

**ORIGINAL**Decision No. 52973

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 VALLEJO CITIZENS TRANSIT CO., a cor-  
 poration, KEITH D. GRAYSON, GEORGE A.  
 GRINESTAFF, CARL MAINE, HENRY L.  
 COFER, WENNETH W. FITZGERALD,  
 THEODORE M. PETERSEN, and HERMAN  
 PETRIE, doing business as VALLEJO  
 TRANSIT LINES, a co-partnership, for  
 certificate of public convenience  
 and necessity to operate passenger  
 stage service in the City of Vallejo  
 and contiguous area.

Application No. 37959

O P I N I O N

By this application filed April 24, 1956, as amended April 26, 1956, applicants, seven individuals and the Vallejo Citizens Transit Co., a corporation, request a certificate of public convenience and necessity authorizing passenger stage operation in and in the immediate vicinity of the City of Vallejo. The city which has been carrying on this operation on a somewhat larger and more complete scale has announced that it intends to cease service on May 1, 1956. Applicants, therefore, wish to be able to commence on said day so as to prevent a lapse in service.

Five routes are proposed, all of which include trips via Georgia Street to the Mare Island Ferry. It is alleged that this proposed passenger stage service will not be competitive with Pacific Greyhound Lines or with J. M. Chappell who seeks authorization to operate a jitney service between Vallejo and Bay Terrace.

The proposed fares to be charged and the rules and regulations to govern them are as follows:

- (a) Fares to be paid in cash or tokens, 15 cents each. Adults 15 cents; on school days, children 5 years through 12th grade, 10 cents; on nonschool days, children 5 through 12 years, 10 cents; all others 15 cents.

- (b) Transfer privilege without extra charge..
- (c) Combination commutation books for use on proposed bus lines and Mare Island Ferry, 20 trips without time limit for \$3.75 of which \$2.20 will be paid at time of sale to the applicant.
- (d) Packages and baggage permitted that can be handled by the passenger, except no inflammable or offensive liquids on packages.
- (e) No firearms, unless inspected by driver, except peace officers.
- (f) Licensed guide dogs for the blind permitted and other pets if caged or muzzled.
- (g) Passes issued to employees of applicants.

The service is to be furnished six days each week Monday through Saturday, inclusive, except the following holidays, namely: New Years Day, Washington's Birthday, Memorial Day and Independence Day. Schedules will be operated at 40-minute intervals commencing at 6:20 a.m. and terminating at 7:40 p.m. on Chabot and Beverly Hills routes and commencing at 6:40 a.m. and terminating at 7:20 p.m. on the other routes.

Applicants propose to use 10 GMC TDH buses, model 3612, 36 passenger transit buses, 1952 models; and 4, 96HTD Reo 33-passenger gasoline propelled buses; 2, 1950 models and 2, 1946 models. These are being acquired by the corporate applicant from the city and will be leased to the partners, along with the shops for repair and maintenance. The capital contribution by the partners, aggregates \$22,000 to be paid in cash, the individuals supplying \$9,500 and the corporate applicant the balance. In addition to the buses which are to be purchased by the corporate applicant, the city is making available through lease for the consideration of \$1 the land and shops with their equipment used for maintenance and repairs for a 20-month period. The individual partners are drivers and maintenance men who have been operating the system for several years for

the city. They are making a substantial personal investment in the business and are experienced and qualified to carry on the operation.

By amendment filed April 26, 1956, applicants enlarged the prayer of their application as follows:

1. That the Commission issue its certificate of public convenience and necessity authorizing passenger stage service in and near Vallejo commencing May 1, 1956.
2. That the Commission authorize the corporate partner Vallejo Citizens Transit Co. to issue \$25,000 of its corporate stock.
3. That applicants be authorized to enter into the lease and sublease agreements with the corporate partner, copy of which is attached to the original application and which provides for a monthly payment of \$250 to said corporation for 20 months.
4. That Vallejo Citizens Transit Co. being a newly organized corporation, its articles having been filed with the Secretary of State on April 19, 1956, and, it having no assets at this time and so being unable to file any financial statement, it be relieved thereof and of any other technical departures from the rules due to the unusual emergency situation here existing.

The Commission is of the opinion and finds that public convenience and necessity require that the service as proposed should be instituted and performed by applicants, and that applicants have adequate financial ability and experience to carry on the venture satisfactorily. In order to operate under the proposed combination commutation book fares it will be necessary for Vallejo Transit Lines to adopt the fares shown in Mare Island Ferry Tariff, Cal. P.U.C. No. 11 and have their names substituted for the City of Vallejo (Municipal Bus Line). The Ferry should issue a new tariff concurred in by applicants herein.

In our opinion the tangible property to be acquired by Vallejo Citizens Transit Co. is ample to support the proposed stock issue of \$25,000 par value and we hereby find that such issue is reasonably required for the purpose specified herein and that such

purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. In our opinion likewise the lease agreement, Exhibit B attached to the application, is reasonably required to be executed to enable the partners to properly operate the service and to mutually adjust their financial situation.

Vallejo Citizens Transit Co., a corporation, and Keith D. Grayson, George A. Grinestaff, Carl Maine, Henry L. Cofer, Wenneth W. Fitzgerald, Theodore M. Petersen and Herman Petrie 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 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

Application therefor having been filed, the Commission being fully advised in the premises and being of the opinion that the application should be granted and that a public hearing is unnecessary; therefore,

#### IT IS HEREBY ORDERED:

(1) That a certificate of public convenience and necessity is granted to Vallejo Citizens Transit Co., a California corporation, Kenneth D. Grayson, George A. Grinestaff, Carl Maine, Henry L. Cofer, Wenneth W. Fitzgerald, Herman Petrie and Theodore M. Peterson, copartners, authorizing the establishment and operation of service as a passenger stage corporation, as that term is defined in

Section 226 of the Public Utilities Code, for the transportation of passengers between the termini and all intermediate points thereto and over the routes as described and specified in Appendix A which is attached hereto and, by reference, made a part hereof subject to the provisions, restrictions, limitations and specifications contained therein. Service under this certificate may be conducted as a single consolidated and unified operation.

(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, applicants shall file a written acceptance of the certificate herein granted.
- b. Within sixty days after the effective date hereof, and on not less than one day's notice to the Commission and the public applicants shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs satisfactory to the Commission.

(3) That applicants are authorized to temporarily alter any of their routes so as to comply with any applicable one-way street requirements as provided in any city or county ordinance hereafter adopted provided applicants shall file an application with the Commission within thirty days after such temporary route change requesting that such change become permanent.

(4) That Vallejo Citizens Transit Co., a California corporation, in acquiring the operative equipment referred to in the opinion hereto or to procure cash may issue not to exceed \$25,000 par value of its capital stock with a par value of each share of \$10 and shall receive therefor either cash in said amount or an equivalent value of such operative equipment.

(5) That said corporate applicant shall file a report or reports, as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

(6) That said corporate applicant shall file with the Commission a copy of each journal entry used to record on its books the acquisition of the property to be used for operative purposes from the City of Vallejo or from others, and the distribution of the purchase price to primary accounts, such filing to be made within thirty days after the date of such entries.

(7) That the lease of the operative properties and equipment referred to and covered by the lease agreement designated as Exhibit B and the sublease agreement designated as Exhibit C attached to the original application so filed April 24, 1956, are hereby approved and the parties thereto are authorized to execute both agreements.

(8) That this order shall become effective on the date hereof.

Dated at San Francisco, California, this 27<sup>th</sup> day of April, 1956.

Peter E. Mitchell  
President  
Justus J. Casper  
Philip A. Hooley

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Commissioners

APPENDIX A

to

Decision No. 52973

in

Application No. 37959

Showing certified points and routes of operation to be served by Vallejo Transit Lines, together with specifications, exceptions, restrictions, limitations and privileges applicable thereto.

All amendments to this appendix A will be made as revised pages or added original pages.

Effective as shown by Decision No. ~~52973~~

Issued by California Public Utilities Commission.

Vallejo Transit Lines by the certificate of public convenience and necessity granted in the above-numbered decision is authorized to transport passengers and their baggage between points in the City of Vallejo and areas adjacent thereto serving intermediate points all as hereinafter stated.

Motor vehicles may be turned at termini or intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, or in accord with local traffic regulations.

When route descriptions are in one direction, they apply to operations in either direction, unless otherwise indicated.

Subject to the authority of the Commission to change or modify such at any time Vallejo Transit Lines shall conduct said passenger stage operations between the following points and over and along the following described routes.

Issued by California Public Utilities Commission.

Decision No. 52973; Application No. 37959.



Chabot Route

Beginning at the intersection of Marin Street and Georgia Street in Vallejo; thence along Marin Street, Tennessee Street, Broadway, Idaho Street, Alameda Street, Williams Street, Holly Street, Almond Street, Flodden Street, and Holly Street, to Williams Street.

Issued by California Public Utilities Commission.

Decision No. 52973, Application No. 37959.

Beverly Hills Route

Beginning at the intersection of Marin Street and Georgia Street in the City of Vallejo; thence along Marin Street, York Street, Sonoma Road, Georgia Street, Steffan Street, Laurel Street, Fulton Street, Coronel Street, and Alhambra Street to Laurel Street.

Issued by California Public Utilities Commission.

Decision No. 52973, Application No. 37959.

Springs Road Route

After operating over streets as heretofore authorized commencing at the intersection of Broadway and Tennessee Street, Tuolumne Street, Springs Road, Vervais Street, Tennessee Street, Lain Drive and Springs Road to Vervais Street.

Issued by California Public Utilities Commission.

Decision No. 52073, Application No. 37959.

Georgia Street Extension

After operating over streets as heretofore authorized commencing at the intersection of Steffan Street and Georgia Street thence along Georgia Street, Rollingwood Street, Springs Road, Delwood Street, Roywood Street and Cottonwood Street to Rollingwood Street.

Issued by California Public Utilities Commission.

Decision No. 52973, Application No. 37959.

Vista Route

After operating over streets as heretofore authorized, commencing at the intersection of Tennessee Street and Tuolumne Street, thence along Tuolumne Street, Del Mar Street, Valle Vista Street, Moorland Street, Fairview Street, Greenfield Street, Viewmont Street, Shasta Street, and Nebraska Street to Tuolumne Street.

Issued by California Public Utilities Commission.

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Mare Island Ferry Route

Between the ferry landing and the intersection of Georgia Street and Marin Street along said Georgia Street.

END OF APPENDIX A.

Issued by California Public Utilities Commission

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