

ORIGINAL

Decision No. 52487

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOHN JERVIK (Desert Hot Springs Stage Lines) to operate a bus service between Desert Hot Springs, California, an unincorporated community, and Palm Springs, California, to establish fares.

Application No. 37369

Sidney J. Kahn, for applicant
Gordon, Knapp and Gill, by
Wyman C. Knapp, for Tanner Motor Tours, Ltd.,
 protestant
D. B. Miller, for Pacific Greyhound Lines,
 interested party.

O P I N I O N

By the application herein, filed on October 4, 1955, as amended by an amendment filed on December 13, 1955, applicant John Jervik, an individual doing business as Desert Hot Springs Stage Lines, seeks authority to render service as a passenger stage corporation for the transportation of passengers between Desert Hot Springs, an unincorporated community, and the intersection of Ramon Road and Sunrise Highway in the City of Palm Springs; both in California, a one-way distance of approximately 15 miles.

A public hearing was held in Palm Springs on November 29, 1955, before Examiner Kent C. Rogers, evidence was presented and the matter was submitted subject to the filing of an amendment to the application. This amendment was filed on December 13, 1955, and the matter is ready for decision. Tanner Motor Tours, Ltd., appeared as a protestant.

By its application as amended applicant proposes to render service between Desert Hot Springs and the intersection of Ramon Road and Sunrise Highway in the City of Palm Springs; including intermediate points, via the following route:

From the intersection of Pierson Boulevard and Palm Drive in Desert Hot Springs, via Pierson Boulevard, Ocotillo Drive, Eighth Street, Palm Drive, Dillon Road, Indian Avenue (North Palm Springs is near the intersection of Dillon Road and Indian Avenue), and Ramon Road (in Palm Springs) to Sunrise Highway.

This authority is to be subject to the following restrictions:

- (1) On trips from Desert Hot Springs no passengers are to be picked up between North Palm Springs and the terminus in Palm Springs, exclusive of North Palm Springs.
- (2) On trips from Palm Springs to Desert Hot Springs no passengers will be discharged between the terminus in Palm Springs and North Palm Springs, exclusive of North Palm Springs.

Applicant has and will use one 1948 model Packard seven-passenger limousine to render the service. The applicant testified that he has available one 1946 model seven-passenger DeSoto limousine and driver in the event of a breakdown.

Proposed fares are to be \$1.50 for a roundtrip between Desert Hot Springs and any place in Palm Springs, \$1.00 for a one-way trip between those points, \$.50 one way between North Palm Springs and Palm Springs, and \$.25 for a trip between any two points in Desert Hot Springs.

Applicant will render service seven days per week. The first trip is to originate at Desert Hot Springs at 6:50 a.m. and the last trip will leave Palm Springs at approximately 10:30 p.m. There are to be 10 roundtrips per day.

The applicant testified but knew little about the proposed operation. He stated that there is no passenger stage service now between Desert Hot Springs and Palm Springs; that he will use a seven-passenger Packard limousine to render the service and that a Mr. Powers, who is to be the operator, could explain the proposal. The balance sheet of Centinela Valley Taxicab Company as of July 31, 1955, is attached to the application as Exhibit "F". The taxicab company is managed and operated by the applicant. Exhibit 1 in evidence is a resolution of the Centinela Valley Taxicab Company underwriting the applicant's operations to the extent of \$10,000 and this guarantee is to continue for a period of six months from the date of the issuance of a certificate to applicant by the Commission. The balance sheet of the guarantor shows total fixed and current assets as of July 31, 1955, amounting to approximately \$25,000 with approximately \$20,000 in liabilities.

Mr. Powers, the proposed driver and operator of the stage, testified that for over seven years he was an operator for the Los Angeles Transit Lines and for the past year has been a driver for the Centinela Valley Taxicab Company. He estimated the applicant's expenses at 20 cents per mile. His agreement with the applicant is that he will receive 45 percent of the gross revenue in exchange for his services. He had made no passenger survey to determine the number of riders he might expect. The only present service, he said, is a taxicab which charges \$3.00 one way (Exhibit No. 2).

Approximately 65 people appeared in support of the application. Several were sworn and testified.

An employee of the Desert Hot Springs newspaper, The Desert Sentinel, testified that in 1950 Desert Hot Springs had a population of 2,370; that its present population is over 3,000 and that on weekends there are between five and six thousand people in the community. He said that there is only one taxicab providing public transportation between Palm Springs and Desert Hot Springs.

The president of the North Palm Springs Chamber of Commerce said that there are about 400 persons in North Palm Springs; that there is no bank in Desert Hot Springs; that there is contemplated a 30-bed children's hospital in Desert Hot Springs; and that there are 14 mineral spring baths therein.

The president of the Desert Hot Springs Chamber of Commerce stated that he receives many inquiries concerning public transportation between Palm Springs and Desert Hot Springs.

A witness testified that there is only one rabbi who conducts services for residents of both Palm Springs and Desert Hot Springs, and that it is difficult for the Jewish residents of Desert Hot Springs to travel between Desert Hot Springs and Palm Springs to attend services.

The owner of a Desert Hot Springs motel testified that he has had inquiries from guests concerning public transportation between Desert Hot Springs and Palm Springs.

The attorney for Tanner Motor Tours, Ltd., offered to prove by a witness present in court that this company had rendered a scheduled service between Desert Hot Springs and Palm Springs during the years 1945 to 1949 and that the service was discontinued for lack of revenue. This offer was refused by the Examiner.

The Palm Springs manager for Tanner Motor Tours, Ltd., testified that she has been a resident of Palm Springs since 1932; that in 1932 Palm Springs had a population of 1500 people; that it increased in population to 5000 people in 1948, and that it has a population of 11,000 people now. The witness requested that the application be denied. On cross-examination the witness testified that there are Yellow Cabs in Palm Springs which operate to Desert Hot Springs, that these cabs are metered and the cost of a trip between Palm Springs and Desert Hot Springs is about \$4.00; and that there is no limit to the number of persons who may ride the cab at one time except its capacity.

Upon the evidence of record herein it appears and we find, that public convenience and necessity require the establishment and operation of a passenger stage service as proposed.

John Jervik 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 as to the number of rights which may be given.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is granted to John Jervik, doing business as Desert Hot Springs Stage Lines, authorizing him to establish and operate a service as a "passenger stage corporation" as that term is defined in Section 226 of the Public Utilities Code, for the transportation of persons between the points and over the routes particularly set forth in Appendix A attached hereto and made a part hereof.

(2) That in providing service pursuant to the certificate herein granted, there shall be compliance with the following service regulations:

(a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed upon notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 98, may result in a cancellation of the operating authority granted by this decision.

(b) Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, ap-

plicant shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs and time schedules satisfactory to the Commission.

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

Dated at San Francisco, California, this 16th day of January, 1956.

W. H. Mitchell
President

Justin F. Calmer

Raymond L. Lintner

R. H. Hertz

Commissioners

Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.

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APPENDIX A
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John Jervik, doing business as Desert Hot Springs Stage Lines, by the certificate of public convenience and necessity granted in the above-mentioned decision, is authorized to transport persons between Desert Hot Springs, on the one hand, and the City of Palm Springs, on the other hand, and intermediate points, subject to the following conditions and restrictions:

- (1) On trips from Desert Hot Springs to Palm Springs applicant shall pick up no passengers between North Palm Springs exclusive of North Palm Springs and the terminus of the line at the intersection of Ramon Road and Sunrise Highway, in Palm Springs.
- (2) On trips from Palm Springs to Desert Hot Springs applicant shall discharge no passengers between the terminus of the line at the intersection of Ramon Road and Sunrise Highway in Palm Springs, and North Palm Springs, exclusive of North Palm Springs.

Subject to the authority of the Commission to change or modify such at any time, John Jervik, doing business as Desert Hot Springs Stage Lines, shall conduct said passenger stage operation over and along the following described route:

From the intersection of Pierson Boulevard and Palm Drive in Desert Hot Springs, via Pierson Boulevard, Ocotillo Drive, Eighth Street, Palm Drive, Dillon Road, Indian Avenue, and Ramon Road to its intersection with Sunrise Highway in Palm Springs.

Applicant is authorized to turn its motor vehicles at termini and intermediate points in either direction, at intersections of streets or by operating around a block contiguous to such intersections, or in accordance with local traffic rules.