

Decision No. \_\_\_\_\_

26994

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
THE RIVER LINES, (The California Transpor-  
tation Company, Sacramento Navigation  
Company, and Fay Transportation Company)  
for a certificate of public convenience  
and necessity authorizing the transportation  
of freight by auto truck on the public  
highways; (1st) between (a) Sacramento and  
(b) Knights Landing, Tyndall Mound, Grimes,  
Sycamore, Meridian, Colusa, Princeton,  
Butte City, Sidd's Landing, Jacinto,  
Monroeville, and Chico Landing, (2nd)  
between Knights Landing, Tyndall Mound,  
Grimes, Sycamore, Meridian, Colusa,  
Princeton, Butte City, Sidd's Landing,  
(3rd) between (a) Sacramento and (b)  
State Ranch Bend, Kirksville, Cole's Landing  
and Eddy's Ferry, and (4th) between Knights  
Landing, State Ranch Bend, Kirksville,  
Cole's Landing, and Eddy's Ferry.

Application  
No. 19088

**ORIGINAL**

Mc Cutchen, Olney, Mannon & Greene, by John O. Moran,  
for Applicants.

L. N. Bradshaw, for Sacramento Northern Railway,  
Protestant.

Roy G. Hillebrand, for Southern Pacific Company and  
Pacific Motor Transport Company, Protestants.

BY THE COMMISSION -

O P I N I O N

The applicants herein are seeking a certificate of public convenience and necessity authorizing the transportation of freight by auto truck as an alternative or additional means of receiving and delivering freight between various named points on the Sacramento river north of the City of Sacramento and extending up that river as far as Chico Landing. Various intermediate points between Knights Landing and Chico Landing will likewise be served, which are not served now by The River Lines except in rare intervals when the Sacramento river is completely navigable.

It is claimed by the applicant, that the proposed operation of auto trucks between Sacramento and the points north thereof specified in the application would include service in connection with the operation of applicant's vessels between points on

San Francisco bay and the City of Sacramento, as well as local service between Sacramento and such northerly points.

The new services are proposed in order to expedite freight delivery and to effect economies in operation and to improve the service to the public. So far as improving the service to the public is concerned, it is an admitted fact that the service by vessel or barge is suspended during the main part of the year, especially at points north of Knights Landing. The low water conditions of the Sacramento river seem to be getting worse rather than better, impeding navigation completely during the summer months. It is, therefore, the purpose of the applicant to provide for the receipt or delivery of freight by auto truck at the existing docks, wharves, landings or warehouses where freight is now received or delivered by the vessels of the applicant.

The same rates as now available are proposed in the application, with merely a change in the tariff rules specifying the alternative movement by auto truck.

A public hearing herein was conducted at Sacramento by Examiner Johnson.

It seems to have been established by the evidence in this case that the proposed services by auto truck are required by public convenience and necessity. The large amounts of grain and rice formerly moved by river steamers and barges are now handled in great part by contract carrier trucks or the wildcat operations of other trucks. The warehouses established by the applicant along the Sacramento river have been handling for a long period of time the warehousing of farmers' crops but gradually the transportation business of such crops warehoused has been turned over to the irregular truck operators. It seems perfectly reasonable and even necessary that the applicant should have the privilege of transporting by truck through its warehouses when unable to furnish the service by steamer or barge on account of the natural and unavoidable conditions of the Sacramento river.

Practically all of the movement from the points asked for in the application is in the nature of bulk commodities such as rice and grain.

Besides the showing made by the applicants of public demand for an alternative service, The River Lines also introduced evidence showing the large amount of tonnage diverted to truck carriers during the year 1933 and such diversion was shown to have been from and to points served by The River Lines. The River Lines do not propose to serve any community that they are not now serving and have not served in the past. By such alternative truck service the applicants propose to keep the tonnage away from the wildcat truck operators. This Commission has previously granted The River Lines permission to operate trucks as an alternative service south of the City of Sacramento and it seems that the evidence in this case shows an even greater necessity and demand for operating such alternative truck service north of Sacramento.

In the winter months when the Sacramento river is at flood stage, The River Lines are confronted with rapid currents and with the driftwood and snags that come down the river. During the summer months lack of water creates many sandbars and shoals and the operation of barges is slow and expensive. The service now being rendered is by barge and is practically continuous whenever it is practicable to go up the river. The contemplated change in the service to trucks will result in considerable savings in operations, according to the officials of The River Lines.

During the extremely dry years, as the present year promises to be, the steamer traffic above Knights Landing is largely interfered with and altogether stopped during certain months. In certain years (with the same promise that 1934 has), there was no steamer or barge traffic north of Sacramento after June 15th. Such a stoppage of traffic in the middle of June will result in all the grain and rice stored in the applicant's warehouses going into the hands of contract carriers or illegal truck operators. It seems that both the public and the applicant should have the privilege

of this proposed alternative service by auto truck. There is also the matter of speed and delivery to be considered where small lots of grain or rice are held for the arrival of a barge when a truck could deliver it so much sooner.

Pioneer Auto Stage Lines is authorized by certificate to transport freight between Colusa and Princeton, both of which points are also served, as a water carrier, by applicant. In view of an existing truck service between the points, which is not shown to be inadequate, it appears reasonable to restrict applicant from local transportation between Colusa and Princeton and intermediate points, thus serving these points only from north or south thereof.

The Sacramento river was in a worse condition last year than usual because of the lack of government aid in keeping the river open. This year, with our lack of rainfall and with the matter of Government aid still held in abeyance, conditions might naturally be much worse. River traffic has grown even slacker since 1930, according to the testimony. Protestants claim this proposed service is practically a new service. But natural conditions render it a necessary alternative even though more regular.

The applicants herein are attempting to hold the traffic that has long been traffic of The River Lines, and the application involves mainly that traffic. It does not seem reasonable for the railway protestants to urge that this traffic belongs to them or would flow to them if this application were refused. It is almost self evident that a failure to grant the application would mean that the grain and rice tonnage would be diverted in ever increasing amounts to wildcat operators of trucks. The public interest would be best subserved by the granting of this application. The certificate as prayed for will be granted.

The River Lines 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.

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by The River Lines of auto truck service for the transportation of freight between Sacramento and Chico Landing and the intermediate points as follows:

1st - Between (a) Sacramento and (b) Knights Landing, Tyndall Mound, Grimes, Sycamore, Meridian, Colusa, Princeton, Butte City, Sidd's Landing, Jacinto, Monroeville and Chico Landing; and

2nd - Between Sacramento and State Ranch Bend, Kirksville, Cole's Landing and Eddy's Ferry; and

3rd - Between Knights Landing and Chico Landing and intermediate points and between Knights Landing and Eddy's Ferry and intermediate points;

provided: said truck service is to be alternate to the vessel and barge service of applicant on the Sacramento river between Sacramento and Chico Landing, inclusive, and all points now served by vessel or barge and as herein set out, and said service may transport only such freight as is consigned to applicant under its rates and rules and regulations as a water carrier, said service to be "on call" and subject to the following restrictions:

1- No local service is to be rendered between Sacramento and Knights Landing, nor between Colusa and Princeton, inclusive; nor between Knights Landing and Eddy's Ferry, unless there shall have been tendered applicant at least ten thousand (10,000) pounds of freight; no service is to be conducted under the authority herein granted except to and from and between the existing docks,

wharves or warehouses where freight is now received or delivered by applicant's vessels; and over and along the following route:

Between Sacramento and Knights Landing, via Davis and Woodland, or via Elkhorn Ferry; between Knights Landing and Grimes, via highways parallel with the Sacramento river, or either side thereof; between Grimes and Chico Landing via highway immediately west of the Sacramento river with diversions therefrom to serve Meridian and Butte City; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted to The River Lines, subject to the following conditions:

1. Applicants 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 rates to be charged for combined water and truck, or by truck solely, service shall in no case exceed the rates contemporaneously applicable for the transportation of freight between the same points over applicant's service by water and applicant shall file its tariff therefor, adopting such rates not in excess of its water tariff.
3. 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.
4. 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.

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 20<sup>th</sup> day of April, 1934.

Leon O. Hill  
M. A. Carr  
M. B. Harris  
W. H. ...  
COMMISSIONERS.