



territory consists of general merchandise for the several merchants in each town, farming implements and feed for the nearby farmers, supplies for the Union High School at Cedarville and for the Indian Agency and Hotel at Fort Bidwell. The traffic into the territory is moved to Alturas from Sacramento, San Francisco, and other points by rail, express, or truck, and from Alturas on principally by one or the other of the applicants. There is but little traffic moving from Fort Bidwell, Lake City, or Cedarville to Alturas. Although farm products and livestock move outbound, neither of the applicants is equipped to handle livestock, and applicant Hawkins testified he anticipated little traffic in that direction except for cream moving as far as Cedarville.

Applicant Hawkins testified that passenger traffic between the points in question is very light and intermittent. It is most active in the spring and fall, when sheep-herders move into and out of the territory. During the rest of the year it consists of the transportation of residents of the territory to and from Alturas.

Chester G. Lowell and Mitchell Santiago, merchants of Fort Bidwell, and Ray Abrams, a merchant of Cedarville, each testified that he is at present using Doss' service, but expressed no preference as between Doss and Hawkins. It was stipulated that some ten other residents of the district would testify similarly, if called. Witness A. G. Dane, express agent at Alturas for Railway Express Agency, testified that his company is transporting express traffic from Alturas to Cedarville, Lake City, and Fort Bidwell, through Doss' service. He was unable to state whether or not Hawkins' service would be as satisfactory as that of Doss.

One Ray Fradley formerly operated a freight and

passenger service between Alturas and Fort Bidwell and intermediate points under a certificate from the Railroad Commission, but the certificate was revoked in January, 1935, upon Frailey's application. Since that time there has been no certificated freight or passenger service of any kind in the territory. It is clear that public convenience and necessity require the service of one of these applicants but not of both.

Upon comparing the proposals and circumstances of the two applicants we conclude that the offer of applicant Hawkins is most in the public interest and that he is in the better position to supply the service. Both applicants at present operate a one-and-one-half or two ton truck (Hawkins a Diamond T, and Doss an International), and a Ford truck as well. Hawkins, however, proposes to acquire also a vehicle of the station-wagon type, capable of carrying eight passengers or four passengers and freight, with which he proposes to handle both kinds of traffic, using, in addition, the Diamond T for freight, when necessary. Doss offers no passenger service. Hawkins has a contract with the United States Government for the transportation of mail over the route in question, which will run until July 1, 1938, the revenue from which appears to be almost essential to the proper maintenance of the service in view of the rather small volume of freight and passenger traffic. In addition, the rates proposed by Hawkins for freight service are somewhat lower than those proposed by Doss.

For these reasons we conclude that Hawkins' application should be granted, and that the application of Doss must be denied.

J. L. Hawkins is hereby placed on notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determin-

ing 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

A public hearing having been held in the above entitled matters, and the matter having been submitted, and the Commission now being fully informed thereon:

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation by J. L. Hawkins of an automotive passenger stage, as defined in Section 2-1/4 of the Public Utilities Act as amended, for the transportation of passengers, baggage, and express, and of an automotive service for the transportation of property as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between Alturas, on the one hand, and Cedarville, Lake City, and Fort Bidwell, on the other.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for each of said operations be and the same is hereby granted to J. L. HAWKINS, doing business as Ft. Bidwell Stage Line, subject to the following conditions:

1. In the transportation of express no single package weighing in excess of 100 pounds shall be accepted or transported, and all express shall be transported on passenger vehicles only.
2. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

3. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file in triplicate and concurrently make effective on not less than ten days' notice to the Railroad Commission and the public a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which in volume and effect shall be identical with the rates and rules shown in the exhibit attached to the application in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.
4. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five days' notice to the Railroad Commission and the public, time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.
5. 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 obtained.
6. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the application of Leland Doss be and the same is hereby denied.

For all purposes other than those hereinabove stated, the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 1<sup>st</sup> day of June, 1936.

W. B. Linn  
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 Commissioners.