

Decision No. 24922.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
MT. LASSEN TRANSIT COMPANY, a corporation,  
to abandon operative rights between Halls  
Flat and Pittville, between Indian Falls  
and Parton, and between Chico and Chester;  
and for the issuance of a new certificate  
in lieu of applicant's present certificates,  
so as to unify and clarify its rights, du-  
ties and privileges upon the remainder of  
its routes constituting its transportation  
system.

ORIGINAL

Application No. 18085.

R. M. Hardy for Mt. Lassen Transit Company, applicant.

BY THE COMMISSION:

O P I N I O N

Mt. Lassen Transit Company, a corporation, makes application to abandon service as a common carrier between Chester and Chico, between Hall's Flats and Pittville and between Indian Falls and Parton; to abandon all freight transportation between Mineral and Lassen Volcanic National Park and between Keddle and Drakesbad and intermediate points; for the removal of all restrictions as to points served, weight and/or vehicle used in the transportation of express; for authority to serve all intermediate points between the termini, and for a certificate of public convenience and necessity establishing and fixing its operations over its entire system as one unified right in lieu of all rights heretofore granted by the Commission except those sought to be transferred to Feather River Stage Company on Application No. 18082.

Public hearing thereon was conducted by Examiner Johnson at Westwood, at which time the matter was duly submitted and now is ready for decision.

Mt. Lassen Transit Company has been developed since 1925 by the acquisition of the lines between Red Bluff and Susanville (and to

the Nevada State Line) and laterals, and the lines between Oroville and Quincy, Quincy to Portola and State Line and Quincy to Keddle and Westwood, and their branches and laterals. By Application No. 18082, heard jointly with this proceeding, Mt. Lassen Transit Company seeks to retain all operative rights north of Keddle and to transfer all operative rights south thereof to Feather River Stage Company. At Keddle both companies will connect with Western Pacific Railroad and with each other.

The testimony of T. S. Walker, President of Mt. Lassen Transit Company, discloses that since 1928 the operations have sustained a gross loss of approximately \$60,000. The business of the lines until 1931 chiefly was the transportation of labor to and from Westwood. The Red River Lumber Company's mills there normally employed about 3,500 men before 1931 and the annual turnover was 18,000. At the time of the hearing the mills were employing about 700 and there is practically no labor turnover.

Walker testified that the first quarter of 1932 also showed revenues lessening, although operations were reduced and some schedules discontinued.

By its present application Mt. Lassen Transit Company seeks to eliminate certain seasonal operative rights all of which are lateral to its main operation between Red Bluff and Reno as follows:

1. Between Chester and Chico except between Chester and the junction of the Red Bluff-Susanville lateral with the County Road on the west side of Lake Almanor, a distance of approximately 2½ miles.

The losses sustained on this operation were:

1929 . . . . .	\$2,477.22
1930 . . . . .	2,565.25
1931 . . . . .	87.75

The loss in 1930 was caused by an operation that lasted only a few days and resulted in no passenger revenue and only one express package with a revenue of 25 cents.

2. Between Indian Falls and Paxton, a distance of about five

miles. This is a branch of Westwood-Keddie Line and was established when it was expected Paxton would be a point of large discharge of passengers and express by Western Pacific Railroad. The loss is not segregated but is included in an item of \$5,827.61 on the Westwood-Keddie line.

3. Between Hall's Flat and Pittville. This has been operated since September 1930. Traffic to Pittville moves via the shorter new improved highway between Redding and Alturas. The losses for 1930 and 1931 aggregated \$1,003.10. This operation was suspended by permission of the Commission because of road conditions late in 1931.

The record justifies the granting of the application to abandon the above services.

Applicant seeks a certificate in lieu for all its remaining rights, as granted and subject to the restrictions imposed, after excluding those to be abandoned or to be transferred to Feather River Stage Company. Applicant also asks that the certificate provide an unlimited right for the transportation of express.

Applicant possesses freight rights on its operations between Keddie and Drakesbad and between Mineral and a point on the boundary line of Lassen Volcanic National Park, via Viola and Manzanita Lake but not on the return route via Susan and Lake Helen. On the remainder of its system it possesses express rights upon its passenger stages, some limited to 50 pounds and on others to the capacity of the vehicle used, in passenger transportation. Applicant asks that all its privileges to transport freight be annulled, because the small volume does not justify the keeping of equipment and that it be granted a uniform right to transport express over its entire system without any limitation. Mr. Walker testified that it was intended to transport all that could be accommodated on passenger vehicles but that leased trucks would be used where large

shipments were tendered, at the option of applicant. By its Application No. 12405 applicant sought a freight right over its entire system but this application after hearing was denied by Decision No. 18184 dated April 7, 1927.

Applicant also urges that the various limitations as to weights on express over portions of its consolidated rights makes through transportation impossible on some shipments and creates only confusion. Some rights permit 40 pounds weight, others 50 pounds and others are unlimited. It is urged, therefore, that whatever right may be granted permit uniform weight, preferably unlimited over the entire system.

We can easily see that mixed express rights of varying weight limitations cannot fit in a through movement and that a uniform limit is necessary to fluid transportation. Applicant, however, seeks to abandon its freight rights on one hand and to gain unlimited express right on the other, including the use of vehicles other than those used in passenger service --- in effect, an unlimited property transportation privilege under the name of "express".

Southern Pacific Company has freight and passenger service between Susanville and Westwood as a branch of its line between Fernley, Nevada and Westwood. Western Pacific Railroad recently has established freight service between Keddle and Westwood (and to Bieber). There is nothing in the record to show that either of these services is inadequate. While applicant is the only motor vehicle carrier in the area it serves and seeks to serve and the enlargement of service appears to be of public benefit there is nothing to show that the volume of traffic will support two carriers between any of these points. West of Westwood to Red Bluff there is no rail property transportation.

By Decision No. 15479, dated October 1, 1925, on Application No. 11671, applicant was granted a certificate consolidating all its rights for the "transportation of through service for the carriage of passengers, baggage and express (express service being limited to the transportation of packages on passenger stages) between all the termini and intermediate points served by and along the routes covered~~\*\*\*\*\*~~". This limitation has been maintained since. The record justifies its continuation of this right, except between the points hereinafter specified.

Mt. Lassen Transit Company 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.

#### ORDER

Mt. Lassen Transit Company, a corporation, having made application to abandon its operative rights between Hall's Flat and Pittville, between Indian Falls and Parton and between Chico and Chester; to abandon all its rights for the transportation of freight and for a certificate in lieu of all its previous rights, unifying and clarifying all its rights and privileges, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY  
DECLARES that public convenience and necessity require the operation  
of automotive service for the transportation of passengers, baggage  
and property between Red Bluff and the California-Nevada State Line  
(except local service between Red Bluff and Paynes Creek) near Purdy,  
Hall's Flat, Keddie, Westwood, Susanville, Drakesbad, Lassen Volcanic  
National Park, Juniper Lake and between each and all intermediate  
points over and along the following routes:

Between Red Bluff and California-Nevada State Line near  
Purdy via state highway between termini,

Between Mineral and Lassen Volcanic National Park by a  
route over a highway maintained by the U.S. Forest Service to Lake  
Helen, thence via same highway to the south boundary of Lassen  
Volcanic National Park and from the north boundary of said park  
northerly and easterly to Viola and thence southerly to Mineral  
over main county road.

Between Keddie and Westwood via main county road via  
Indian Falls and Greenville to Canyon Dam and/ or thence via east  
side of Lake Almanor to Westwood or west side of Lake Almanor via  
Chester.

Between Chester and Drakesbad via Lec's over county roads  
connecting with U.S. Forest Reserve or private roads,

Between Chester and Juniper Lake via county highway and  
via Camerons.

Between Westwood and Hall's Flat and Susanville and  
Hall's Flat over state highway to county road near Stockton and/or  
from Westwood over county road northwardly via Fatch and McCoy  
Flat Reservoir, and laterally for a distance of fifteen (15) miles  
on either side of said routes.

IT IS HEREBY ORDERED that a certificate of public con-  
venience and necessity therefor be and the same hereby is granted

in lieu of each and all rights or certificates heretofore granted by the Railroad Commission of the State of California in Decision No. 5714, dated August 26, 1918, Supplemental Decision No. 5766, dated September 16, 1918, on Application No. 3896; Decision No. 7658, dated June 1, 1920, on Application No. 5710; Decision No. 7783, dated June 24, 1920, on Application No. 5468; Decision No. 13651, dated June 5, 1924, on Application No. 10062; Decision No. 14737, dated April 4, 1925, on Application No. 10948; Decision No. 15099, dated June 25, 1925, on Application No. 11007; Decision No. 15129, dated July 3, 1925, Supplemental Decision No. 15510, dated October 9, 1925, on Application No. 11106; Decision No. 15479, dated October 1, 1925, on Application No. 11671; Decision No. 15647, dated November 20, 1925, on Application No. 11787; Decision No. 16006, dated February 15, 1926, on Application No. 12506; Decision No. 17134, dated July 19, 1926, on Application No. 12665; Decision No. 18052, dated March 14, 1927, on Application No. 13231; Decision No. 21262, dated June 20, 1929, on Application No. 15566; and Decision No. 22904, dated September 26, 1930, on Application No. 16552, subject to the following conditions:

1. Property may be transported without limit as to weight and on such vehicles as applicant may provide between all points and all termini, except between the points specified in Condition No. 2.
2. Between Keddie and Westwood (except on shipments from, to or between the territory lying between Canyon Dam and Chester via Almanor Inn) and between Westwood and Susanville and intermediate points located on the main highway, property only may be carried on the stages used to transport passengers between said points and only such shipments which do not exceed one hundred pounds (100#) in weight.
3. The operations under the rights may be rendered seasonally and regularly or on demand approximately between the dates of May and November of each year, beginning and terminating as road and climatic conditions shall permit, except between Red Bluff and the California-Nevada State Line near Purdy service shall be maintained and operated at all times except when road or climatic conditions prevent such operation.
4. No local service shall be rendered between Red Bluff and Payne's Creek.

IT IS HEREBY FURTHER ORDERED that all rights heretofore granted said applicant or its predecessors for such service as above set out be and the same hereby are revoked and annulled.

IT IS HEREBY FURTHER ORDERED that the point where the main line of applicant meets the main line of Feather River Stage Company near what is now called "Reno Junction" be established as "Feather River Junction" as a tariff point for the interchange of business and for the establishment of joint rates with Feather River Stage Company and for the curtailment of its schedules beyond said point when such curtailment is made necessary by winter climatic or road conditions.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. 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.
3. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 27<sup>th</sup> day of

June 1932.

Al Seamy  
Leon White  
W. H. Linn  
W. B. Lewis  
Fred L. Stewart  
COMMISSIONERS.