

Decision No. 75326**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of :

(1) TRANSCONTINENTAL BUS SYSTEM, INC., a corporation, to transfer all of its certificates of public convenience and necessity as a passenger stage corporation, between various points and over various routes in the State of California, to CONTINENTAL TRAILWAYS, INC., a corporation, pursuant to Sections 851-853 of the California Public Utilities Code.

(2) CONTINENTAL TRAILWAYS, INC., a corporation, for an extended and re-stated certificate of public convenience and necessity, as a passenger stage corporation, in lieu of all other certificates of public convenience and necessity transferred to it by TRANSCONTINENTAL BUS SYSTEM, INC., a corporation, between various points and over various routes in the State of California, pursuant to Sections 1031-1036 of the California Public Utilities Code.

(3) CONTINENTAL TRAILWAYS, INC., a corporation, for permission to deviate from Section 3.01 of Part 3 and Sections 10.03 and 10.04 of Part 10, of General Order No. 98-A, which require the use of buzzers and destination signs in the performance of passenger stage corporation service within the State of California.

(4) CONTINENTAL TRAILWAYS, INC., a corporation, for authority (a) to self-insure and for waiver of the rules requiring the filing of policies of insurance covering the operations of the applicant as a passenger stage corporation and as a charter-party carrier, and (b) to act as a guarantor or surety of CONTINENTAL PACIFIC LINES, a corporation, in performing service as a self-insured passenger stage corporation and as a charter-party carrier, all pursuant to the provisions of General Order Nos. 101B and 115A.

Application No. 50758
(Filed December 18, 1968)

OPINION AND ORDER

Transcontinental Bus System, Inc., (Transcontinental), a corporation, seeks authority to transfer all of its certificates of public convenience and necessity as a passenger stage corporation to Continental Trailways, Inc., (Trailways), a corporation. The application alleges that the multi-state operative rights of Transcontinental were transferred to Trailways, effective September 30, 1968, pursuant to an order of the Interstate Commerce Commission in Docket No. MC-F-10161 issued pursuant to that Commission's plenary jurisdiction under Section 5 of the Interstate Commerce Act.^{1/}

Applicants also seek an ex parte order of this Commission:

1. Granting an extended and restated certificate of public convenience and necessity to Trailways, as set forth in Exhibit E attached to the application.

2. Revoking concurrently therewith all of the regular route certificates of public convenience and necessity presently held by Transcontinental, as set forth in Exhibit B attached to the application.

3. Authorizing Trailways to deviate from the use of buzzers and destination signs in the performance of its passenger stage corporation service within the State of California as Transcontinental presently is authorized.

^{1/} The Interstate Commerce Commission has exclusive and plenary jurisdiction to authorize the transfer (County of Marin v. United States, 356 US 412 (1958)). The application herein seeks authority in addition to the transfer of operative rights, otherwise it should be dismissed (Lom Thompson and Interlines-Blankenship, Decision No. 73694, dated February 6, 1968 in Applications Nos. 49842 and 49843).

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4. Authorizing Trailways to act as a self-insurer in both its regular-route and charter-party operations, and as a guarantor and surety of Continental Pacific Lines with respect to its self-insurance.

Restated Certificate

The application states that the following conditions exist which are relied upon by Trailways as justification for the granting of an extended and restated certificate of public convenience and necessity, as herein requested, in lieu of all other certificates of public convenience and necessity heretofore issued to Transcontinental:

1. Trailways proposes to continue to provide service to all terminals and points of passenger pickup now served.

2. Trailways proposes to provide service to all municipalities now served, as presently constituted, and to add additional terminals or points of passenger pickup in said municipalities or other intermediate or terminal points, as they are required to adequately serve the public.

3. Trailways proposes, in some instances, to provide service to points presently authorized to be served over limited access highways (freeways) which are in various stages of design, construction and completion. Such service will be provided for the public safety and convenience over such freeways as they are completed. The major freeways to be utilized will consist of Interstate Highway 5 between Wheeler Ridge and Stockton, which freeway parallels State Highway 99 now served by Transcontinental; and a freeway route consisting of the Glendale Freeway-Colorado Freeway-Foothill Freeway between Los Angeles and San Bernardino, which freeways parallel the route now operated by Transcontinental over city streets and U. S. Highway 66, which is

a surface highway. Also, Trailways will operate over Interstate Highways 580-205-5 between Oakland and Sacramento in lieu of the present highways utilized which consist of Interstate Highway 580-U.S. Highway 50. This latter route will be virtually replaced by the proposed new route.

4. Trailways will retain restrictions relating to the transportation of passengers in the proposed certificated operating authority, which have heretofore been inserted by the Commission, to preclude it from competing with local service provided by other passenger stage corporations or rapid transit districts.

Buzzers and Destination Signs

Decision No. 66079, dated September 24, 1963, on Application No. 45476, authorized Transcontinental, together with its affiliated passenger stage corporations, American Buslines, Inc. (American) and Continental Pacific Lines, (Continental) to deviate from the requirements of General Order No. 98 with respect to the use of buzzers and destination signs in their operations of a passenger stage corporation service within the State of California. Trailways requests that it be authorized to continue such deviation from Section 3.01 of Part 3 and Sections 10.03 and 10.04 of Part 10, of General Order No. 98-A, to the extent heretofore authorized by said Decision No. 66079, for the reason that the circumstances that required the original relief continue to exist to the date hereof and will continue to exist in the future.

Self-Insurer

Pursuant to Decision No. 55684, dated October 15, 1967, in Application No. 39353, Transcontinental and its then wholly-owned subsidiary, Continental, were authorized to act as self-insurers for bodily injury and property damage that they might have to pay in excess

of \$10,000.00 as a result of any single accident or occurrence involving the death of or bodily injury to any person and/or loss of, or damage to property of others resulting from negligence in the operation, maintenance, or use of motor vehicles, for limits of \$990,000.00 in excess of \$10,000.00; and Transcontinental is authorized to act as surety for Continental. Similar authority was granted to Transcontinental and Continental in their operations as charter-party carriers by Decision No. 66515, dated December 27, 1963, on Application No. 45991. Continental is now the wholly-owned subsidiary of Trailways, in lieu of Transcontinental, and Trailways requests that it be exempted from the requirements of General Order Nos. 101B and 115A in order to continue the self-insurance programs of Trailways and of Continental on the same basis and to the same extent as heretofore authorized, including authorization by Trailways to act as the guarantor of or surety for Continental as a passenger stage corporation and charter-party carrier.

The application further alleges the following: The application will result in the substitution of a new and adequately-financed corporation, namely Trailways, in place of Transcontinental, without any adverse affect upon its financial and other ability to continue to provide the same level of service to the traveling public. So far as the proposed extended and restated certificate of public convenience and necessity is concerned, the grant of this portion of the application will result in improved service to the traveling public without adverse affect on any other passenger stage corporation or rapid transit district in that it will enable Trailways to operate over improved routes and at present rate levels without decrease in service to any point not now served by Transcontinental. The substitution of Trailways for Transcontinental, with respect to the authority

to deviate from the requirements respecting buzzers and destination signs, as well as the substitution of Trailways for Transcontinental as the self-insurer, including acting as a guarantor of Continental, will not alter existing practices and procedures which, through experience, have been found to be beneficial to the applicants and the public. For the foregoing reasons applicants urge the application is one which the Commission may grant without the necessity of a formal hearing.

The application indicates that it was served upon Greyhound Lines, Inc., a competing carrier at most points served by Transcontinental under its present certificate. Notice of the filing of the application also appeared on the Commission's Daily Calendar of December 19, 1968. There are no protests.

The Commission finds as follows:

1. Authority for the transfer of operative rights in question was sought and has been granted by the Interstate Commerce Commission in Dockets Nos. MC-F-10160 and MC-F-10161.

2. The sought restatement and reissuance of the intrastate operating authority are in the public interest.

3. Public convenience and necessity will require the proposed additional and alternate routes, and public convenience and necessity no longer require the routes sought to be discontinued.

4. The sought authority to continue in effect, after the transfer, of the present exemptions from the requirements of General Orders Nos. 98-A, 101-B and 115-A will be in the public interest.

The Commission concludes that:

1. The Interstate Commerce Commission has exclusive and plenary jurisdiction to authorize the transfer of the operative rights in question, and such transfer has been accomplished pursuant to its order in Docket No. MC-F-10161.

2. Except for authorization of the transfer of the operative rights, the application herein should be granted.

3. A public hearing is not necessary.

Continental Trailways, Inc., 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.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Continental Trailways, Inc., a corporation, authorizing it 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 made a part hereof.

2. In providing service pursuant to the certificate herein granted, Continental Trailways, Inc., shall comply with and observe the following service regulations. Failure so to do may result in a cancellation of the operating authority granted by this decision.

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. Applicant is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, 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-A and insurance requirements of the Commission's General Order No. 101-B.

- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file 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-A.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

3. Continental Trailways, Inc., and Transcontinental Bus System, Inc., shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations transferred from the latter to the former, to show that Transcontinental Bus System, Inc., has withdrawn or cancelled, and Continental Trailways, Inc., has adopted or established, as its own, said rates and rules.

4. On or after the third month after the effective date of the tariff filings referred to above, Continental Trailways, Inc., shall cause to be filed with this Commission, an annual report, or reports, related to the operation of Transcontinental Bus System, Inc., for the period commencing with the first date of the current year to and including the effective date of said tariff filings.

5. On and after the date of the acceptance of the certificate of public convenience and necessity granted in paragraph 1 hereof, the certificate of public convenience and necessity granted therein shall supersede the certificate of public convenience and necessity granted by this Commission in Decision No. 55018, as amended or extended by Decisions Nos. 55217, 59261, 59988, 64861 and 72463, which certificate is revoked concurrently with the date of said acceptance.

6. Ordering paragraphs 1 through 5 of Decision No. 55684 in Application No. 39353 and ordering paragraphs 1 through 5 of Decision 66515 in Application No. 45991, are hereby amended by substituting "Continental Trailways, Inc.," for "Transcontinental Bus System, Inc.," wherever the latter appears. Continental Trailways, Inc., shall comply with ordering paragraph 6 of said Decision No. 55684 and ordering paragraph 6 of said Decision No. 66515 by causing its insurance company or companies to make the certification required in said ordering paragraphs.

7. Continental Trailways, Inc., is authorized to deviate from Sections 3.01, 10.03 and 10.04 of General Order No. 98-A, to operate

passenger stages over all of its lines in California which do not contain buzzers or destination signs as required by said sections.

Dated at Los Angeles, California, this 18th
day of FEBRUARY, 1969.

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

Continental Trailways, Inc., by the certificate of public convenience and necessity granted in the below-numbered decision, is authorized to transport passengers, their baggage and shipments of express (including newspapers) weighing one hundred pounds or less, on passenger carrying vehicles, between all points and places as hereinafter stated, and points intermediate thereto, over the routes hereinafter described as a consolidated and unified operation, and subject to the conditions, rights and restrictions applicable thereto.

When route descriptions are given in one direction, they apply to operation 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, Continental Trailways, 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. 75326, Application No. 50758.

ROUTE GROUP 1

- 1.01 - Between San Francisco and Los Angeles via California State Highway 99:

From San Francisco over San Francisco-Oakland Bay Bridge to Oakland, thence over Interstate Highway 580 and 205 (U. S. Highway 50) to its junction with California State Highway 120, thence over California State Highway 120 to its junction with California State Highway 99 at Manteca, thence over California State Highway 99 to its junction with Interstate Highway 5, thence over Interstate Highway 5 to Los Angeles.

- 1.02 - Between Oakland and junction Interstate Highway 580 and California State Highway 238 west of Castro Valley:

From Oakland over California State Highway 17 (Nimitz Freeway) and California State Highway 238 to its junction with Interstate Highway 580 immediately west of Castro Valley.

- 1.03 - Between junction California Highway 238 with Interstate Highway 580 (U. S. Highway 50) west of Castro Valley and junction Castro Valley Boulevard with Interstate Highway 580:

From Interstate Highway 580 over California Highway 238, "A" Street, Hayward, Redwood Road, Grove Way and Castro Valley Boulevard to its junction with Interstate Highway 580 (U. S. Highway 50).

- 1.04 - Between U. S. Highway 50 (Interstate Highway 580) and Parks Job Corps Training Center:

From U. S. Highway 50 (Interstate Highway 580) over Daugherty Road to the main gate of Parks Job Corps Training Center.

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1.05 - Between Stockton and Manteca:

From Stockton over California State Highway 99 to Manteca.

1.06 - Between Stockton and junction U. S. Highway 50 and California State Highway 120:

From Stockton over U. S. Highway 50 to its junction with California State Highway 120.

1.07 - Between junction California State Highway 99 with California State Highway 198 and Tulare, via Visalia:

From California State Highway 99 over California State Highway 198 to Visalia, thence over California State Highway 63 and California State Highway 137 to Tulare.

1.08 - Between junction Interstate Highway 5 and California State Highway 170 and Los Angeles, via Hollywood Freeway:

From junction Interstate Highway 5 with California State Highway 170 over California State Highway 170 to junction U. S. Highway 101, thence over U. S. Highway 101 to Los Angeles.

1.09 - Between Oakland and Los Angeles via Interstate Highway 5:

From Oakland over Interstate Highway 580 to junction Interstate Highway 5, thence over Interstate Highway 5 to Los Angeles.

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- 1.10 - Between Stockton and junction Interstate Highway 5 with junction Interstate Highway 580:

From Stockton over Interstate Highway 5 to junction with Interstate Highway 580.

- 1.11 - Between junction Interstate Highway 580 with Interstate Highway 205 and junction Interstate Highway 205 with junction Interstate Highway 5:

From junction Interstate Highway 580 with Interstate Highway 205 over Interstate Highway 205 to junction with Interstate Highway 5, near Tracy.

- 1.12 - Between Modesto and junction California State Highway 132 with Interstate Highway 5:

From Modesto over California State Highway 132 to junction with Interstate Highway 5.

- 1.13 - Between junction California State Highway 152 with California State Highway 99 and junction California State Highway 152 with Interstate Highway 5:

From junction California State Highway 152 with California State Highway 99, near Chowchilla, over California State Highway 152 to junction Interstate Highway 5, to be operated as an alternate route.

- 1.14 - Between Interstate Highway 5 and San Fernando:

From junction Interstate Highway 5 and California State Highway 118, via California State Highway 118 to San Fernando.

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ROUTE GROUP 2

- 2.01 - Between Los Angeles and California-Arizona State Line, via Needles:

From Los Angeles over city streets and Figueroa Street to junction Colorado Boulevard, thence over Colorado Boulevard to U. S. Highway 66, thence over U. S. Highway 66 to California-Arizona State Line.

- 2.02 - Between junction U. S. Highway 66 (Interstate Highway 15) and Victorville:

From junction U. S. Highway 66 (Interstate Highway 15) and California State Highway 18 over California State Highway 18 to Victorville.

- 2.03 - Between Azusa and West Covina:

From Azusa over California State Highway 39 to West Covina.

- 2.04 - Between Los Angeles and San Bernardino:

From Los Angeles over Interstate Highway 5 to junction with California State Highway 2 (Glendale Freeway), thence over California State Highway 2 (Glendale Freeway) to junction with California State Highway 134 (Colorado Freeway), thence over California State Highway 134 (Colorado Freeway) to junction with Interstate Highway 210 (Foothill Freeway), thence over Interstate Highway 210 (Foothill Freeway) to junction California State Highway 30 (Foothill Freeway), thence over California State Highway 30 (Foothill Freeway) to junction with Interstate Highway 15 (U. S. Highway 66).

- 2.05 - Between Azusa and Pomona:

From Azusa over Interstate Highway 210 to Pomona.

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ROUTE GROUP 3

- 3.01 - Between Los Angeles and California-Arizona State Line, via Blythe:

From Los Angeles over Interstate Highway 10 to the California-Arizona State Line.

- 3.02 - Between junction U. S. Highway 395 with Interstate Highway 10 near Colton, and San Bernardino:

From junction Interstate Highway 10 near Colton over U. S. Highway 395 (Interstate Highway 15) to San Bernardino.

- 3.03 - Between Pomona and Riverside, via California State Highway 60:

From junction Interstate Highway 10 with California State Highway 71 over California State Highway 71 to junction California State Highway 60, thence over California State Highway 60 to junction U. S. Highway 395.

- 3.04 - Between Pomona and Colton:

From junction Interstate Highway 10 and Holt Avenue in Pomona over Holt Avenue to Ontario, thence over city streets and U. S. Highway 60 to Riverside, thence over city streets and U. S. Highway 395 to junction Interstate Highway 10 near Colton.

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SPECIAL CONDITIONS, RIGHTS AND RESTRICTIONS

1. Routes described include transportation of passengers, their baggage and shipments of express (including newspapers) weighing one hundred pounds or less, on passenger-carrying vehicles between all points and places, and such shipments of express are not subject to the restrictions that apply to the transportation of passengers and their baggage as set forth herein, except as otherwise noted.

2. Passengers and their baggage shall not be transported locally between the following points:

- (a) Between San Francisco and Hayward and intermediate points.
- (b) Between Los Angeles and San Fernando and intermediate points.
- (c) Between Los Angeles and San Bernardino and intermediate points over any routes.
- (d) Between points in one restricted territory as designated and described in Restrictions (b) and (c) above, on the one hand, and points in another restricted territory as designated and described in said Restrictions (b) and (c) above.

Note: The term "locally" as used in connection with these restrictions does not apply to the movement of passengers and their baggage from points inside a restricted area to points outside that restricted area or to the movement of passengers and their baggage from points outside a restricted area to points inside said restricted area.

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3. No passengers or their baggage shall be transported between Los Angeles and Bakersfield and intermediate points who have a prior or subsequent movement beyond Los Angeles or Bakersfield, or both, via the lines of The Atchison, Topeka and Santa Fe Railway Company.

4. Continental Trailways, Inc., passenger stage service shall be coordinated and integrated with the services of the Santa Fe Transportation Company and The Atchison, Topeka and Santa Fe Railway Company. Said services shall provide for stop-over privileges and for the interchange of tickets subject to the payment by the passengers or by refund to the passengers as the case may be of the difference between rail fares and passenger stage fares.

5. Routes designated as "alternate routes" in this appendix are defined as routes which are in addition to the regular routes between the named termini, and are authorized for operating convenience, to be operated at the option of the company, provided, however, no service may be rendered to or from any intermediate point or points thereon.

6. Continental Trailways, Inc., is authorized to operate to and from the company stations or points of passenger pickup and discharge within each city, town or community into or through which an authorized highway route passes or reaches any portion thereof, unless otherwise specifically restricted or limited, and may utilize all available freeways, city streets and county roads as access roads to or from such company stations or points of passenger pickup or discharge.

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