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ORIGINAL

Decision No. 67388

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Robert E. Okerstrom, an individual doing business as Redding Transit Lines, for a certificate of public convenience and necessity to operate passenger, baggage and express service between Redding, California, and Lakeview, Oregon.

Application No. 46286
(Filed March 13, 1964)

- Robert E. Okerstrom, in propria persona.
- Walter M. Wood, in propria persona, as protestant.
- William R. Borden and Mrs. Gordon Carpenter, for the residents in the Garden Tract, protestants.
- Alvin Cibula, for N. T. Chastain, protestant.
- Ira M. Shadwell, for Lucy Chastain, protestant.
- Hilton H. Nichols, for the Commission staff.

O P I N I O N

This application was heard before Examiner Rowe at Redding, April 16, 1964, on which date it was submitted. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. The only protestants are as above indicated.

Applicant requests authorization to institute and conduct operations as a passenger stage corporation for the transportation of passengers between Redding and Alturas via U. S. Highway 299. Also, an on call service is proposed between Hillcrest and Big Bend, all in the State of California.

For approximately six years N. T. Chastain, doing business as Redding-Lakeview Stages under authority of Commission Decision No. 54586, has been operating in this area. One of the

routes he was authorized to serve is now sought by applicant who on February 10, 1964, was functioning as manager and driver. On that date a bank repossessed the buses, then owned by Lucy Royce Chastain pursuant to a divorce decree. ✓

Applicant, who owned a bus, used it to operate this route. ✓
He has been doing so since then with the acquiescence of Lucy Royce Chastain. When the certificate holder discontinued his insurance coverage and having no buses abandoned all service, applicant filed his own insurance with the Commission and is offering to continue service between Alturas and Redding if authorized by the Commission. ✓

With his application he filed a financial statement showing a net worth of \$9,096.61. According to his testimony he has had extensive experience in the operation of passenger stage services. He presently does not possess any authority to transport passengers within the State of California. No public witnesses appeared in support of the application, perhaps for the reason that the passengers have not yet felt the impact of the abandonment by the certificate owners. ✓

None of the protestants who appeared asserted that the proposed service is not required by public convenience and necessity. N. T. Chastain protested on the ground that, although his service had been abandoned, he was willing to reinstitute the part of his service now proposed by respondent, should this application be denied. His former wife, Lucy Chastain, who now holds the certificate, protested for similar reasons, stating that she would rent a bus from her former husband and hire him as manager to operate this portion of the authorized service.

Walter M. Wood protested on the ground that the Chastains, who purchased the equipment, good will and operative rights from him (Decision No. 54586) on a conditional sales contract, still owed him in excess of \$10,000 on the purchase price. The other protestants, residents of a residential area known as Garden Tract, were really not in a position to protest this application as applicant's proposed route does not serve their area. Their residences are located along a portion of the Chastains' operation which has been abandoned, and which has no connection with the service herein proposed.

Upon consideration of the evidence, the Commission finds as follows:

1. Applicant possesses the experience, equipment, personnel and financial resources to institute and maintain the service authorized in the following order.
2. Public convenience and necessity require that the application be granted to the extent set forth in the following order.
3. The existing passenger stage corporation will not furnish this service to the satisfaction of the Commission.

The Commission concludes that the application should be granted to the extent set forth in the ensuing order.

Robert E. Okerstrom is 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Robert E. Okerstrom, authorizing him to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes set forth in Appendix A attached hereto and hereby made a part hereof.

2. In providing service pursuant to the certificate 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 certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that he will be required, among other things, to file annual reports of his operations and to comply with and observe the safety rules of the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98 and insurance requirements of the Commission's General Order No. 101-A. 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 Orders Nos. 98 and 101-A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file acceptable tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order, on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the service herein authorized.

(d) 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 16th day of June, 1964.

Charles H. Bagley
 _____ President

George J. Hoover

Fredrick B. Hallock

 Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

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Appendix A

ROBERT E. OKERSTROM
doing business as
REDDING TRANSIT LINES

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CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

Showing passenger stage operative rights, restrictions, limitations, exceptions, and privileges applicable thereto.

All changes and amendments as authorized by the Public Utilities Commission of the State of California will be made as revised pages or added original pages.

Issued under authority of Decision No. 67388,
dated June 16, 1964, of the Public Utilities
Commission of the State of California, in Application No.
46286.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS
AND SPECIFICATIONS.

Robert E. Okerstrom, doing business as Redding Transit Lines, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers, baggage and express between the City of Redding and the City of Alturas and intermediate points, over the routes as hereinafter described subject to the following provisions:

- (a) 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, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction, unless otherwise indicated.
- (c) The transportation of express shall be limited to a weight of one hundred pounds per shipment and shall be transported on passenger carrying vehicles.

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Appendix A

ROBERT E. OKERSTROM
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SECTION 2. ROUTE DESCRIPTIONS.

Subject to the authority of this Commission to change or modify such at any time, Robert Okerstrom shall conduct his passenger stage operations between the following points and over and along the following described routes:

Redding - Alturas Route

Between Redding and Alturas via U.S. Highway 299 serving the intermediate points of Round Mountain, Hillcrest, Burney, Fall River Mills, Bieber, Adin and Canby. Also between Hillcrest and Big Bend, which service shall be operated on an "on call" basis for five or more passengers.

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