

ORIGINALDecision No. 63479

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PEERLESS STAGES, INCORPORATED for
 amendments to existing certificate
 of public convenience and necessity
 under Section 1031 of the Public
 Utilities Code to extend its present
 service between Hayward and Oakland,
 California to include local service
 therein.

Application No. 43594

Spurgeon Avakian and John F. Balaam, for applicant.
Robert E. Nisbet, for Alameda-Contra Costa Transit
 District, interested party.
Hilton H. Nichols, for the Commission Staff.

O P I N I O N

Peerless Stages, Incorporated, presently rendering a passenger stage service in the Counties of Alameda, San Mateo, Santa Clara and Santa Cruz, requests that its present operating authority be amended by deleting therefrom restrictions against picking up and discharging passengers or baggage between the Cities of Oakland and Hayward.

A public hearing was held before Examiner Thomas E. Daly on February 19, 1962, at San Francisco.

The record indicates that prior to January 1936 applicant, in conjunction with its intercity operations, was providing a local service in the general area between downtown Oakland and the south-east city limits of Hayward as they existed in January 1936, in which the street Pinedale Court is now located. The Key System was also conducting a local service between the points herein considered and because the patronage was insufficient to permit both carriers

to operate profitably they entered into an agreement which in substance constituted a transfer of applicant's operating authority between said points to Key System. By Decision No. 28522 dated January 27, 1936, in Applications Nos. 20346 and 19502, the Commission authorized the abandonment of such local service by applicant and authorized Key System to operate over all routes abandoned by applicant.

By Decision No. 60707 dated September 6, 1960, in Application No. 42560 the Commission authorized Key System to discontinue operations in favor of the newly formed Alameda-Contra Costa Transit District (hereinafter referred to as "District"). On or about March 20, 1961, the District extended its service competitive with applicant's Oakland-San Jose service for a distance of approximately five miles south of Pinedale Court to Gresel Street, in or near Decoto. Within this area of extension the District renders a daily service, except Saturdays, Sundays and holidays, from 6:00 a.m. to 6:00 p.m. Applicant provides a daily service, including Saturdays, Sundays and holidays, from 6:00 a.m. to 10:00 p.m.

With the advent of the District's service applicant's revenue between Oakland and Decoto dropped substantially. Applicant attributed this to the fact that the District was operating more modern equipment and charging lower fares. In an attempt to be competitive, applicant lowered its weekday fare between Oakland and Decoto from 35 cents to 40 cents, 5 cents less than the District's fare. On holidays, week ends, and during the evenings the normal fare prevails.

To counteract the loss of revenue and offset the possible need of reducing or discontinuing its service within the area of duplication, applicant requests that it be authorized to reinstate

its local service between Hayward and Oakland and to establish its fares between said points on a competitive basis with the District.

The proposed fares are as follows:

Oakland to San Leandro Depot on Estudillo Street . . . . .	.25¢
Oakland to Bay Fair - Ashland. . . . .	.30¢
Oakland to Hayward . . . . .	.30¢
Oakland to Alta Vista. . . . .	.35¢
Oakland to Valle Vista . . . . .	.40¢
Oakland to Decoto. . . . .	.40¢
San Leandro to Bay Fair - Ashland. . . . .	.15¢
San Leandro to Hayward . . . . .	.15¢
San Leandro to Alta Vista. . . . .	.15¢
San Leandro to Valle Vista . . . . .	.20¢
San Leandro to Decoto. . . . .	.25¢
Bay Fair - Ashland to Hayward. . . . .	.15¢
Bay Fair - Ashland to Alta Vista . . . . .	.15¢
Bay Fair - Ashland to Valle Vista . . . . .	.15¢
Bay Fair - Ashland to Decoto . . . . .	.20¢
Hayward to Alta Vista. . . . .	.15¢
Hayward to Valle Vista . . . . .	.15¢
Hayward to Decoto. . . . .	.15¢
Alta Vista to Valle Vista. . . . .	.15¢
Alta Vista to Decoto . . . . .	.15¢
Valle Vista to Decoto. . . . .	.15¢

For transportation between Oakland - Hayward, on the one hand, and Alta Vista - Decoto, on the other hand, the above reduced fares will be applicable between the hours of 6:00 a.m. and 6:00 p.m., Mondays through Fridays. Between all other points, the above reduced fares will be applicable at all times.

Said fares will not include transfer privileges, and will not be used as a basis of reduced fares for school ticket books or commute books.

For the year 1961, applicant realized a net profit of \$20,225.26 before income taxes. According to Exhibit 3 each of applicant's five certificated divisions operated at a loss ranging from \$1,999 to \$29,200. The entire operations are assertedly subsidized by applicant's charter service which showed a profit of \$83,893.71 for the year 1961. The major portion of applicant's charter revenue, it was stated, is derived from transporting passengers to and from casinos in the Reno - Lake Tahoe area, Nevada. Because of an unfavorable decision by the Interstate Commerce Commission, which is presently on appeal, this phase of its charter service may be lost to applicant. It was further stated that unless applicant receives relief in the form requested it will not be able to continue the present level of service between Oakland and San Jose.

The District appeared as an interested party, but made no affirmative presentation.

After consideration, the Commission finds and concludes that public convenience and necessity require the extension of applicant's service as requested and further finds and concludes that the proposed fares are just and reasonable.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED that:

1. The restrictions contained in the certificate of public convenience and necessity granted to Peerless Stages, Incorporated, authorizing operation as a passenger stage corporation, as defined in Section 226 of the California Public Utilities Code, for the transportation of passengers, baggage and shipments of express between Hayward and Oakland and intermediate points, as described in Appendix A of Decision No. 58790, are hereby rescinded.

2. Appendix A of Decision No. 58790 is hereby amended by incorporating Second Revised Page 14 in revision of First Revised Page 14.

3. Applicant may charge the proposed fares as set forth in its application as amended.

4. In providing service pursuant to the authority herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the authority herein granted.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file in the Commission's office in triplicate tariffs and timetables satisfactory to the Commission, which tariff and timetable filings shall be made effective concurrently with the establishment of the service and on not less than ten days' notice to the Commission and the public. The tariff and timetable filings made pursuant to this order shall comply with the

regulations governing the construction
and filing of tariffs and timetables set
forth in the Commission's General Orders
Nos. 79 and 98.

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

Dated at San Francisco, California, this 27th
day of MARCH, 1962.

Creed A. Page
President
(D. L. ...)
E. J. Fox
George E. Hoover
Fredrick B. Hoffmann
Commissioners

SD

Appendix A PEERLESS STAGES, INCORPORATED Second Revised Page 14
Cancels
First Revised Page 14

ROUTE GROUP 1

Restrictions

Restriction 1.01 - No passengers shall be transported between Golden Gate Fields, on the one hand, and points intermediate to Golden Gate Fields and the intersection of Pinedale Court and Mission Boulevard in Hayward, on the other hand.

Issued by California Public Utilities Commission.

Decision No. 63476, Application No. 43594.