

- (a) Between Willits and Carboville and the intermediate points of Outlet, Arnold, Longvale, Laytonville, Twin Rocks, Cummings, Leggett Valley, Rockport, Redwood Flat, Andersonia, Richardson Grove and Piercy.
- (b) Between Eureka and Red Bluff and the intermediate points of Fortuna, Rohnerville, Hydeville, Carlotta, Beckwith Road, Bridgeville, Strongs, Mc Clellan, Dinsmore, Cobbs, Low Gap, Forest Glen, Peanut, Wildwood, Knob, Noble, Beegum, Rosewood and Left Fork.
- (c) Between Eureka and Freshwater and the intermediate point of Cobbs.

Public hearings on these applications were conducted by Examiner Handford at San Francisco, the matters were consolidated for the receipt of evidence and for decision, were duly submitted and are now ready for decision.

Applicant A. Harwood proposes to charge rates in accordance with a schedule marked "Exhibit A" as attached to the application; to operate freight service three times per week, on Tuesdays, Thursdays and Saturdays, and passenger and express service between Laytonville and Branscomb, daily except Sunday. The equipment consists of 1-1½ ton and 1-2ton Kleiber trucks, 1- 2½ ton White Truck, 1- 3/4 ton and 1- 1½ ton Graham trucks, a total manufacturer's rated capacity of 8-1/4 tons.

Applicant relies as justification for the granting of the desired certificate on the following alleged facts:

1. That applicant has been informed that Pickwick Stages System is about to file with this Commission an application for permission to abandon the freight service heretofore conducted by it over the route herein applied for, and in the event of the granting of said application the communities heretofore served will be deprived of any adequate common carrier service.
2. That there is a substantial demand on the part of the public for the transportation of freight by automobile truck over and along the route herein proposed to be served.
3. That there is a substantial need for the transportation of freight, as distinguished from express matter requiring expedited handling, over and along said route and between said termini and intermediate points thereof, and that an express service alone will not satisfy the needs and requirements of the public.

That the freight service herein proposed is necessary for the handling of large and bulky shipments and shipments which will not warrant the payment of the higher express charges imposed for expedited transportation.

4. That many resorts are situated along and upon the proposed route, all of which need and require a public automobile freight transportation service.

5. That there is no public transportation service for passengers and express between Laytonville and Branscomb other than that heretofore afforded by applicant, and applicant desires a certificate of public convenience and necessity authorizing such service.

B. P. Mc Connaha, regional manager for applicant Pickwick Stages System, with jurisdiction over the applicant's system between Ukiah and Crescent City and between Eureka and Red Bluff, testified regarding the freight service between Eureka and Red Bluff which is proposed to be discontinued. The service proposed to be abandoned has been seasonal, operated for four or five months of each year when road and weather conditions permitted, on a schedule of three trips weekly. Due to the slight volume of business handled no separate freight vehicle has been operated, all shipments being carried on the passenger stages operating seasonally between Eureka and Red Bluff. The revenue derived from this operation has been nominal, as reflected by the following tabulation:

<u>Year</u>	<u>Revenue</u>
1925	\$ 556.41
1926	631.84
1927	708.46

No protest was received against the discontinuance of this service, and it appears that the limited amount of freight business offering for transportation over this route can be satisfactorily cared for by the express service available on applicant's passenger service, the rates for the transportation of freight and express shipments being identical.

Regarding the freight service between Eureka and Freshwater, the witness testified that no freight vehicle had been operated in this service, small packages being the only offering by the public and such property being carried on the daily passenger stage. The revenue received from this freight transportation is reflected by the following compilation:

<u>YEAR</u>	<u>REVENUE</u>
1925	\$ 9.15
1926	9.33
1927	74.51
1928 (3 months)	38.53

The discontinuance of the so-called freight service will not inconvenience the public in that express service is available on the passenger stages of applicant at the same rates as published for freight movement.

Regarding the proposed discontinuance of freight service between Willits and Garberville, the witness testified that this service was operated by the West Coast Transit Company, predecessor of applicant, at a loss and that such loss continued until the line was turned over to applicant Harwood as of May 1, 1926. The revenue accruing from the operation of this line was as follows:

<u>Year</u>	<u>Revenue</u>
1924	\$ 1908.65
1925	2153.22
1926 (4 months)	638.50

A. Harwood, applicant in Application No. 14687, testified that he held a mail contract between Longvale, Piercy, and Branscomb; that he had handled freight over the route between Willits and Garberville since May 1, 1926, at which time the West Coast Transit

Company suspended operation; that he had carried passengers and freight whenever offering over his mail route between Laytonville and Branscomb; that neither his mail contract nor his freight hauling, if considered separately, provided adequate revenue to sustain individual operation; that no other authorized service was available; and that the demands of resort owners and the public were being satisfactorily met by his present operation for which authorization is herein requested.

The record shows Garberville to be located on the Redwood Highway, 77 miles north of Willits, such highway between these points not being served by the railroad which follows the main Eel River while the highway follows the south fork of the Eel River, a range of hills intervening between the railroad and the Redwood Highway. There is a connecting county road between the railroad station of Dos Rios and Laytonville on the Redwood Highway, a distance of twelve miles, but this connecting road is stated to be in poor condition and often impassable during the winter months.

Applicant Pickwick Stages System alleges that the freight operative rights between Willits and Garberville and between Eureka and Freshwater are those granted to its predecessor West Coast Transit Company by authorization contained in this Commission's Decisions Nos. 13435 and 18952 on Application No. 9807, said operative rights being later transferred by West Coast Transit Company to Pickwick Stages System by the authority contained in this Commission's Decision No. 17078 on Application No. 12927, as decided July 3, 1926.

An inspection of the order in Decision No. 13435 on Application No. 9807, as decided April 18, 1924, shows no freight operative rights to have been granted, excepting between Eureka and Red Bluff and intermediate points, the only property carrying rights being for express limited to packages not exceeding 100 pounds each and such to be carried on passenger stages. Under this state of facts no authorization has existed for the transportation of

freight by applicant Pickwick Stages System between Willits and Garberville or between Eureka and Freshwater and such portions of the application will be dismissed.

Upon the record herein we conclude and hereby find as a fact that no public convenience and necessity exists requiring the transportation of freight by applicant Pickwick Stages System between Eureka and Red Bluff and intermediate points and the order herein will, therefore, authorize the discontinuance of said service and the cancellation of tariffs now published for said freight service.

As to the application of A. Harwood for authority to transport freight between Willits and Garberville and intermediate points, and passengers and express between Laytonville and Branscomb.

The record shows A. Harwood to have been transporting freight continuously since May 1, 1926, over the route between Willits and Garberville, serving intermediate points, said operation having been turned over to him by West Coast Transit Company, which company as hereinabove shown had no authority for such operation.

As to the passenger and express right sought between Laytonville and Branscomb, the record shows that passengers and express are now transported by this applicant in connection with his mail contract whenever offered for movement. In consideration of the isolated location of this applicant and the fact that a denial of the application would deprive the public of regular transportation of passengers, freight and express in a territory not provided with public transportation and dependent upon the service as now rendered by this applicant in connection with his mail contracts, we are of the opinion that a certificate of public convenience and necessity should be issued and the order herein will so provide.

A. Harwood is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to

the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

O R D E R

Public hearings having been held on the above entitled application which were duly consolidated for the purpose of receiving evidence and for decision, the matters having been duly submitted, the Commission being now fully advised and basing its order on the conclusions and findings of fact as appearing in the opinion which precedes this order,

IT IS HEREBY ORDERED that Pickwick Stages System, a corporation, be and the same hereby is authorized to discontinue the operation of automobile freight service as heretofore rendered between Eureka and Red Bluff and the intermediate points of Fortuna, Rohnerville, Hydeville, Carlotta, Beckwith Road, Strongs, Bridgeville, McClennan, Dinsmore, Cobbs, Low Gap, Forest Glen, Peanut, Wildwood, Knob, Noble, Beegum, Rosewood and Left Fork, and said applicant is hereby required to cancel, in conformity with the rules of this Commission, all tariffs of rates covering the transportation of freight over the hereinabove described route.

IT IS HEREBY FURTHER ORDERED that Application No. 14688 insofar as it requests authority for the abandonment of freight service between Eureka and Freshwater and intermediate points, and between Willits and Garberville and intermediate points, be and the same hereby is dismissed, and applicant is hereby directed to immediately cancel, in conformity with the rules of this Commission, all tariffs and time schedules covering the transportation of freight over such routes, no operative rights being possessed by said applicant for such freight operation.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation

as a common carrier of freight by A. Harwood of an automobile truck service between Willits and Garberville and the intermediate points of Outlet, Arnold, Longvale, Laytonville, Twin Rocks, Cummings, Leggett Valley, Rockport, Redwood Flat, Andersonia, Richardson Grove and Piercy, also between Laytonville and Branscomb; and for automobile stage service as a common carrier of passengers and express between Laytonville and Branscomb, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to A. Harwood for the operation of an automobile truck line as a common carrier of freight between Willits and Garberville and the intermediate points of Outlet, Arnold, Longvale, Laytonville, Twin Rocks, Cummings, Leggett Valley, Rockport, Redwood Flat, Andersonia, Richardson Grove and Piercy; and for the operation of an automobile stage line as a common carrier of passengers and express between Laytonville and Branscomb, subject to the following conditions:

1. Applicant shall file his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.
2. Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.
3. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.
4. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all purposes, other than hereinabove stated, the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 31st day of August, 1928.

J. S. [unclear]

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COMMISSIONERS.