

ORIGINAL

Decision No. 4745S

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
DENNIS PETTAS to sell and of JAMES HANGES)
and JIMMY G. CAVALLAS, copartners, to)
purchase, operative rights to conduct)
operations as a passenger stage corporation)
between Pittsburg, Contra Costa County,)
and adjacent territory, together with)
certain automotive equipment.)

Application No. 33409

In the Matter of the Application of)
DENNIS PETTAS to sell, and of S. J.)
MAYJOFFO and V. P. BILLECI, copartners,)
to purchase, operative rights to conduct)
operations as a passenger stage corpora-)
tion between Pittsburg, Contra Costa)
County, and adjacent territory, together)
with certain automotive equipment.)

Application No. 33481,
as amended.

Leslie N. Bradshaw, for all applicants.

O P I N I O N

By Application No. 33409 Dennis Pettas seeks authority to sell and transfer and James Hanges and Jimmie G. Cavallas, as partners, request authority to purchase and acquire the right to operate the passenger stage corporation operative rights and equipment as follows:

- (a) The operation of an auto stage line as a common carrier of passengers between Pittsburg and the industries situated along the public highway extending east of the city limits, a distance of about one and one-half miles, and intermediate points, as authorized by Decision No. 13966, dated August 27, 1924, in Application No. 9766, including the transportation of passengers between Pittsburg, on the one hand, and the canneries of Hickmott Canning Company, Western California Cannery and California Packing Company located in or adjacent to Antioch, on the other hand, during canning seasons, as authorized by Decision No. 33987, dated March 11, 1941, in Application No. 23957; and

- (b) The operation of an auto stage line for the transportation of passengers and baggage, as a common carrier, between Enes Tract, Pittsburg and the industries in the vicinity of Pittsburg, and intermediate points, as authorized by Decision No. 38288, dated October 9, 1945, in Application No. 26794.
- (c) The automotive equipment consists of two buses, a 1947 Model Dodge 32-passenger capacity coach and a 1941 Model White 30-passenger capacity coach.

The proposed purchase price is \$8,500 of which \$1000 is to be paid in cash and the balance to be covered by an unsecured noninterest bearing promissory note, payable in the sum of \$150 each month for forty-seven consecutive months and the remainder on the forty-eighth month after the execution of said note. The reasonable value of the automotive equipment proposed to be transferred and the portion of the price to be paid for it is stated to be \$4,000.

As justification for granting the requested relief the application alleges that:

- (a) Applicant Dennis Pettas is over sixty years of age, in poor health and physically unable to continue to give to the business the necessary supervision and attention required to provide adequate and efficient transportation service.
- (b) Applicants Hanges and Cavallas are younger men, in good health, have for some time in the past been employed by applicant Pettas, have had considerable experience as drivers and in doing mechanical work in the repair and servicing of automotive equipment and, being confident of their ability to manage and conduct the operations in a successful and efficient manner, are desirous of acquiring the operative rights and equipment herein involved.
- (c) That, in the opinion of applicants, Hanges and Cavallas are financially able to undertake the proposed transaction; that applicant Hanges has a residence, including household furniture, and an automobile of the aggregate value of approximately \$15,500.00, all fully paid for, as well as a bank balance of about \$2,400.00, and has no indebtedness; that applicant Cavallas has a bank balance of \$2,300.00, is the legal owner of an automobile and does not owe debts of any kind; and that both Hanges and Cavallas have been residents of the

community for a number of years. Based upon traffic handled between the points covered by the operative rights herein involved during the year 1951, the annual operating revenues amount to approximately \$18,250.00, as compared with direct operating expenses and insurance which applicants estimate to be about \$9,077.00.

- (d) That the proposed transaction will not result in any impairment of service to the public, or in any change in rates, fares or regulations pertaining thereto, or affect the operations or traffic of any other carrier now operating under the jurisdiction of the Commission; and that, in the opinion of applicants, the circumstances and conditions surrounding the proposed transaction are such that a public hearing upon this application is unnecessary.

By Application No. 33481 as amended, Dennis Pettas seeks authority to sell and transfer and S. J. Mayjoffo and V. P. Billeci as partners request authority to purchase and acquire the right to operate the passenger stage corporation operative rights and equipment as follows:

- (a) The operation of an auto stage line as a common carrier of passengers between Pittsburg, Camp Pittsburg, Camp Stoneman and Columbia Park and intermediate points over certain designated public highways, as authorized by Decision No. 36814, dated January 11, 1944, in Application No. 25601, and between Camp Stoneman and Pittsburg Heights and intermediate points via Garden Heights subdivision over certain designated public highways as an extension to and consolidation with the certificate of public convenience and necessity granted by Decision No. 36814, as authorized by Decision No. 39717, dated December 16, 1946, in Application No. 25601; and
- (b) The operation of an auto stage line as a common carrier of passengers between Pittsburg and Pittsburg High School, excepting during vacation periods, over certain designated public highways, as authorized by Decision No. 19960, dated June 29, 1928, in Application No. 14751.
- (c) The automotive equipment consists of three buses, one 1947 Model Dodge 35-passenger capacity coach; one 1940 Model White 30-passenger capacity coach; and two 1945 Model Ford 27-passenger capacity coaches.

The proposed purchase price is \$15,500 of which the sum of \$3,000 is to be paid in cash and the balance is to be covered by

an unsecured noninterest bearing promissory note, payable in the sum of \$300 for forty consecutive months and the remainder during the forty-first month after the execution of said note. The reasonable value of the equipment proposed to be transferred is alleged to be \$6,000.

As justification for granting the requested relief applicants allege that:

- (a) Applicant Dennis Pettas is over sixty years of age, in poor health and physically unable to continue to give to the business the necessary supervision and attention required to provide adequate and efficient transportation service.
- (b) Applicants Mayjoffo and Billeci, pursuant to authority granted by the Commission in Decision No. 44909, dated October 17, 1950, in Application No. 31813, for some time in the past have been, and are now, engaged in operations as a "passenger stage corporation" between Pittsburg, Camp Pittsburg and Camp Stoneman over certain designated public highways in large part along the same route served by applicant Pettas. They desire to acquire the operative rights of applicant Pettas and the equipment herein involved in order to provide a more economical service, with resultant savings in operating expenses, which cannot be accomplished under present conditions, whereby two competing carriers are serving an area of limited traffic possibilities. The equipment to be acquired from applicant Pettas can be used to advantage by Mayjoffo and Billeci in operations between the points herein involved.
- (c) That applicants Mayjoffo and Billeci are financially able to consummate the proposed transaction and it will not result in any impairment of service to the public, or in any change in rates, fares or regulations, or affect the operations or traffic of any other carriers now operating under the jurisdiction of the Commission.

Public hearing on said Applications Nos. 33409 and 33481 was held in Pittsburg, California, on June 27, 1952, before Examiner Rowe at which time oral and documentary evidence was adduced and the matters were duly submitted for decision. No one appeared in opposition to either of said applications.

Certain of the present operative rights of applicant Pettas are confused and uncertain as to the routes over which the respective

public services are to be conducted. Public convenience and necessity require that the routes which applicants Hanges and Cavallas as partners and applicants Mayjoffo and Billeci shall use in their respective operations be defined in detail. Approval of these proposed transactions will be conditioned upon the purchasing applicants being restricted to the routes which will be set forth in the following orders. As so conditioned the Commission finds from the evidence of record that the requested transfers are not adverse to the public interest. Said applications will therefore be granted upon the terms herein indicated.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred, and we hereby place applicants 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. 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 as above entitled having been filed, a public hearing having been held thereon, the Commission being fully advised in the premises, and the matters being under submission,

IT IS ORDERED:

(1) That Dennis Pettas, after the effective date hereof and on or before September 1, 1952, may sell and transfer the operative rights granted by Decision No. 13966, dated August 27, 1924, in Application No. 9766; Decision No. 33987, dated March 11,

1941, in Application No. 23957 and by Decision No. 38288, dated October 9, 1945, in Application No. 26794 together with the operative property described in the opinion of this decision as proposed to be transferred to James Hanges and Jimmie G. Cavallas as copartners and they may acquire said operative rights and properties and pay therefor the sum of \$1,000 in cash and deliver their noninterest bearing promissory note to applicant Pettas in the sum of \$7,500 payable \$150 each month for forty-seven consecutive months and the remainder on the forty-eighth month after the execution of said note, all of which sums are found by the Commission to be reasonably required for said purchase and are not reasonably chargeable to operating expenses or to income and after said acquisition said partners may engage in the transportation business pursuant to said operative rights, said sale and transfer to be made pursuant to the terms of the agreement, copy of which is attached to said Application No. 33409 as Exhibit "A".

(2) That the authority herein granted by ordering paragraph (1) herein is subject to the following conditions:

- (a) Within thirty (30) days after the consummation of the transfer herein authorized the applicants shall notify the Commission in writing of that fact and shall, within said period, file with the Commission a true copy of the note as actually executed and of any bill of sale or other instrument of transfer which may have been executed to effect said transfer.
- (b) Applicants shall, within sixty (60) days after the effective date hereof, file in triplicate, and concurrently make effective, appropriate tariffs and any time schedules on not less than five (5) days' notice to the Commission and the public.
- (c) Subject to the authority of this Commission to change them at any time applicants James Hanges and Jimmie G. Cavallas shall conduct operations over the following routes:

- (i) Between the intersection of Fifth and Black Diamond Streets in Pittsburg, California, and the plant of Pioneer Rubber Mills, lying easterly of said City over and along Black Diamond Street, Third Street, Columbia Street, California State Highway 24 and an unnamed public road to Pioneer Rubber Mills.
 - (ii) Between the intersection of Fifth and Black Diamond Streets in Pittsburg, California, and the intersection of Mary's Avenue and Water Street in the Enes Tract over and along Black Diamond Street, West Tenth Street, California State Highway No. 21 and Mary's Avenue. Also along Loftus Road, Hanlon Way and Bay View Avenue south of said State Highway No. 21. Also along Bella Monte Avenue, Jefferson Street, Cleveland Avenue, South Street, Madison Avenue, Alves Lane and Water Street all south of said State Highway 21. Also around and contiguous to the Alves Subdivision along Alves Street, Enes Avenue and Hill Street. Also along Manor Drive south from said State Highway 21 through Ambrosia Manor.
 - (iii) Between the intersection of the unnamed public road referred to in subparagraph (1) above California State Highway No. 24 and the canneries of Hickmott Canning Company, Western California Canneries and California Packing Company in and adjacent to Antioch over and along said State Highway No. 24.
- (d) Applicant shall pay the minimum fee to this Commission of \$25.00.

(3) That Dennis Pettas after the effective date hereof and on or before September 1, 1952, may sell and transfer the operative rights granted by Decision No. 36814, dated January 11, 1944, in Application No. 25601, Decision No. 39717, dated December 16, 1946, in Application No. 25601 and Decision No. 19960, dated June 29, 1928, in Application No. 14751, together with the operative property described in the opinion of this decision as proposed to be transferred to S. J. Mayjoffo and V. P. Billeci as copartners and they may acquire said operative rights and properties and pay therefor the sum of \$3,000 in cash and deliver their noninterest bearing promissory note to applicant Pettas in the sum of \$12,500 payable \$300 for forty consecutive months and the remainder during

the forty-first month after the execution of said note, all of which sums are found by the Commission to be reasonably required for said purchase and are not reasonably chargeable to operating expenses or to income and after said acquisition said partners may engage in the transportation business pursuant to said operative rights, said sale and transfer to be made pursuant to the terms of the agreement, copy of which is attached to said Application No. 33481 as Exhibit "A".

(4) That the authority herein granted by ordering paragraph (3) herein is subject to the following conditions:

- (a) Within thirty (30) days after the consummation of the transfer herein authorized the applicants shall notify the Commission in writing of that fact and shall within said period, file with the Commission a true copy of the note as actually executed and of any bill of sale or other instrument of transfer which may have been executed to effect said transfer.
- (b) Applicants shall within sixty (60) days after the effective date hereof, file in triplicate and concurrently make effective appropriate tariffs and any timetables on not less than five (5) days' notice to the Commission and the public.
- (c) Subject to the authority of this Commission to change them at any time applicants Mayjoffo and Billeci shall conduct operations over the following routes:

- (1) Between the intersection of Second Street and Railroad Avenue and the intersection of Marks Boulevard and said Railroad Avenue over and along said Railroad Avenue. Also from Railroad Avenue along East Tenth Street, Harbor Street, School Street, Liberty Street, Columbia Circle, Liberty Street, and California Street to Railroad Avenue. Also from Railroad Avenue along School Street to entrance of Pittsburg Highway School. Also from Railroad Avenue along Alvarado Avenue, Stevenson Street, Robinson Avenue and Sherman Street to Alvarado Avenue. Also from Railroad Avenue along Marks Boulevard, Ramona Street, Mar Avenue, Sino Street (also known as Seeno), Linscheid Drive, Madeline Street and Manville Avenue to Railroad Avenue.

(5) Applicant shall pay to the Commission the minimum fee of \$25.00.

(6) That both applicant purchasers may turn their vehicles at intersections or by operating around a block contiguous thereto in either direction or in accordance with local regulations..

The effective date of this order is twenty (20) days after the date hereof.

Dated at San Francisco, California, this

15th day of July, 1952.

[Signature]

PRESIDENT

[Signature]

[Signature]

COMMISSIONERS

Commissioner Justus F. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Rotor E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

