and it is hereby denied.

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

Dated at Los Angeles, California, this 15th day of June, 1948.

R. F. Johnson
Justin F. Cruesen
Harold H. Kula
Samuel J. Fetter
COMMISSIONERS