

ORIGINALDecision No. 54108

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Eastern Cities
Transit, Inc., a corporation, to
transfer all routes operated in
its Whittier Division, and
Herman A. Stauffacher, under the
firm name of Whittier Bus Lines,
to acquire certain operating
rights in the vicinity of the
City of Whittier.)

Application No. 38013

Charles Boehm, for applicants;
William F. Hibbard, for the Commission staff.

O P I N I O NNature of Proceeding

Eastern Cities Transit, Inc., a corporation, now operates a passenger stage service in Belvedere Gardens, Los Angeles County, certain portions of Montebello, the City of Whittier and surrounding territory, pursuant to certificates of public convenience and necessity granted by this Commission. By this application, as originally filed, it seeks authority to sell and transfer all of its operating rights relative to its operations in Whittier and surrounding territory, which it calls its Whittier Division,¹ and all properties now in use and useful in the Whittier Division, including real estate, rolling equipment and supplies to Herman A. Stauffacher. The latter has joined in this application.

Eastern Cities Transit, Inc., also seeks, by this application, a consolidated certificate of public convenience and necessity

¹ Described as Route No. 1, Route No. 2, Route No. 3, Route No. 5 in Decision No. 50887, dated December 21, 1954 on Application No. 35750 and amended as per Decision No. 52515, dated January 23, 1956 on Application No. 37442.

granting operating rights on its remaining routes in lieu of all previous certificates.

Public Hearing and Submission

The application was submitted for decision at a public hearing held, after due notice, in Los Angeles on July 17, 1956, before Commissioner Ray E. Untereiner and Examiner Edward F. Walsh. No opposition to the proposed transfer was exhibited at the hearing.

Subsequent to the submission, an amendment was filed setting forth that applicant Herman A. Stauffacher has decided to incorporate under the name of Whittier Bus Lines, Inc. In the amendment, the parties sought to substitute Whittier Bus Lines, Inc., as transferee, in place of Herman A. Stauffacher, and to obtain approval for the new corporation to issue \$30,000 par value of its common stock and to execute a secured note in the principal amount of \$7,500 and to enter into a lease agreement.

The amendment to the application will be received as part of the record in this proceeding. No further hearing is necessary and none will be held. The matter, as amended, now is ready for decision.

Nature of Evidence

The record shows that all revenue equipment and other facilities necessary for the operation of the Whittier Bus Lines, Inc., are owned by Eastern Cities Transit, Inc., with the exception of three buses that are leased from Crown Coach Corporation, and that it is proposed to transfer all such revenue equipment and other facilities, except the leased units, to the new corporation. A pro-forma

statement giving effect to the transfer of the assets to, and the issue of securities by, the new corporation is as follows:

Assets

| | |
|------------------------------|---------------|
| Current assets: | |
| Cash on hand | \$ 5,000 |
| Materials and supplies | 2,100 |
| Total current assets | <u>7,100</u> |
| Tangible assets | 30,400 |
| Total assets | <u>37,500</u> |

Liabilities and Net Worth

| | |
|---|---------------|
| Note payable to Eastern Cities Transit, Inc. | 7,500 |
| Common stock | <u>30,000</u> |
| Total | <u>37,500</u> |

The \$7,500 note will be payable at the rate of \$158.25 a month with interest at the rate of 6 per cent per annum and will be secured by a chattel mortgage.

The record shows that Herman A. Stauffacher, the original transferee and one of the organizers of the Whittier Bus Lines, Inc., has been engaged in the passenger stage business since 1934 and will continue in the operation of the new carrier. A financial statement attached to the application indicates his net worth at \$34,695.

For the first three months of 1956, the lines involved in this operation showed a loss of \$318.06. However, it is asserted that, by reason of the transfer, certain savings in supervisory expense and officers' salaries could be made and that additional revenues can be generated by increasing charter transportation.

The record shows that the new carrier will adopt the same rates, rules and regulations as are now in effect and will utilize the same equipment. It proposes to enter into a lease agreement with Crown Coach Corporation, with an option to buy, to obtain the use of the three buses now operated under lease arrangements by the present carrier. The proposed lease provides for a total payment of \$20,889 in 55 equal successive monthly payments of \$379.80 each.

Having considered this application, the Commission is of the opinion and finds that the proposed sale and transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by applicant Whittier Bus Lines, Inc., by the issue of the stock and note herein authorized 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.

The action taken herein shall not be construed to be a finding of the value of the operative rights and properties herein authorized to be transferred. Applicants are hereby placed on 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.

The order to follow will provide for the restatement of the operative rights to be transferred to Whittier Bus Lines, Inc., and, likewise, for the restatement of the operative rights to be retained by the Eastern Cities Transit, Inc. All present operative rights will be included in the two new certificates to be issued and all prior rights will then be canceled.

O R D E R

A public hearing having been held in the above-entitled proceeding, the Commission being fully advised in the premises and

being of the opinion that the application should be granted as herein provided; therefore,

IT IS ORDERED as follows:

1. That Eastern Cities Transit, Inc., may sell and transfer and Whittier Bus Lines, Inc., may purchase and acquire, on or before December 31, 1956, the operating rights and property hereinabove described, said sale and transfer to be made upon the terms and conditions of the agreement of sale filed with this application.

2. Whittier Bus Lines, Inc., in payment for said rights and properties, may issue not to exceed \$30,000 par value of common stock and a promissory note in the principal sum of \$7,500 and may execute a chattel mortgage to secure the payment of the note, which note and chattel mortgage shall be in, or substantially in, the same form as those filed in this proceeding.

3. Whittier Bus Lines, Inc., may enter into a lease agreement with Crown Coach Corporation in, or substantially in, the same form as the lease agreement filed in this proceeding as Exhibit G.

4. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the passenger stage operations here involved to show that Eastern Cities Transit, Inc., has withdrawn or canceled and Whittier Bus Lines, Inc., has adopted or established, as its own, said rates, rules and regulations in so far as they pertain to the operative rights herein authorized to be transferred.

5. That, immediately upon the consummation of the transfer authorized in paragraph 1 above, a certificate of public convenience and necessity be granted to Whittier Bus Lines, Inc., authorizing the establishment and operation of a service as a passenger stage

corporation, as defined in Section 226 of the Public Utilities Code for the transportation of passengers between the points and over the routes as more particularly set forth in Appendix A attached hereto and made a part hereof.

6. That in the place and stead of the operative rights remaining in Eastern Cities Transit, Inc., after execution of the sale and transfer authorized in paragraph 1 of this order and created by Decision No. 50887 in Application No. 35750, the Commission hereby grants a certificate of public convenience and necessity to said Eastern Cities Transit, Inc., authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers between the points and over the routes as more particularly set forth in Appendix B attached hereto and made a part hereof.

7. That within thirty days after the effective date hereof, coapplicants shall file written acceptances of the respective certificates herein granted. By accepting the certificates of public convenience and necessity herein granted, coapplicants are placed on notice that they will be required, among other things, to file annual reports of their respective 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 respective operating authorities granted by this decision.

8. That in the event the authority herein granted is exercised, Whittier Bus Lines, Inc., shall notify the Commission in writing of the fact within thirty days after date of transfer.

9. The authority herein granted will become effective when Whittier Bus Lines, Inc., has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

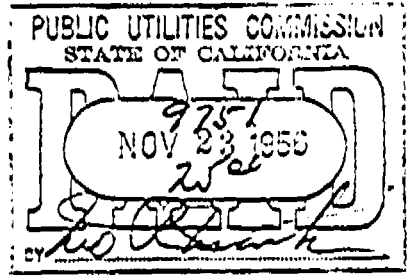
Dated at San Francisco, California, this 19th day of NOVEMBER, 1956.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners



Showing certificated points and routes of operation to be served by Whittier Bus Lines, Inc., as authorized by said decision, 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. 54108.

Issued by California Public Utilities Commission.

Decision No. 54108, Application No. 38013.

Whittier Bus Lines, Inc., by the certificate of public convenience and necessity granted in the above-numbered decision is authorized to transport passengers between points in the City of Whittier and surrounding territory 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.

Divergence from established routes, either on regular schedules or on special schedules, may be made for the purpose of transporting bona fide pupils, attending institutions of learning, to or from such institutions, provided that such divergence and schedules therefor are filed in the same manner as other time schedules, and whenever special rates are provided the schedule therefor shall also be filed.

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

Subject to the authority of this Commission to change or modify such at any time, Whittier Bus Lines, Inc., 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. 54108, Application No. 38013.

ROUTE NO. 1

From the intersection of Glengarry Avenue and Washington Boulevard, via Washington Boulevard, Norwalk Boulevard, Balfour Street, Glengarry Avenue, Bexley Drive, Redman Avenue, Lock Avon Drive, Norwalk Boulevard, Howard Street, El Rancho Drive, Broadway, Pickering Avenue, Hadley Street, Greenleaf Avenue, Whittier Boulevard, Laurel Avenue, Carnell Street, Jacmar Avenue, Chestnut Street, Walnut Way, Glenn Drive, Gunn Avenue, Carnell Street, Mills Avenue, Anaconda Street, Colima Road, Luitwieler Avenue, Danbrook Drive, Bluefield Avenue, Dunton Drive, Cole Road, Santa Fe Street, Scott Avenue, Midcrest Drive, Stamy Road, Hornell Street, Luitwieler Avenue, Leffingwell Road, Arroyo Drive, Goodhue Street, Luitwieler Avenue, Hornell Street, Stamy Road and Santa Fe Street to Cole Road.

Also, from the intersection of Cullen Street and Colima Road, via Cullen Street and Cole Road to Dunton Drive.

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ROUTE NO. 2

Beginning on Workman Mill Road at Rose Hills Memorial Park, thence along Workman Mill Road, Lemon Street, Palm Avenue, Floral Drive, Pickering Avenue, Beverly Boulevard, Greenleaf Avenue, Foxley Drive, Shoemaker Avenue, Oval Drive, Painter Avenue, Mulberry Drive, Mills Avenue, Oval Drive, and Gunn Avenue to its intersection with Mulberry Drive.

Also, beginning at the intersection of Palm Avenue and Monte Vista Drive, thence along Monte Vista Drive, Norwalk Boulevard, Orange Grove Avenue, Pioneer Boulevard, Floral Drive, Norwalk Boulevard to its intersection with Monte Vista Drive.

Also, Norwalk Boulevard between Workmen Mill Road and Orange Grove Avenue.

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ROUTE NO. 3

From the intersection of Philadelphia Street and Pickering Street (Avenue), via Pickering Street (Avenue), College Street, Comstock Avenue, Philadelphia Street, Pickering Street (Avenue), Hadley Street, Gretna Avenue, Rosehedge Drive, Cedarcliff Avenue, Winchell Street, Broadway, Saragosa Street, and Glengarry Avenue to Washington Boulevard.

Issued by California Public Utilities Commission.

Decision No. 54108, Application No. 38013.

ROUTE NO. 4

Beginning at the intersection of Comstock Avenue and Philadelphia Street, thence along Philadelphia Street, Painter Avenue, Short Street, Fourth Street, California Avenue, Second Street, Ocean View Lane, Chestnut Street, Gunn Avenue to its intersection with LaForge Street.

Also, LaForge Street between Walnut Way and Gunn Avenue.

Also, from the intersection of Short Street (4th Street) and Painter Avenue via Painter Avenue and Whittier Boulevard to Laurel Avenue.

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Decision No. 54108, Application No. 38013.

APPENDIX B Eastern Cities Transit, Inc. Original Page 1

Showing certificated points and routes of operations to be served by Eastern Cities Transit, Inc., as authorized by said decision, together with specifications, exceptions, restrictions, limitations and privileges applicable thereto.

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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.

Divergence from established routes, either on regular schedules or on special schedules, may be made for the purpose of transporting bona fide pupils, attending institutions of learning, to or from such institutions, provided that such divergence and schedules therefor are filed in the same manner as other time schedules, and whenever special rates are provided the schedule therefor shall also be filed.

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KERN AVENUE ROUTE

From the intersection of Gage Avenue and First Street along First Street, Rowan Avenue, Michigan Avenue, Gage Avenue, Hammel Street, Brannick Avenue, Floral Drive, Ford Boulevard, Brooklyn Avenue, Modnick Avenue, Third Street, Kern Avenue, Whittier Boulevard, Brannick Avenue, Verona Street and Downey Road to its intersection with Whittier Boulevard.

Also, along Gage Avenue between First Street and Michigan Avenue, and along Whittier Boulevard between Downey Road and Brannick Avenue.

Issued by California Public Utilities Commission.

Decision No. 54108, Application No. 38013.

EAST FIRST STREET ROUTE

From the intersection of Rowan Avenue along First Street, Vancouver Avenue, Brooklyn Avenue, Hillview Avenue, Sadler Avenue, via Campo, Hillview Avenue, Beverly Boulevard, Sadler Avenue, Eagle Street, LaVerna Avenue and Whittier Boulevard to its intersection with Kern Avenue.

Issued by California Public Utilities Commission.

Decision No. 54108, Application No. 38013.

FORD BOULEVARD ROUTE

From the intersection of Whittier Boulevard along Ford Boulevard, Eugene Street, Eastern Avenue, Michigan Avenue, Sunol Avenue, Third Street to its intersection with Rowan Avenue.

Issued by California Public Utilities Commission.

Decision No. 54108, Application No. 38013.