

Decision No. 6432

ORIGINAL

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of VALLEY MOTOR TRANSPORT COMPANY,  
a corporation, for certificate of  
public convenience and necessity to  
operate an auto stage or auto truck  
line for the transportation of  
property between Sacramento and Red  
Bluff, California, and intermediate  
points, and for authority to issue  
and sell 150 shares of its capital  
stock of the par value of \$100 per  
share.

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: Application No. 4450.  
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Sanborn & Roehl, by A.E. Roehl, for Applicant  
F. A. Plant for C. M. Ray, Protestant  
G. J. Bradley for the Merchants and Manufacturers  
Association of Sacramento.  
J. R. Wilson for Sacramento Northern Railroad.

BY THE COMMISSION.

ORDER

Valley Motor Transport Company, a corporation,  
has petitioned the Railroad Commission for an order declaring  
that public convenience and necessity require the operation by  
it of an automobile truck line as a common carrier of freight  
and express between Sacramento and Red Bluff and intermediate  
points, and for authority to issue and sell 150 shares of its  
capital stock of the par value of \$100 per share.

A public hearing was conducted by Examiner Sandford at Sacramento on April 16, 1919, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge rates in accordance with a schedule marked Exhibit "A" and filed with the application in this proceeding and to operate on a schedule of one round trip daily, serving the intermediate communities at Davis, Woodland, Yolo, Zamora, Dunnigan, Arbuckle, Williams, Colusa, Maxwell, Willows, Artois, Orland and Corning. The equipment proposed to be used consists of three Moreland motor trucks, each of a capacity of one and one-half tons, equipped with pneumatic tires, additional equipment to be obtained if justified by the demands of traffic.

The evidence in this proceeding shows that applicant proposes to establish a fast motor express service between Sacramento and Red Bluff, serving the intermediate communities, that stations will be established in Sacramento and Red Bluff and possibly at other intermediate points if the requirements of the business will warrant. Free pick up and delivery service will also be given in the various municipalities.

The rates proposed are approximately the same as those of the American Railway Express, but will be more attractive to the public in that the classification is somewhat more liberal than that of the American Railway Express and the item of pick up and delivery has been extended to cover a greater area in the communities proposed to be served.

At the hearing on this application it was stipulated that the portion of the route between Sacramento and Woodland as regards local business might be eliminated from the permission sought, thus disposing of the protests of C. M. Ray and the Sacramento Northern Railroad.

The service proposed by applicant appears desirable and a necessity and convenience for the public along the route herein sought.

Applicant has secured permits from the Boards of Supervisors of the Counties of Yolo, Colusa and Tehama; from the City Commission of the City of Sacramento; from the Boards of Trustees of the City of Davis and the Towns of Orland and Colusa, in accordance with the provisions of Section 3, Chapter 213, Laws of 1917, as evidenced by certified copies thereof filed with this Commission.

At the hearing, applicant requested permission to amend its request for the issuance of 150 shares of its capital stock to authority for the issuance of 250 shares of capital stock of the par value of \$100 per share.

Valley Motor Transport Company was organized on or about December 13, 1918, with an authorized capital stock of \$50,000 divided into 500 shares of the par value of \$100.00 each. The company in this application, as amended at the hearing, asks permission to issue \$25,000 of stock at par. It is not the intention of the company to offer its stock to the public generally. It has been subscribed for by M. J. Richard, J. F. Morrill, L. E. Chapman, L. G. Shepard and J. E. Shepard.

The proceeds obtained from the sale of its \$25,000 of stock, applicant intends to expend for the following purposes:

To acquire two - 2½ ton Moreland Trucks .....	\$5,700
To acquire two - 3- ton trailers .....	1,800
To acquire one - Dodge Touring car .....	1,200
To acquire three-1½ ton Moreland trucks .....	11,700
To pay for equipping offices, printing, supplies, organization expenses and provide for general working capital .....	4,600
Total	\$ 25,000

If the Commission is ever called upon to fix applicant's rates, consideration will be given to the value of applicant's equipment then in use rather than the amount of stock which it is herein authorized to issue.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by Valley Motor Transport Company, a corporation, of an automobile track line as a common carrier of property between Sacramento and Red Bluff and intermediate points; provided, however, that this declaration shall not become effective until said Valley Motor Transport Company, a corporation, shall have secured from the Railroad Commission a supplemental order herein reciting that said Valley Motor Transport Company has filed herein certified copies of permits issued by the Board of Supervisors of Glenn County and from the Boards of Trustees of the cities of Red Bluff and Woodland and the towns of Willows, in accordance with the provisions of Section 3, Chapter 213, Laws of 1917; and provided, further, that no authority is hereby granted for the transaction of any local business between Sacramento and Woodland and intermediate points, such local business being satisfactorily cared for by existing transportation companies; and provided, further, that the rights and privileges herein granted may not be transferred nor assigned unless the written permission of the Railroad Commission to such transfer or assignment has first been procured.

THE RAILROAD COMMISSION HEREBY FURTHER DECLARES that the Valley Motor Transport Company, a corporation, is hereby authorized to issue \$25,000 of stock, the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue of stock is reasonably required for the purpose or purposes hereinabove specified, and that the expenditure

for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

IT IS HEREBY ORDERED that Valley Motor Transport Company be, and it is hereby, authorized to issue at par \$25,000 par value of its common capital stock upon the following conditions and the following purposes:

1-- The proceeds obtained from the sale of its stock shall be used for the following purposes and no other:

To acquire two -2 $\frac{1}{2}$ ton Moreland Trucks .....	\$5,700
To acquire two -3 ton trailers .....	1,800
To acquire one Dodge touring car .....	1,200
To acquire three -1 $\frac{1}{2}$ ton Moreland trucks .....	11,700
To pay for equipping offices, printing, supplies, organization expenses and provide for general working capital .....	<u>4,600</u>
Total	25,000

2-- Valley Motor Transport Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock herein authorized to be issued, and on or before the 25th day of each month, until all of said stock has been issued and the proceeds expended, the company shall make verified reports to the Railroad Commission stating the sale or sales of said stock during the preceding month, the use and application of any moneys derived from the sale of such stock; all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

3-- The authority herein granted shall apply only to such stock as may be issued on or before December 15, 1919.

IT IS HEREBY FURTHER ORDERED that no vehicle may be operated under this certificate unless such vehicle is owned by the applicant herein or is leased by such applicant under a contract or agreement on a basis satisfactory to the Railroad Commission, and that no authority for the carriage of passengers over any portion of the route is hereby conveyed.

Dated at San Francisco, California, this 25<sup>th</sup> day of June, 1919.

Edwin O. Edgerton

Frank R. Jordan

Walter M. Martin

Commissioners