

Decision No. 28237

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
ANDERSON BROTHERS, Co-partners,  
to sell and the Mono Basin Transport,  
Inc. to purchase an automobile freight  
line between Sacramento and June Lake  
Junction and between Minden, Nevada,  
and June Lake Junction; to extend  
seasonal service and to issue capital  
stock.

ORIGINAL

Application No. 20123

BY THE COMMISSION:

OPINION AND ORDER

In this application the Railroad Commission is asked to make its order authorizing the transfer of automotive operating rights and properties from Anderson Brothers, a co-partnership, to Mono Basin Transport, Inc., and the issue by Mono Basin Transport, Inc., of 2500 shares of its capital stock of the aggregate par value of \$25,000.00 in payment.

The Commission is asked, also, to amend its Decision No. 21890, dated December 9, 1929, so as to permit the extension of the operations under the certificate of public convenience and necessity granted by that decision.

Applicants allege that Anderson Brothers, co-partners, are at the present time engaged in the operation of an automobile freight line between Sacramento, California, and June Lake Junction, California, and between State Line near Coleville, California, and June Lake Junction, and between State Line near Sweetwater, Nevada, and Bridgeport, California, together with joint concurrence with the Western Truck Line, Ltd. connecting at June Lake Junction, under certificates heretofore granted by the Railroad Commission by Decision No. 9673 on Application No. 7110 dated October 28, 1921; Decision No. 18882 on Application No. 13925 dated October 4, 1927; Decision No. 21890 on Application No. 15889 dated

December 9, 1929 and Decision No. 27766 dated February 25, 1935.

The records of the Commission show that by Decision No. 22576 dated June 24, 1930 in Application No. 16565 the Commission granted to L. N. and H. G. Anderson, co-partners, a certificate of public convenience and necessity to conduct an automotive transportation service as a common carrier of passengers, baggage, express and freight between a point on the California-Nevada State Line northerly of Topaz and Farrington, and between a point on the California-Nevada State Line near Jones' ranch and Bridgeport and all intermediate points via Coleville, Toll House, Fales, Bridgeport, Poor Farm, Summit, Mono Inn, Tioga Lodge(Mono Lake), and Leevining and serving "on call", by diversion, the points of Silverado, Masonic, Bodie and Twin Lakes, Mono County, with the right to give an "on call" freight service to all points located on the highways situated within the territory extending parallel to the route herein authorized and a distance of five miles laterally on each side thereof except that no such lateral right is granted between Tioga Lodge(Mono Lake) and Farrington, with the further exception that no passengers, baggage nor express service may be given south of Tioga Lodge (Mono Lake).

The certificate of public convenience and necessity was granted in lieu of the operative rights established by virtue of operation prior to May 1, 1917 and the rights granted by Decision No. 9673 dated October 28, 1921 in Application No. 7110 and Decision No. 18882 dated October 4, 1927 in Application No. 13925. The certificate of public convenience and necessity was accepted by Anderson Brothers, co-partners. The right to conduct a passenger business was subsequently transferred to M.C. Yahne, Inc.(Inland Stages).

It thus appears that the freight transportation business of Anderson Brothers, co-partners, in California is conducted under certificates of public convenience and necessity granted by the Commission

by Decision No. 21890, dated December 9, 1929, by Decision No. 22576, dated June 24, 1930, and by Decision No. 27766, dated February 25, 1935, which certificates in general provide for the operation between Sacramento and June Lake Junction, between the state line near Colville and June Lake Junction, and between the State Line near Sweetwater and Bridgeport, together with a joint concurrence with the Western Truck Line, Ltd. connecting at June Lake Junction.

The application indicates that Anderson Brothers now desire to transfer their freight operations to a corporation and to that end have caused the organization of Mono Basin Transport, Inc. The Articles of Incorporation of the company show that it was formed under the laws of the State of California on or about December 31, 1934, with an authorized capital stock of 2500 shares of the aggregate par value of \$25,000.00.

Applicants report that arrangements have been made for Mono Basin Transport, Inc. to take over all the operations and assets, and in consideration to assume all indebtedness and to issue its capital stock of the par value of \$25,000.00. According to a statement filed with the Commission on September 3, 1935, the assets include eleven trucks, tractors and trailers, an automobile, a lot and garage building in Gardnerville, and miscellaneous shop equipment. The cost of the physical equipment is stated at \$43,065.00 and the amount at which it is carried on the books as of January 1, 1935, is reported at \$23,200.96, not including any allowance for good will, franchises or other intangible items. The accounts receivable to be transferred are reported at \$3,800.00 and the notes and accounts payable to be assumed by the purchaser at \$3,487.10.

The certificate of public convenience and necessity granted to L. N. Anderson and H. G. Anderson by Decision No. 21890, dated Decem-

ber 9, 1929, provides for the establishment by applicants of through automobile truck freight service between Sacramento and Coleville and points intermediate between Coleville and Carson Camp, Mono County, inclusive, and no other service, between May 1st and November 1st, inclusive, of each year; provided applicants shall not serve any points between Sacramento and the California-Nevada state line near Bijou over and along the following route:-

Beginning at Sacramento, thence easterly over state highway via Folsom, Placerville, Myers and Bijou; thence via Kingsbury grade and Minden(Nevada) to Coleville and over Tioga-Mono Lake Highway to Lee-vining; thence south on Bishop highway to Crestview; thence to June and Gem Lakes and Boulder Lodge, serving Bodie and Masonic by diversion over county highway eastward from near Bridgeport or near Mono Lake.

Mono Basin Transport, Inc. asks that Decision No. 21890 be amended so as to permit it to furnish on call and/or schedule service between November 1 and May 1, with permission to travel any available route that may be open during the winter months. This amendment will be granted upon condition that service may be given only to the cities and points mentioned in said Decision No. 21890.

The Commission has considered this application and is of the opinion that it is a matter in which a public hearing is not necessary and that the requests of applicants should be granted, as herein provided. In making the order it wishes to put Mono Basin Transport, Inc. upon notice that certificates of public convenience and necessity granting operating 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 in the number of rights which may be given. The Commission is further of the

opinion that the money, property or labor to be procured or paid for through the issue of the 2500 shares of stock (\$25,000. par value) is reasonably required for the purpose specified herein, which purpose is not in whole or in part reasonably chargeable to operating expense or to income, and that the certificate of public convenience and necessity granted by said Decision No. 21890 should be cancelled and a new certificate in lieu thereof, should be granted to Mono Basin Transport, Inc. containing the operating rights heretofore granted in said decision plus the extension requested in this proceeding, therefore,

IT IS HEREBY ORDERED that L. N. Anderson and H. G. Anderson, co-partners doing business under the firm name and style of Anderson Brothers be, and they hereby are, authorized to sell and transfer to Mono Basin Transport, Inc., on or before December 31, 1935, their equipment, assets and certificates of public convenience and necessity heretofore granted by Decision No. 22576, dated June 24, 1930, and Decision No. 27766 dated February 25, 1935.

IT IS HEREBY FURTHER ORDERED that Mono Basin Transport, Inc. be, and it hereby is, authorized in acquiring said equipment, assets and certificates of public convenience and necessity to assume the payment of indebtedness of Anderson Brothers, co-partners, and to issue not exceeding \$25,000.00 par value of its common capital stock in ~~payment~~ payment for said properties.

IT IS HEREBY FURTHER ORDERED that the certificate of public convenience and necessity heretofore granted to L. N. and H. G. Anderson by Decision No. 21890, dated December 9, 1929, be, and it hereby is, cancelled and that in lieu thereof,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment by Mono Basin Transport, Inc., of through automobile truck freight service from May 1st and November 1st of each year, inclusive, between

Sacramento and Coleville and points intermediate between Coleville and Carson Camp, Mono County, inclusive, over and along the route beginning at Sacramento, thence easterly over the state highway via Folsom, Placerville, Myers and Bijou; thence via Kingsbury grade and Minden(Nevada) to Coleville and over the Tioga-Mono Lake Highway to Leevining; thence south on the Bishop Highway to Crestview; thence to June and Gem Lakes and Boulder Lodge, serving Bodie and Masonic by diversion over county highway eastward from near Bridgeport or near Mono Lake, provided (1) that no points be served between Sacramento and the California-Nevada state line near Bijou; and (2) that on call and/or schedule service may be given to said points between November first and May first over any available route that may be open, provided that no points be served between Sacramento and the California-Nevada state line on such available route.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Mono Basin Transport, Inc. in accordance with the foregoing declaration.

The authority herein granted is subject to the following conditions:-

1. Mono Basin Transport, Inc. shall file with the Commission within twenty(20) days from the date hereof, its written acceptance of the certificate of public convenience and necessity and of the authority herein granted, and, in triplicate, its tariffs of rates and/time schedules in connection with the service to be given under said certificates. in duplicate
2. Anderson Brothers, co-partners, and Mono Basin Transport, Inc., a corporation, applicants herein, shall join in common supplement to be filed in triplicate, the former withdrawing from the tariffs on file by them with the Commission

naming rates and charges for the transportation of property, and the latter adopting and establishing as its own such tariffs and all effective supplements thereto.

3. Mono Basin Transport, Inc. shall file, in duplicate, time schedules covering its service under the operating rights herein authorized to be transferred to it, such time schedules to be identical with those heretofore filed by Anderson Brothers, co-partners, or time schedules satisfactory to the Commission.
4. The rights and privileges herein authorized to be transferred may not hereafter be sold, transferred, leased nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission has first been secured.
5. No vehicle may be operated by Mono Basin Transport, Inc. under the authority herein granted, unless such vehicle is owned by it or is leased by it under a contract or agreement on a basis satisfactory to the Commission.
6. Mono Basin Transport, Inc. shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty(30) days thereafter, a verified report such as is required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.
7. The authority hereinabove granted will become effective twenty (20) days from the date hereof.
8. The authority granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the

periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

DATED at San Francisco, California, this 23d day of September, 1935.

Leon A. Whittell

Mr. A. C. Cune

Mr. B. L. Harris

Mr. J. H. K. K. K.

Mr. J. H. K. K. K.

Commissioners.