

Decision No. 51559

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CHESTER R. SMITH and ORA B. SMITH,)
 copartners doing business as SANTA)
 CRUZ TRANSIT COMPANY,)
)
 Complainants,)
)
 vs.)
)
 PEERLESS STAGES, INC., a corporation,)
)
 Defendant.)

Case No. 5625

Lucas, Wyckoff & Miller by Stephen Wyckoff,
Harry C. Lucas, Jr., and Ray J. Scott,
 for complainants.
John H. Balaam, for defendant.

O P I N I O N

Complainants, Chester R. Smith and Ora B. Smith, doing business as Santa Cruz Transit Company, are presently engaged in rendering a local passenger stage service within the City of Santa Cruz and its immediate environs. Defendant, Peerless Stages, Inc., operates a passenger stage service between Oakland, Santa Clara, San Jose and Santa Cruz. By their complaint, filed February 25, 1955, complainants allege that an extension of service in 1950 authorizing defendant to transport passengers to the Santa Cruz beach has resulted in a substantial loss of revenue to complainants and has aggravated a serious traffic condition at the beach. Complainants, therefore, pray that defendant's authority to operate over said extension be revoked.

A public hearing was held before Examiner Thomas E. Daly on May 4, 1955, at Santa Cruz and the matter was taken under submission.

During the summertime defendant operates at least three schedules daily between Oakland, San Jose and Santa Cruz. It utilizes the terminal facilities of Pacific Greyhound Lines located within the downtown area of Santa Cruz at 702 Front Street. Until 1950, passengers destined to the beach were discharged at the terminal from where they made use of either complainants' buses or taxicabs to get to the beach.

In 1942, Southern Pacific Company terminated its Santa Cruz train at San Jose. Under an arrangement with defendant, passengers were transported from San Jose to the Santa Cruz depot of the Southern Pacific Company. The depot is located at Pacific Avenue and Washington Street, approximately two blocks from the beach. Although defendant discharged and loaded train passengers at the Southern Pacific depot, from where they walked to the beach, it nevertheless continued to discharge and load its beach passengers at the Pacific Greyhound terminal in town. This practice continued until the Commission by Decision No. 44333, dated June 20, 1950, in Application No. 31418, issued its ex parte order authorizing defendant to extend its service four-tenths of a mile from the Southern Pacific Company depot to the intersection of Beach and Cliff Streets at the beach. At that time defendant commenced transporting its beach passengers directly to and from the beach. By Decision No. 50780, dated November 23, 1954, in Application No. 35798, defendant was authorized to operate to the beach on a seasonal basis during the summer months.

Exhibits were introduced by complainants to show that they have operated at a net loss each year since the 1950 extension was granted. They contend that the loss could be offset if they could once again transport defendant's beach passengers between the Pacific Greyhound terminal and the beach. They contend that if financial losses continue they will be obliged to apply for authority to either increase rates or curtail service. Several city officials of Santa Cruz and a few local residents testified that the continued operation of complainants' service is extremely important to the community. They voiced strong opposition to anything having an adverse effect upon such service. They were of the opinion that greater consideration should be given to the successful continuation of complainants' service and the public that relies upon it than the convenience of defendant's out-of-town beach passengers.

The record discloses that the beach area is heavily congested with traffic during the summer months. It is particularly so at the intersection of Beach and Cliff Streets, the terminus of defendant's 1950 extension. Located here is the Casino, which is the center of many activities. At this intersection the City has marked off in red a loading zone approximately 80 feet long, which is utilized by the buses of both complainants and defendant. Complainants assert that defendant frequently permits its buses to park in the zone for two and three hours at a time, thus requiring defendant's buses to double park while discharging and loading passengers. A traffic officer for the City of Santa Cruz described the traffic problem and stated that there have been several accidents in the past at this intersection.

Southern Pacific Company operates trains along Beach Street. Exhibit 8 is a photograph showing an accident at the intersection of Beach and Cliff Streets between one of defendant's buses and a Southern Pacific locomotive.

The president of defendant testified that a company rule requires its bus drivers to unload passengers at the beach and immediately proceed to the Southern Pacific Company depot, where the buses are parked. A few minutes before the scheduled departure time the buses proceed to the beach and load passengers for the return trip. This rule was confirmed by one of defendant's drivers who testified that he was severely reprimanded for having violated it on one occasion. As a result, it was stated, defendant's buses are never in the loading zone for more than a few minutes.

Defendant has been authorized since 1942 to operate to and from the Southern Pacific depot in Santa Cruz, which for all practical purposes is located at the beach. From the depot passengers can walk to any part of the beach with little difficulty. In the face of such authority it is difficult to understand what financial benefit it would be to complainants if the 1950 extension were revoked as prayed for. The 1950 decision merely authorized a short extension along the beach proper to the Casino.

Although complainants indicated that in 1950 revenues from the beach schedules dropped approximately 11 per cent during the summer months when compared to the same months of 1949, it is apparent that said loss was not solely attributable to defendant. Exhibit 7 discloses that the 1950 revenue from complainants' Capitola and Soabright schedules, which are not operated to or from the beach, was almost 5 per cent less than in 1949. It would appear that the loss complained of is due in part to a reduction

in use by local patrons.

The traffic problem as the record indicates is serious, but denying defendant the right to operate over Beach Street is not in itself the solution. The condition would still exist and is a matter of local police regulation. The complaint will, therefore, be dismissed.

O R D E R

A complaint having been filed and a public hearing having been held thereon,

IT IS ORDERED that the complaint of Chester R. Smith and Ora B. Smith, doing business as Santa Cruz Transit Company, against Peerless Stages, Inc., filed February 25, 1955, and given Case No. 5625, is hereby dismissed.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 9th day of June, 1955.

[Signature]
President
[Signature]
[Signature]

Commissioners

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