

Decision No. 22853.

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of C. C. COCHRAN, for a Certificate of Public Convenience and Necessity to Operate an Auto-Stage Line for the Transportation of Passengers, Baggage and Express, between Sacramento and Chico, California, and intermediate points.

Application No. 12474.

**ORIGINAL**

In the Matter of the Application of R. B. YOUNG for a certificate of public convenience and necessity to operate an auto stage line for the transportation of passengers, baggage and express, for compensation, between Colusa and Oroville, California, and intermediate points, via Meridian, Sutter, Yuba City, Marysville, Honcut and Palermo, California.

Application No. 13807.

In the Matter of the Application of SOUTHERN PACIFIC COMPANY to abandon operation of trains Nos. 39 and 48 between Sacramento and Chico, and application of SOUTHERN PACIFIC MOTOR TRANSPORT COMPANY for a certificate of public convenience and necessity for the operation of motor vehicle service for passengers and their baggage and the express of American Railway Express Company between Sacramento and Gerber via Chico and intermediate points.

Application No. 14409.

In the Matter of the Application of M. Bernardo for certificate of public convenience and necessity to operate passenger, express and baggage service as a common carrier between Chico and Marysville, California.

Application No. 14223.

In the Matter of the application of SACRAMENTO NORTHERN RAILWAY for certificate of public convenience and necessity to operate an auto stage line for the transportation of passengers, baggage and express, for compensation, between Marysville and Chico, and all intermediate points, via District 10, Highway, Oroville, County Road and Durham also via Yuba City, Live Oak, Gridley, Biggs and Durham; also between Marysville and Colusa and all intermediate points via Yuba City, Sutter City and Meridian.

Application No. 15328.

Ware & Ware, by Allison Ware, for M. Bernardo.

C. R. Detrick and L.N. Bradshaw for Sacramento Northern Railway and Western Pacific Railroad Company.

Sanborn, Roehl, Smith and Brookman, by A.B. Roehl for C.C. Cochran and California-Nevada Stages, Inc.

C. C. Cochran in propria persona, Intervenor.  
E. J. Foulds and H. W. Hobbs for Southern Pacific Company and Southern Pacific Motor Transport Company.

Warren E. Libby and A.B. Roehl for Pickwick Stages System.

Edward Stern for Railway Express Agency, Inc.

BY THE COMMISSION:

#### O P I N I O N

In Application No. 12474, C. C. Cochran petitions the Railroad Commission for an order declaring that public convenience and necessity require the operation by him of an automobile stage line as a common carrier of passengers, baggage and express between Marysville and Chico, via Live Oak and Durham, as an extension of his present service between Sacramento and Marysville over the Garden Highway. Three schedules daily, each way, between Sacramento and Chico and five schedules daily, each way, between Marysville and Chico are proposed all schedules giving through and local service.

In Application No. 14409 Southern Pacific Company asks the Commission to issue its order authorizing the discontinuance of Trains Nos. 39 and 48 between Sacramento and Chico, and Southern Pacific Motor Transport Company requests authority to operate an automobile stage line for the transportation of passengers, baggage and express between Sacramento and Gerber via Roseville, Wheatland, Marysville, Live Oak, Biggs and Durham. One schedule each way daily is proposed, with local

service between Marysville and Chico, and between those points this applicant, would, with one slight deviation, operate over the identical route proposed by Cochran. The buses will honor Southern Pacific tickets and give a station to station service between Southern Pacific depots only. By an amendment offered at the final hearing Southern Pacific Motor Transport Company proposed roadside service also.

In Application No. 14223, M. Bernardo seeks authority to operate a stage line for the transportation of passengers, baggage and express between Chico and Marysville via Oroville and District 10. Three schedules daily each way are proposed with local service to intermediate points.

In Application No. 15328 Sacramento Northern Railway petitions the Railroad Commission for an order declaring that public convenience and necessity require it to operate an automobile stage line for the transportation of passengers, baggage and express between Marysville and Chico and between Marysville and Colusa. Four schedules each way daily are proposed between Marysville and Chico, two via Live Oak and Durham, serving the same points proposed to be served by Cochran, and two via Oroville, over substantially the same route as proposed by M. Bernardo. Two round trips daily are proposed between Marysville and Colusa and intermediate points.

Application No. 13807 was originally filed in the name of R. B. Young and contemplated automobile passenger and express service between Colusa and Oroville via Marysville. Before the matter came to a hearing Sacramento Northern Railway acquired this application by assignment from Young, amended it so as to offer

service between Marysville and Chico via Oroville and also Live Oak, and filed the application in its own name as Application No. 15328. It is upon this latter application that Sacramento Northern Railway made its case in the present proceeding.

All of the above matters were consolidated for hearing and decision. Hearings were conducted before Examiner Cannon at Chico, Marysville, Oroville, Sacramento and San Francisco, the matters were submitted and are now ready for decision.

Applicant Cochran presented no new affirmative testimony in support of his application, but rested entirely upon the evidence adduced at a former hearing (App. 12474), in which he was the sole applicant and which, by stipulation, forms part of the record herein.

Application No. 12474 was originally filed in January, 1926 and sought operative rights identical with those asked by applicant Cochran herein. By decision No. 19167, dated December 23, 1927, the Commission denied said application except insofar as it granted applicant the right to carry express packages between Sacramento and Marysville and intermediate points. Re-hearing in this matter was denied by the Commission on February 6, 1928. Both Southern Pacific Company and Sacramento Northern Railway appeared as protestants in the above application at its original hearing. When applications for service in this territory were filed by Southern Pacific Motor Transport Company, Sacramento Northern Railway and Bernardo, the Commission re-opened the Cochran application and he was permitted to come in on the same basis as all other applicants.

Southern Pacific Company has three schedules and Sacramento

Northern Railway has six schedules each way daily between Sacramento and Marysville and Chico. Southern Pacific Company has two schedules daily from San Francisco to Chico, and one to Oroville, while southbound it operates three schedules daily from Chico to San Francisco, with one from Oroville connecting at Marysville. Sacramento Northern Railway has five trains daily from Chico and Oroville to San Francisco and four trains daily from San Francisco to Chico and Oroville. Southern Pacific Company proposes to discontinue one schedule each way, viz: Train No. 39 which leaves Chico at 7:15 a.m. arriving at San Francisco at 1:30 p.m. and Train No. 48 which leaves San Francisco at 5:00 p.m. arriving in Chico at 11:00 p.m. Sacramento Northern Railway has trains running at approximately the same time as the trains to be discontinued. Trains 39 and 48 were originally operated between San Francisco and Gerber, carrying passengers and express. Under authority of the Commission the operation of these trains north of Chico was discontinued on September 25, 1927 and at the same time express service was entirely withdrawn. According to exhibits in the record, the cost of operating these two trains is \$4610.00 per month of 31 days. Computed on a train mile basis, this would amount to \$.7794 per train mile as against a total revenue of \$.3150 per train mile, indicating a loss per train mile of \$.4644. The cost of operating the proposed bus is given as \$2190. per month or a saving of \$2420. per month over the train cost.

We deem it relevant to set forth briefly the offers of service of the various applicants herein, the character of the testimony adduced on behalf of each, and a general view of the conditions particularly applicable to each offer. It would serve no useful purpose to incorporate in this opinion even a

resume of each witnesses' testimony, because of the fact that such testimony is to an unusual degree cumulative.

On behalf of the application of M. Bernardo some seventy five witnesses testified. The majority of these came from Chico and Durham and the territory adjacent. Their testimony was that the proposed service would be convenient for persons attending court at Oroville and also for the transportation of farm laborers into the territory during the busy seasons. There is some demand for passenger and express service from Chico and points north to Oroville, and also for an express service from Marysville and Sacramento to ranches in the District 10 section. Resolutions favoring this application were passed by the Butte County Board of Supervisors, the Oroville and Chico Chambers of Commerce, the Chico City Council, and several petitions were presented, bearing the signatures of residents along the proposed route, including one signed by students of Chico Teachers College residing in the Durham Land Colony.

Much of the testimony in favor of the application of Sacramento Northern Railway springs from a most natural and pardonable loyalty to that railroad. Some of the witnesses, whose enthusiasm apparently blinded them to the historical facts, referred to it as the pioneer rail line in that territory. Some seventy witnesses residing at Chico, Oroville, Marysville, Gridley, Biggs, Live Oak and Yuba City testified quite similarly to the Bernardo witnesses as to the reasons for desiring bus service. In fact, many of them could see no choice as between these two proposals. Sacramento Northern service was entirely satisfactory to them, both <sup>as</sup> to passengers and express, and they were not much interested in the proposal to discontinue certain

Southern Pacific trains. With no curtailment in the present train service of this applicant, and with the proposed bus service to be co-ordinated with and added to such train schedules, witnesses generally testified rather indifferently that the more service they had the better off they would be. As to the Colusa extension, the testimony shows that there are at present six schedules each way daily between Marysville and Colusa and six Colusa witnesses testified that that community was adequately served at the present time. Additional bus schedules might serve certain intermediate points but they would not in any event favor a reduction in present train service to Colusa. Resolutions favoring this application were presented from the Colusa Chamber of Commerce and the Gridley and Live Oak Community Clubs.

Southern Pacific Company and Southern Pacific Motor Transport Company produced sixty witnesses from points between Red Bluff and Sacramento, residing along the route which they now serve by rail and which it is proposed to serve by bus. Some of the witnesses had heard no complaints following the discontinuance of trains 39 and 48 north of Chico, and, in fact averred that the trains were not missed. A large proportion of the witnesses were of the opinion that in the event authority were granted for the discontinuance of these two trains some suitable substitute should be provided, and such testimony in the main came from witnesses who were actually using the train service. The advantages of through service, with interchangeable tickets and co-ordination of bus with train schedules were dwelt upon by several witnesses. Company witnesses testified that the number of passengers carried on trains 39 and 48 had fallen off from

49,638 in 1923 to 27,860 in 1927 and that the revenue had dropped from \$54,597. in 1923 to \$31,679. in 1927. The average number of passengers carried between Sacramento and Chico for the year ending August 31, 1928 was twenty per day on train 39 and eighteen per day on train 48.

The proposed bus line will handle passengers, baggage and express of the Railway Express Agency, Inc. Southern Pacific stations will be used as stage depots. The proposed fares on the stage are the same as the present train fares with the one exception that the minimum train fare is twelve cents and the minimum bus fare is fifteen cents. All Southern Pacific tickets will be honored, and passengers will be allowed the same baggage privileges. Originally station-to-station stops were proposed, but the application was later amended to include roadside stops. The buses will be held to make train connections and if these require too long a delay, an extra bus will be put on.

The application of Southern Pacific Company and Southern Pacific Motor Transport Company was endorsed by the County Boards of Supervisors of Butte, Tehama, Yuba and Sutter Counties; by the City Councils of Biggs, Tehama, Chico, Marysville, Yuba City, Wheatland, Gridley, Lincoln and Roseville, by the Chambers of Commerce of Gerber, Biggs, Chico, Marysville, Red Bluff, Lincoln, Yuba County and Sutter County; by the Marysville Merchants Association, the Tehama County Farm Bureau, the Live Oak and Gridley Community Clubs, and by petitions signed in Chico, Gridley and Tehama.

California-Nevada Stages, Inc., operating an auto stage line between Sacramento and Marysville and intermediate points, for the transportation of passengers, baggage and



express over the same route proposed by Southern Pacific Motor Transport Company, protested the application of the latter company. Some seventy-five witnesses from Marysville, Wheatland, Sheridan, Lincoln, Roseville and Sacramento testified personally or their testimony was admitted by stipulation of counsel. Such testimony uniformly went to the adequacy of California-Nevada Stage service, both as to passenger and express requirements, and the lack of necessity for additional service. These witnesses testified further that they had seldom, if ever, used Southern Pacific trains 39 and 48 and would not protest if such trains were taken off, even if no bus substitute were offered in their stead. California-Nevada Stages operate five schedules daily each way between Sacramento and Marysville, and had offered to co-ordinate their stage service with Southern Pacific service in the event trains Nos. 39 and 48 were discontinued.

Applicant Sacramento Northern Railway is in the anomalous position of offering to establish an additional service in a territory which it now admits it is adequately serving by rail. In fact, the district passenger agent of this railroad testified that, in his opinion, the electric train service between Oroville and Chico is sufficient and he had not heard of any demand for bus service south of Oroville. On the Live Oak route of Sacramento Northerns' proposal the rail service of that line is satisfactory except as to Biggs and Gridley, where the stations of East Biggs and East Gridley are approximately three miles distant. There has been a decline in traffic over these lines without any corresponding decrease in service. Passenger revenues have shown a steady decline, and over the entire system indicated a decrease of approximately 50 per cent for the eight years ending in 1928, resulting in a growing deficit.

Not only do the facilities of Sacramento Northern appear to render adequate rail service in this territory, but the president of that line testified that the budget for the current year contemplated an increase in the number of through cars from San Francisco bay district north of Sacramento. The program of improvement includes new and heavier rails and trucks, new ties, and new ballast, all contributing to greater speed and more comfortable travel. In his opinion, the effect of bus service on existing rail service would be doubtful from an economic viewpoint, and is being urged merely to meet a demand alleged to exist along the proposed route.

The route proposed by applicant Bernardo is identical with that contemplated by Sacramento Northern so far as the Chico-Oroville-Marysville territory is concerned and in neither case does the testimony bear out a demand for such service sufficient to justify the establishment of regular stage service between those points. The reasons justifying a denial of the Sacramento Northern application apply with equal force to the Bernardo application except as to what we have said regarding rail service.

The testimony shows that Southern Pacific Company is operating trains Nos. 39 and 48 at a loss of approximately 46 cents per train mile, with no hope, immediate or prospective, of an increase in rail traffic which would remedy that situation. Southern Pacific Company should therefore be permitted to discontinue the operation of these trains.

We cannot conclude from the evidence herein that transportation by stage lines over any or all of the proposed routes, in addition to the present service, would be financially successful. There is some testimony to the effect that the service would be an added convenience, but the preponderance of

opinion was that that territory is now adequately served. Some witnesses testified that ranchers living along the highway north and south of Oroville would be benefited by a stage line, yet the fact is that practically all such ranchers have their own automobiles, and will in all probability continue to use them in travelling back and forth to the various trading centers.

Sacramento Northern Railway introduced exhibits tending to show that its present rail operations were resulting in a rapidly mounting deficit. We cannot believe it is seriously contended that the granting of a certificate to operate bus lines in addition to the present train schedules would remedy that situation or even alleviate it. In all probability it would aggravate such condition and make it infinitely worse.

A review of the evidence in these proceedings leads us to the conclusion that public convenience and necessity are adequately served in the territory between Sacramento and Chico by existing means of transportation, both rail and bus. There is no substantial support to uphold the contention that additional service is required, nor does it appear that the discontinuance of trains 39 and 48 will overtax such existing facilities.

With the abandonment of these trains there still remain two schedules daily each way by Southern Pacific and six schedules daily each way by Sacramento Northern, between Sacramento and Marysville and Chico. Sacramento Northern has a schedule each way daily between Marysville and Chico at approximately the same time as the trains to be taken off. As has been heretofore stated, neither the northbound train nor the southbound train averaged over 20 passengers per day between Sacramento and Chico, and in all probability the

traffic is lighter now than it was two years ago when the count was made for the purpose of this application. Within a period of five years there was a shrinkage in the number of passengers and in revenue of over 40 per cent. True, both rail lines are before us with applications for certificates to operate buses in this territory, the one between Marysville and Chico and the other between Sacramento and Gerber, but the record will not bear out their contentions as to the public need for such service. Sacramento Northern Railway, through its President and other operating witnesses, seriously doubts the financial success of a bus line over the route proposed by it and admits that the major portion of the business which might come to its buses would be derived from private automobiles. Southern Pacific Company advances the theory that some provision must be made to take care of the traffic now carried by trains 39 and 48. We are convinced that such traffic is so negligible that the discontinuance of the trains will result in no hardship to those few passengers presently riding the trains, and that they can with little or no inconvenience be adequately served either by rail or bus, or a combination of both, without the addition of another stage line, the establishment of which is not justified by the record before us. And what is here said with respect to passengers applies with equal force to the transportation of baggage and express.

We are of the opinion, and hereby find from the record herein that public convenience and necessity do not require the granting of Applications Nos. 12474, <sup>14223</sup>15328, 13807 and 14409, (except as to the abandonment of certain trains as proposed in the latter application) and that the same should be denied.

O R D E R

Public hearings having been held in the above entitled applications, the matters having been submitted on briefs and being now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity do not require the operation by C. C. Cochran of an automobile stage line for the transportation of passengers, baggage and express, as a common carrier, between Marysville and Chico and intermediate points, as an extension of his present line between Sacramento and Marysville, and

IT IS HEREBY ORDERED that Application No. 12474 be and the same is hereby denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity do not require the operation by M. Bernardo of an automobile stage line, for the transportation of passengers, baggage and express as a common carrier between Chico and Marysville and intermediate points via Oroville and District 10, and

IT IS HEREBY ORDERED that Application No. 14223 be and the same is hereby denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity do not require the operation by Sacramento Northern Railway of an automobile stage line for the transportation of passengers, baggage and express, as a common carrier, between Marysville and Chico and intermediate points, via Live Oak and via Oroville, and between Marysville and Colusa and intermediate points, and

IT IS HEREBY FURTHER ORDERED that Applications Nos. 15328 and 13807 be, and the same are hereby denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity require that permission and authority be, and it is hereby, granted to Southern Pacific Company to discontinue operation of its passenger trains Nos. 39 and 48 between Sacramento and Chico, subject to the following condition:

The public shall be given at least five (5) days' notice of the discontinuance of said trains by posting notices on trains and in stations affected, and also by publication of such notice in newspapers having general circulation in the Sacramento Valley.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby further declares that public convenience and necessity do not require the operation by Southern Pacific Motor Transport Company of an automobile stage line for the transportation of passengers, baggage and express of Railway Express Agency, Inc. between Sacramento and Gerber and intermediate points via Roseville, Wheatland, Marysville, Live Oak, Biggs and Durham, and

IT IS HEREBY FURTHER ORDERED that Application No. 14409 be and the is hereby denied, except insofar as it refers to the abandonment of trains Nos. 39 and 48.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 10<sup>th</sup> day of ~~August~~ September, 1930.

C. L. Seaver

Thos. E. Latta

M. J. Lane  
Commissioners.