

Decision No. 79480

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PENINSULA TRANSIT LINES, INC., a
California Corporation, for authority
to transfer operating rights to
PENINSULA CHARTER LINES, INC., a
California Corporation.

Application No. 52979
(Filed November 8, 1971)

O P I N I O N

Peninsula Transit Lines, Inc. (Transit) is a passenger stage corporation with operations in and about Palo Alto and Menlo Park, and is a charter-party carrier of passengers. It here seeks authority to transfer a portion of its passenger stage operating rights and certain equipment to Peninsula Charter Lines, Inc. (Charter), a newly formed California corporation. A transfer from Transit to Charter of the certificate authorizing charter-party carrier operations is the subject of another application.

Transit's authority to conduct passenger stage operations is set forth in Decision No. 77488 in Application No. 51925. The portion proposed to be transferred to Charter is that authorizing an on-call service between San Francisco, on the one hand, and Redwood City, Menlo Park and Palo Alto, on the other hand, and is designated in said decision as "Peninsula Commute Route".

Transit asserts that all of its passenger stage routes except the peninsula commute route will be integrated into the San Jose - Palo Alto Mass Transportation Demonstration Project which will commence on or about January 1, 1972, under the auspices of the Federal Urban Mass Transportation Administration. Because of that situation it is necessary that said routes be operated completely separate and independent from Transit's other operations, namely, the peninsula commute route and the charter-party carrier

operations. It is asserted that to do otherwise would create extreme difficulties in connection with federal subsidies and controls as well as labor union and employee relationships.

Transit is a family held corporation controlled by John P. Demeter. Provided the transfer is authorized, certain assets and liabilities, including 15 buses, will be split off from Transit and transferred to Charter which will conduct the peninsula commute route with the same tariffs and schedules as are now in force and the charter-party carrier operations. All of the shares of stock of Transit will be owned by John P. Demeter, and all of the shares of stock in Charter will be held by his son, Michael J. Demeter.

Applicants seek authorization to make the transfer on December 31, 1971, with the consummation thereof to be effective January 1, 1972, and to make the necessary tariff publications effective on January 1, 1972, on less than 30 days' notice.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the amendment of the certificate of public convenience and necessity granted to Transit by Decision No. 77488 to delete the authority to operate the peninsula commute route, and the issuance of a certificate in appendix form authorizing Charter to conduct said operation.

Charter 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. On or before January 1, 1972, Peninsula Transit Lines, Inc., may transfer, and Peninsula Charter Lines, Inc., may acquire, the property and operative rights referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, transferee shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any instrument of transfer which may be executed to effect said transfer.

3. Transferee shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 79. Failure to comply with and observe the provisions of General Order No. 79 may result in a cancellation of the operating authority granted by this decision.

4. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to Peninsula Charter Lines, Inc., a corporation, authorizing it to operate as a passenger stage corporation as defined in Section 226 of the Public Utilities Code, between San Francisco, on the one hand, and Redwood City, Menlo Park and Palo Alto, on the other hand, as more particularly set forth in Appendix A attached hereto and made a part hereof.

5. In the event the transfer authorized in paragraph 1 hereof is consummated, the certificate of public convenience and necessity granted to Peninsula Transit Lines, Inc., by Decision No. 77488 in Application No. 51925 is amended by deleting therefrom the authority to conduct passenger stage operations between San Francisco, on the one hand, and Redwood City, Menlo Park and Palo Alto, on the other hand; and Appendix A of said Decision No. 77488 is amended by incorporating therein First Revised Page 1 and First Revised Page 3, attached hereto, in revision of Original Page 1 and Original Page 3.

6. Within thirty days after the transfer herein authorized is consummated, transferee shall file a written acceptance of the certificate. Transferee is placed on notice that, if it accepts such certificate, it will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-F.

7. Transferee 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.

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

Dated at Los Angeles, California, this 14th day of DECEMBER, 1971.

J. P. ...

Chairman
William ...

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Commissioners

Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS AND SPECIFICATIONS:

Peninsula Charter Lines, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers by motor vehicles between San Francisco, on the one hand, and Redwood City, Menlo Park and Palo Alto, on the other hand, over and along the routes hereinafter described, subject to the following provisions and restrictions.

- a. The service authorized between San Francisco, on the one hand, and Redwood City, Menlo Park and Palo Alto, on the other hand, shall be "on-call" limited to instances where carrier is guaranteed the daily rate specified in its tariff.
- b. No more than one schedule nor more than one stage shall be operated in each direction in any one day between San Francisco, on the one hand, and Palo Alto and Redwood City, on the other hand.
- c. No service shall be rendered locally between, to or from intermediate points located between San Francisco, on the one hand, and Palo Alto and Redwood City, on the other hand.

PENINSULA COMMUTE ROUTE

From the intersection of Van Ness Avenue and Chestnut Street in San Francisco, along Van Ness Avenue, Sacramento Street, Gough Street, Central Freeway (U.S. Highway 101), Municipal Freeway, Bayshore Freeway in San Mateo County to Harbor Boulevard cutoff in Redwood City, thence along Broadway Street, Charter Street, Bay Road, Scott Drive, Frontage Road, Middlefield Road, Ravenswood Avenue, and El Camino Real to the Stanford Medical Center, thence along Willow Road to its intersection with Governor Road.

Return same route except in San Francisco, substitute Franklin and O'Farrell Streets for Gough and Sacramento Streets, respectively, due to the one-way street pattern.

Issued by California Public Utilities Commission.

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Appendix A
(Dec. 77488)

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Cancels
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Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS AND SPECIFICATIONS:

Peninsula Transit Lines, Inc., by the certificate of public convenience and necessity granted by Decision No. 77488 in Application No. 51925 is authorized to transport passengers by motor vehicles between and within the Cities of Palo Alto and Menlo Park and surrounding area over the routes hereinafter described.

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Appendix A
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