

Decision No. 11156

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
- - - - -

In the Matter of the Application of
H. Gallerson and J. B. Barnett, for
Certificate of Public Convenience and
Necessity to Operate Passenger and
Baggage Service between Yreka and Weed,
California.

APPLICATION NO. 8079.

ORIGINAL

B. K. Collier, for Applicants,
R. S. Taylor, for Yreka Railroad Company,
J. J. Coyle, for Southern Pacific Company.

BY THE COMMISSION:

O P I N I O N

H. Gallerson and J. B. Barnett, copartners, doing business under the name and style of Gallerson & Barnett, by this proceeding petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by the petitioners of an automobile stage line as a common carrier of passengers and baggage between Yreka and Weed.

A public hearing was held on October 11, 1922 at Yreka, before Examiner Geary, and the application having been duly submitted is now ready for opinion and order.

The petitioners propose to furnish service by the use of a seven-passenger Studebaker automobile and to operate one round trip daily, charging a one way fare of \$2.00, with round trip of \$3.80. The distance between Yreka and Weed over the route contemplated is 31 miles.

At the hearing one of the applicants stated he had not made a canvass of the situation among the residents of the two towns proposed to be served, but inasmuch as he had operated for hire out of Weed and had made several trips between Yreka and Weed was of the opinion that the automobile service is necessary and would meet a public need. The other partner had never been over the route and, therefore, was unable to give any substantial testimony as to the requirements of that particular territory.

There was but one other witness for the applicants, a resident of Grenada, who testified that in his opinion the service, if established, would be a benefit to the communities.

Witnesses in protest representing the Southern Pacific Company and the Yreka Railroad Company testified as to the train service between Yreka and Weed, also with reference to the number of passengers carried. This testimony indicated there are approximately fifty passengers per month, each way, or an average of about two per day.

The testimony of the President of the Yreka Railroad Company was to the effect that his company maintains operations under great difficulty and that if any marked reduction occurs in the revenue the line must sooner or later discontinue service entirely. The annual report of the company on file with the Commission for the year ending December 31, 1921 shows operating revenue \$21,580.54; railway operating expenses \$22,830.44; deficit from railway operation \$1,249.90; railway tax accruals \$1,598.74, showing a railway operating deficit for the twelve-months period of \$2,848.64. If the revenue of the company does not increase in the near future this deficit must of necessity be met by the stockholders through assessments.

In Decision No. 7248, Application No. 4513, March 11, 1920, F.F. Hoffman and A.J. Christopher for certificates of public convenience and necessity to operate a passenger line between Yreka and Montague, (17, C.R.C. 892) the Commission employed the following language:

"Undoubtedly an overwhelming percentage of the traveling public prefers the automobile to other means of transportation available in rural districts, and the present instance is no exception, as the marked decrease in passenger revenue of the Yreka Railroad Company since the advent of automobiles abundantly shows, being a drop from \$16,175.75 in 1912 to \$3,851.68 in 1918, or about 76 per cent in six years.

* * * * *

"What the lapse of a few years will mean to these communities in the way of transportation rests largely with the population affected. However, the weight of testimony in this proceeding indicates that the public convenience, considering the transportation problem as a unit, is now being handled in a fairly satisfactory manner. The establishment of an additional passenger transportation line, although it would probably serve a limited public convenience, is not a necessity at the present time and would doubtless reduce passenger travel by rail to a minimum. The railroad company affirms that as a result of such reduced passenger patronage its entire operation would have to cease."

In view of the fact that no evidence was introduced at the hearing of this application indicating a desire on the part of these communities for additional transportation facilities, such as would be afforded by the automotive stage line for which a certificate of public convenience and necessity is requested, and the fact that if the application were granted it would further cripple the service being given by the Yreka Railroad Company, we are of the opinion that this application should be denied.

O R D E R

A public hearing in the foregoing proceeding having been held and it appearing to the Commission that public convenience and necessity do not require the inauguration of the proposed service by H. Gallerson and J. B. Barnett between Yreka and Weed,

IT IS HEREBY ORDERED that this application be and the same is hereby denied.

Dated at San Francisco, California, this 23^d day of October, 1922.



Waring Martin
Charles H. Brown
J. H. [unclear]

Commissioners.