

prayed for with the rights now owned by applicants authorizing service between Susanville and a point on the California-Oregon state line near Malin, Oregon, via Alturas and Canby, and between Alturas and Bieber via Lookout, via Parks Ranch, or via Adin.

The rates and fares covering the proposed service, time schedules to be followed and the equipment to be used, are all duly set forth in the exhibits attached to and made a part of the application.

A hearing was held by Examiner Gannon at Alturas and the matter was submitted.

W. M. Sanford, one of the co-partners, called as a witness in support of the application, testified that applicants now operate an interstate stage service between Alturas and Lakeview, Oregon, and that they desire to serve certain local communities between those points. There are two lumber mills employing some fifty men located a short distance north of Davis Creek, approximately one and one-half miles from the highway and four miles from the rail line. At Fandango is another mill employing one hundred men located two and one-half miles off the highway and seven miles from the railroad. Still farther north is Willow Ranch served by the rail line, and here is located a box factory employing some fifty men, according to the witness's testimony. New Pine Creek is located on the California-Oregon state line and is approximately one and one-half miles from the railroad.

This witness further testified that the present operation is seasonal, but that it is his intention to operate throughout the year so far as it is possible, weather conditions permitting. Last year he commenced his operation on May 22nd and continued without interruption until December 10th, running one round trip daily. The schedules here proposed contemplate one trip each way daily. The southbound schedule leaves New Pine Creek at 8:00 a.m. arriving at Alturas at 10:15 a.m. and the northbound schedule leaves Alturas at 3:00 p.m. arriving at New Pine Creek at 5:30 p.m.

The Alturas ticket agent for the applicant testified that during the thirty days preceding the date of the hearing he had had five inquiries for transportation by stage to Davis Creek, fourteen to Willow Ranch, and eight to Fandango Mills. Last summer the number of such inquiries from Alturas to points south of New Pine Creek averaged better than three per day, with some inquiries for express service.

An official of the Davis Creek Lumber Company testified that his concern would avail itself of the proposed service both for the transportation of passengers and express from Alturas. From the testimony of another witness it appeared that the service would be of value for the shipment of newspapers and magazines, especially for Sunday delivery, in view of the non-operation of trains on that day.

The manager of the lumber mill at Fandango testified that the operation of applicant's stages into the mill would be a convenience. A large number of men are regularly employed here, the plant is located six or seven miles off the railroad, and there is a substantial demand for passengers and

express transportation service into the camp.

The application was protested by Southern Pacific Company and Railway Express Agency. The latter company maintains express offices at Alturas, Davis Creek, Willow Ranch and Fairport, and submitted a statement of its tariffs on various commodities between these points. Southern Pacific Company offered to withdraw its protest if applicant would limit the proposed service to points not served by the rail line, but the offer met with no response. This carrier operates one train each way daily between Alturas and a point just this side of the California-Oregon state line known as Fairport. It contends that the present train service is adequate for all reasonable requirements and that the inauguration of regular stage service in the territory would impair the rail service. It appears from the evidence that the territory is sparsely settled and that the road conditions are none too good. The principal industry is lumber and mill products, with some dairying and fruit growing. The number of passengers handled by the Southern Pacific Company between Alturas and Lakeview in both directions on trains 35 and 36, which are the two schedules above referred to, averaged approximately 2500 per month during the past five years, with an average annual revenue from both trains of \$7500. The railroad supplies a satisfactory service which should be protected, both as to operation and revenue, to the fullest possible extent, and that principle consistently invoked by this Commission will be accorded due observance in our order herein. However, there does appear a certain definite demand for additional service of a kind and character proposed by applicants and to satisfy that demand we believe the record in this proceeding justifies

the granting of the application with certain restrictions.

Sanford and Word are 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

A public hearing having been held in the above entitled application, the matter having been submitted and being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require the operation by W. M. Sanford and Frank G. Word, co-partners, of an automobile stage service for the transportation of passengers, baggage and express between Alturas and a point at the California-Oregon state line known as New Pine Creek and all intermediate points except as hereinafter provided, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service, to be operated seasonably, be and the same is hereby granted to W. M. Sanford, and Frank G. Word, co-partners, subject to the following conditions:

1. Applicant shall render service as proposed between Alturas and New Pine Creek and all intermediate points, save and except Surprise and Willow Ranch.

2. Applicants shall file their written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
3. Applicants shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariffs of rates and time schedules, such tariffs and time schedules to be identical with those attached to the application herein, within the limits of the order 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 sixty (60) days from the date hereof.
4. 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.
5. No vehicle may be operated by applicants herein unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.
6. Only such express matter as may be transported on passenger cars operated by applicants is to be transported.

IT IS HEREBY FURTHER ORDERED that the certificate of public convenience and necessity herein granted be and the same is hereby consolidated with the certificate of public convenience and necessity heretofore granted to Sanford and Word by Decision No. 22037 dated January 20, 1930 and issued on Application No. 16149, with the understanding that said order of consolidation shall not be construed as affecting the status of the operating right between Susanville and Adin via Merrillville and Parks Ranch heretofore held, in said Decision No. 22037, to be a separate operating right. For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 21st day of May, 1930.

[Handwritten signatures]

