

Decision No. 16412

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of the Mt.Lassen Transit Company,)
a corporation, for Authority to)
Readjust Passenger Fares and Ex-)
press Rates between Various Points)
on its System.)

APPLICATION NO. 12389

Harry A. Encell and James A. Miller, by Harry A. Encell,
for Applicant.

BY THE COMMISSION:

ORIGINAL

O P I N I O N

This is an application filed by the Mt.Lassen Transit Company, a corporation, requesting permission to readjust the passenger fares and the express rates between points on its entire system. It is set forth in the petition that the readjustment of rates and fares is not proposed for the purpose of increasing the present operating revenue, but is solely to provide a harmonious and adequate rate structure. The changes proposed reflect both increases and reductions in the present rates and fares.

A public hearing was held before Examiner Geary March 19, 1926 at San Francisco and the case having been duly submitted is now ready for an opinion and order.

The operative rights of applicant are in the north-eastern part of the State and extend from Red Bluff and Chico to Mineral, Lake Helen, Chester, Drakesbad, Westwood, Crescent Mills, Keddie, Susanville, Doyle and to the California-Nevada State Line. These operations embrace approximately 400 miles of territory and are a consolidation of several individual rights acquired by applicant within the past two years. The original line of the Mt. Lassen Transit Company extended from Red Bluff to Westwood and was secured from Walter Gosney on June 5, 1924 by authority of this Commission in Application No. 10062, Decision No. 13641, and later in Application 11007, Decision No. 15079, of June 25, 1925, applicant was granted a certificate to operate a local service from Mineral, north to Lake Helen. By subsequent orders of the Commission in Application 10948, Decision No. 14737, dated April 4, 1925; Applications 11069 and 11106, Decision No. 15129, dated July 3, 1925; Application 11671, Decision No. 15479, dated October 1, 1925, and Application 11737, Decision No. 15647, dated November 20, 1925, applicant secured by purchase, and was authorized to consolidate its rights with those of the Lawrence Stage Company, Scott Stage Company and the Lassen Transit Company, hereinafter referred to as the Lawrence Line, the Scott Line and the Lassen Transit, respectively. The Lawrence Line extended from Keddie to Westwood, Susanville, Chester, Drakesbad, and paralleled the Mt. Lassen Transit Company between Chester and Westwood. The Scott Line served the territory extending from the California-Nevada State Line to Susanville, Westwood and Crescent Mills, and from Doyle to Susanville and these operations paralleled the

Lawrence Line between Westwood and Susanville and between Westwood and Crescent Mills. The operative rights of the Lassen Transit embraced the territory between Chico and Chester, Juniper Lake, Westwood and Susanville and paralleled the Mt. Lassen Transit Company between Chester and Westwood, the Lawrence Line between Chester, Westwood and Susanville, and the Scott Line between Susanville and Westwood. Thus before applicant acquired and consolidated the various operative rights there were three competing lines between Chester and Westwood and between Westwood and Susanville and two between Westwood and Crescent Mills.

The testimony indicates that the principal business of applicant is derived from the movement of labor from and to the lumber mills and construction projects in the vicinity of Susanville, Westwood, Chester, Drakesbad and Lake Almanor. Approximately ninety per cent of this traffic passes through four terminal points; namely, Crescent Mills, Keddie, Chico and Red Bluff. Rail connections are made with the Indian Valley Railroad at Crescent Mills, the Western Pacific Railroad at Keddie, the Southern Pacific Company at Chico and Red Bluff, and the Sacramento Northern Railroad at Chico. Prior to the consolidation each line operating in the competitive territory made strenuous efforts to secure the bulk of this traffic. Fares were reduced by tariff publication, but it is in evidence that as the competition grew keener fares were applied lower than those lawfully on file with the Commission. The fares of applicant between some points were higher than those of its competitors and the testimony indicates that even in the face of this fact it was able to secure the major portion of the traffic by reason of its superior operating equipment and by the rendering of

a more satisfactory service. However, upon acquiring the operative rights of the competing lines applicant was also required to adopt the published tariffs and as a result assess different fares between the same common points on its own line for similar hauls.

This unsatisfactory situation applicant now seeks authority to remedy and proposes to place in effect an adequate rate and fare structure based upon the service rendered. The fares are not on a strict mileage basis, due to the diversified road conditions prevailing on the routes over which applicant traverses. The passenger fares proposed result in both increases and reductions, principally between points in the territory formerly served by the competing lines and for the most part they are the same as, or based on, the fares now in effect on applicant's original line. The express rates proposed are, in nearly all cases, lower than the present rates. However, there are some increases, but these are brought about primarily by the observance of the minimum charge of 50 cents now in effect on the line of the Mt. Lassen Transit Company.

Due to the fact that none of the lines acquired by applicant had in the past kept records of the extent of travel it was impossible to submit any positive data as to the effect the proposed rates and fares would have on the operating revenue. However, a witness testified that a careful study of the proposed rate and fare structure indicated that the new rates and fares would not materially affect the total operating revenues.

Applicant now has joint passenger fares between points in the Sacramento Valley on the one hand and on the other, Susanville, Westwood and contiguous points in connection with the Western Pacific Railroad and Indian Valley Railroad via Crescent Mills, the Western Pacific Railroad via Keddie, the Southern Pacific

Company and Sacramento Northern Railroad via Chico, and the Shasta Transit Company and the Southern Pacific Company via Red Bluff. These through fares are now the same via the four gateways and the record shows that no change is desired in this adjustment.

The Indian Valley Railroad filed a petition in intervention opposing the granting of this application upon the ground that satisfactory connections were not made at Crescent Mills for the interchange of passengers, thus depriving the intervener of a fair share of the through business. Prior to the hearing a satisfactory operating time schedule was perfected and the petition was withdrawn.

Upon consideration of all the facts of record we are of the opinion and find that applicant should be authorized to publish through passenger fares and express rates and to readjust its passenger fares and express rates as set forth in the application and that the application should be granted.

O R D E R

This application having been duly heard and submitted, full investigation of the matters and things in-

volved having been had and basing this order on the findings of fact and the conclusions contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant, Mt. Lassen Transit Company, a corporation, be and it is hereby authorized to establish on ten (10) days' notice to the Commission and to the public the passenger fares and express rates as set forth in Exhibits 1 and 2, and as amended, attached to and made a part of the application.

Dated at San Francisco, California, this
5th day of April, 1926.

H. B. Brundage
O. S. ...
E. ...
Leon Whitell

Commissioners.