

Decision No. 22897

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of RALPH SPEER for a certificate of public convenience and necessity to operate automotive truck service as a common carrier of property between Sacramento, Lincoln, and Chico on one hand, and Bella Vista, Ingot, Round Mountain, Montgomery Creek, Burney, Fall River Mills, McArthur, Nubieber, Bieber, Adin, Canby, Alturas, Davis Creek, Willow Ranch, and the California-Oregon State Line at Pine Creek, California.

ORIGINAL

Application No. 22897

HARRY A. ENCELL, for Applicant.

R. E. WEDEKIND, for Southern Pacific Company, Pacific Motor Trucking Company and Railway Express Agency, Incorporated, Protestants.

ERNEST I. SPIEGL and JOHN L. AMOS, JR., for Western Pacific Railroad Company and Sacramento Northern Railway, Protestants.

HARRY SEE, for the Brotherhood of Railroad Trainmen, Protestants.

W. G. STONE, for the Sacramento Chamber of Commerce.

HARRY A. ENCELL, for Thomas B. Riley, doing business as Roy Mark Truck Service, and Redding-Alturas-Lakeview Stages, Intervenor in support of Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding authority is sought to operate a common carrier truck service between Sacramento, Lincoln and Chico, on the one hand, and points between Bella Vista (located eleven miles east of Redding) and Pine Creek (California-Oregon State Line) via Alturas, on the other hand.

Public hearings were conducted in this proceeding before Examiner Hunter at Alturas, Sacramento and San Francisco. At the hearing at San Francisco on May 10, 1940, the matter was taken under submission, subject to the filing of concurrent opening briefs on or before June 8, and concurrent closing briefs on or before June 15, 1940. Briefs have been filed, and the matter is now ready for decision.

In the interest of conserving time and expense to all parties to this proceeding, it was stipulated that the testimony offered by public witnesses in Application No. 21182 be considered as part of this record by reference. <sup>(1)</sup>

#### REGION PROPOSED TO BE SERVED

In the main, this applicant seeks authority to operate a tri-weekly service between Sacramento and the sparsely settled district between Bella Vista and Pine Creek via Alturas. Hereinafter the highway between Bella Vista and Pine Creek will sometimes be referred to as the Redding-Alturas lateral. The predominance of freight applicant proposes to transport is from Sacramento northerly to the points of the Redding-Alturas lateral, <sup>(2)</sup> with a lesser volume of products which are produced in the area east of Redding moving southerly primarily to Sacramento. <sup>(3)</sup> One

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- (1) Application No. 21182 was filed by Ralph Speer May 10, 1937, seeking a certificate to operate a common carrier truck service between Sacramento, Lincoln and Chico, on the one hand, and the district between Bella Vista and Adin, including both points, on the other hand. The application was first denied by the Commission's order in its Decision No. 30034, dated August 9, 1937. This same application was denied after rehearing by Decision No. 31133, dated July 29, 1938.
- (2) Items to be transported northbound are: groceries, hardware, produce, paper goods, paints, glass, auto parts, sporting goods, dried fruits and vegetables, liquor, tobacco, clothing, floor covering, feed, drugs and many other articles.
- (3) Items to be transported southbound are: lumber, wool, hides, poultry, fruit, cured meats, dairy products, and other commodities produced in this district.

of the largest single southbound movements referred to in this record is the transportation of lumber from Adin to Chico.

The proposed operation involves a rather long line haul to serve a sparsely populated section of the state. Alturas, with its 2,500 population, is the largest community served. (4)

#### PRESENT TRANSPORTATION SERVICE

Certain portions of the district between Bella Vista and Pine Creek, via Alturas, are now served by the following carriers:

Southern Pacific Company provides a daily rail service between both San Francisco and Sacramento, on the one hand, and Canby, Alturas, Davis Creek and Pine Creek, on the other hand, via both Klamath Falls, Oregon and Reno, Nevada, with Pacific Motor Trucking Company performing a pickup and delivery service at Alturas.

Western Pacific provides a daily except Sunday rail service between both San Francisco and Sacramento and Nubieber.

Thomas B. Riley, doing business as Redding-Alturas-Lakeview Stage, provides a daily service between Redding and Pine Creek via Alturas, for the transportation of passengers, baggage and express shipments (limited to 100 pounds).

Roy Mark Truck Service (Thomas B. Riley, lessee) provides a tri-weekly highway common carrier truck service between Redding and Pittville and intermediate points. (5)

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(4) Distances between various points on the proposed route:

<u>Between Sacramento and (Via Chico)</u>	<u>MILEAGE</u>	
	<u>Highway</u> (via Lincoln)	<u>Constructive</u>
Chico	95	95
Redding	170	170
Fall River Mills	241	265
Pittville	249	273
Nubieber	260	291
Adin	276	307
Alturas	315	352
Pine Creek	357	398

(5) Leaves Redding Monday, Wednesday and Friday. Leaves Pittville Tuesday, Thursday and Saturday.

There are at least four truck operators transporting freight between Sacramento and points on the Redding-Alturas lateral, each holding a highway contract permit from the Commission. In fact, applicant is one of such carriers, operating bi-weekly service generally between Sacramento and Chico, on the one hand, and points between Bella Vista and Adin, on the other hand.

In addition, there is a considerable volume of proprietary truck operation to and from the communities on the Redding-Alturas lateral, particularly from Sacramento.

The O.C. & N. Stages, Inc. operates a passenger stage service between Klamath Falls, Oregon; Susanville, California; and Reno, Nevada, via Alturas. This carrier transports passengers, baggage and express. The express shipments, however, are limited to 100 pounds.

Between Sacramento and Redding, there is available both rail and truck common carrier service (Southern Pacific Company and Sacramento-Corning Freight Lines).

#### APPLICANT'S SHOWING

As stated hereinbefore, applicant seeks authority to provide a tri-weekly common carrier service between Sacramento, Lincoln and Chico, on the one hand, and Bella Vista and Pine Creek, and intermediate points via Alturas, on the other hand.

The proposed operating schedule provides that a truck will leave Sacramento at 7:00 P.M. on Sunday, Tuesday and Thursday of each week. The time consumed in traversing the route is as follows:

BETWEEN	SCHEDULED TIME			
	Northbound		Southbound	
	Hrs.	Min.	Hrs.	Min.
Sacramento-Chico	3	--	3	--
Layover at Chico	--	15	8	45
Chico-Fall River Mills	7	15	7	15
Layover at Fall River Mills	--	30	--	--
Fall River Mills-Pine Creek	9	--	5	15
Layover at Pine Creek	18	15	--	--
Round trip (Sacramento-Pine Creek)	62 hours and 30 minutes			

During the course of the hearing applicant changed its operating estimates a number of times. In fact, it is difficult to determine from this record a clean-cut operating statement of the proposed plan. Applicant's exhibit No. 8-A shows that the estimated revenues will exceed the total annual cost of providing the service by an amount of \$2,772.47. (6) It was admitted, however, by applicant's witness that this estimate of operating expenses was in error in a number of respects, particularly with reference to the adequacy of the estimated allowances for equipment and driver expense.

(6) Applicant's Exhibit No. 8-A:

Operating Cost:

Operating Cost per Mile . . . . .	\$ .1699
Miles traveled per week, main line. . . . .	2,160 miles
" " " " , pickup and delivery. . . . .	100 miles
Total . . . . .	2,260 miles
Miles operated per annum . . . . .	117,520 miles
Total Cost of Operation per annum . . . . .	\$19,966.65

Operating Revenue:

(a) Revenue from contracts of Ralph Speer (1939) . . . . .	\$10,082.88
(b) Revenue estimate inbound to Sacramento (Exhibit No. 6). . . . .	\$ 8,376.24
(c) Estimated increase in revenue from Sacramento . . . . .	\$ 4,280.00
Total . . . . .	\$22,739.12

Recapitulation:

Total Revenue . . . . .	\$22,739.12
Total Operating Cost. . . . .	19,966.65
Profit per annum from Operation . . . . .	\$ 2,772.47

Later in the record applicant contended that as a result of further study its estimate of operating revenue should be materially increased over the amount shown in its Exhibit No. 8-A, to the extent of some \$8,000.

The rates to be assessed for the proposed service are the minimum rates heretofore established or which may hereafter be established by the Railroad Commission for the transportation of property in the area and between the points herein involved, subject to the rules and regulations contained in Exhibit "A," attached to the application. These rules and regulations relate primarily to pickup and delivery service, limitation of sizes, weight and character of articles to be transported, C.O.D. shipments, liability of operator, restriction in transportation of livestock, and packing, marking and storage of shipments.

(7) Witnesses from various communities involved in this proceeding testified in support of the application to the effect that in their opinion applicant's proposed service was necessary and desirable and that they would patronize it. In fact, the greater number of these witnesses are now employing and have for some time

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(7) Witnesses in support of the Application:

RESIDENCE	NUMBER OF WITNESSES	
	Appl. 21182	Appl. 22897
Sacramento	3	9
Burney	2	3
Fall River Mills	2	4
McArthur	1	1
Nubieber	1	
Bieber	7	
Adin	4	1
Canby		1
Alturas		2
Dorris Creek		1
Willow Ranch		1
TOTAL	20	23

employed the services of applicant allegedly as a contract carrier. Witnesses from points served by the rails contend that truck service is preferable to rail due to the fact it is more convenient as well as requires less time in transit.

Mr. W. G. Stone, Traffic Manager of the Sacramento Chamber of Commerce urged the granting of this application on the ground it would provide a needed public transportation service for many of the Sacramento wholesale firms from whom the business establishments and ranchers along the Redding-Alturas lateral purchase many of their supplies. It was alleged that the primary benefit that would accrue from the proposed service obtains from the fact applicant's plan of operation would offer a direct and expedited service between Sacramento and the Alturas district without interchange or transfer from one vehicle to another. It was also urged that the proposed common carrier service, if established, would be accompanied with a low rate where sufficient tonnage could be accumulated to take advantage of the established lower minimum rates under the higher weight brackets, together with split delivery service. Attention was called to the fact that the Sacramento wholesale firms were now subjected to severe competition with the Klamath Falls and Reno supply markets in a bid for the business in this district which made it important from the standpoint of the Sacramento firms to obtain low transportation charges.

This witness stated that he had made an effort to interest the Southern Pacific Company in establishing a truck service over practically the same route as proposed by applicant, along the Redding-Alturas lateral, by employing the services of its subsidiary the Pacific Motor Trucking Company, but this effort was without

success and, therefore, he now supports the granting of this application. (8)

#### PROTESTANTS' SHOWING

The granting of this application was protested by the Southern Pacific Company, Western Pacific Railroad Company, Sacramento Northern Railway, Railway Express Agency and Brotherhood of Railroad Trainmen. In general, it is contended that for the

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(8) "EXAMINER HUNTER: I would like to ask a few questions, Mr. Stone. Through the course of your testimony you have referred to some plan that you were urging whereby the Southern Pacific would provide a truck service in this district in combination with its rail -- A. What I had in mind, Mr. Examiner, and what I urged the Southern Pacific Company to do, was to coordinate its rail service at Redding with a supplemental truck service of the Pacific Motor Trucking, for example, from Redding over the highway through Alturas up to the Oregon line and as far as Lakeview, Oregon, even, on interstate traffic, and to provide for the shippers in that area the very service which Mr. Speer is proposing here, except I was hopeful it would be a daily service.

"Manifestly, a daily service would be preferable to tri-weekly, but if you can not get daily service, then tri-weekly service is preferable, and I suggested to the Southern Pacific Company that they could operate a truck over the highway and coordinate it with their rail service at Redding. Our shipments would then go forward from Sacramento as they do today, arriving at Redding, and there be placed upon the truck for that additional transfer over the highway to the Oregon line.

"They could not see their way clear to do so and Mr. Speer has come forward and offered to provide such a service, and it is for that reason, as I have endeavored to point out to the Commission, we support this application. We feel Mr. Speer is in a position to render the service which he has outlined, and our shippers are anxious to have a common carrier service in preference to a contract service. Failing, however, to obtain the common carrier service, as I have said before, we will either continue with the contract, proprietary operation or forego the business, one of those three things.

"Q. Now, under this plan you have outlined, as I understand it, with truck operation between Redding and the Oregon State line via Alturas, I assume you had in mind some combination or joint rates with Western Pacific at New Bieber?

"A. I had in mind that some work out of a joint rate arrangement -- in fact, I went further and suggested that the Pacific Motor Trucking might have some sort of a working arrangement with the Western Pacific so that shipments could move either to New Bieber or Bieber, as it is on the Western Pacific, thence via Truck to destination, or it could move to Redding and by truck to destination. But that has, again, met with the same response, Mr. Examiner, they could not see their way clear to do so."



volume of traffic offered, the district is now reasonably and adequately served with either rail or truck public transportation and for a considerable portion with both forms of transportation. Furthermore, it is contended that the proposed operations of applicant between Sacramento and both the Alturas and Nubieber districts would not constitute a material improvement over the present rail service. The Southern

(9) Exhibit No. 13: SOUTHERN PACIFIC COMPANY  
(Pacific Lines)

EXISTING SERVICES VIA RAILWAY EXPRESS AGENCY AND SOUTHERN PACIFIC COMPANY COMPARED WITH SERVICES PROPOSED BY APPLICANT

Order Placed Sacramento	Via Ry. Exp.		Via S. P.		Via Applicant*	
	Lv. (a)	Ar. (b)	Lv. (c)	Ar. (d)	Lv. (e)	Ar. (f)
Mon.	Mon.	Tues.	Mon.	Wed.	Tues.	Wed.
Tues.	Tues.	Wed.	Tues.	Thurs.	Tues.	Wed.
Wed.	Wed.	Thurs.	Wed.	Fri.	Thurs.	Fri.
Thurs.	Thurs.	Fri.	Thurs.	Sat.	Thurs.	Fri.
Fri.	Fri.	Sat.	Fri.	Mon.	Sun.	Mon.
Sat.	Sat.	Sun.	Sat.	Tues.	Sun.	Mon.
Sun.	Sun.	Mon.	Mon.	Wed.	Sun.	Mon.

\* - Based on departure Sacramento: Sundays, Tuesdays, Thursdays.

Exhibit No. 20 - (Western Pacific Railroad Company)

STATEMENT SHOWING LESS CARLOAD MERCHANDISE

SCHEDULE FROM SACRAMENTO, CAL. TO

BIEBER-NUBIEBER, CAL.

: Freight Delivered : : to Carrier at : : Sacramento, Calif. : : on :	: Available for Receipt at Bieber-Nubieber : : via :	
	: Speer (Proposed) :	: W.P. RR. (Present) :
: Mon. :	: Wed. :	: Wed. :
: Tues. :	: Wed. :	: Thurs. :
: Wed. :	: Fri. :	: Fri. :
: Thurs. :	: Fri. :	: Sat. :
: Fri. :	: Mon. :	: Sun. :
: Sat. :	: Mon. :	: Mon. :

Pacific Company has recently improved its rail service to the Alturas district (effective March 6, 1939) as a result of a change of operations between San Francisco and Sacramento and Alturas from the route via Reno to the route via Klamath Falls. This change reduced the time of operation between Alturas and both San Francisco and Sacramento some 12 hours. Protestant Southern Pacific takes the position that applicant's estimate of cost of providing the service is in error in a number of respects in that many expense items have either been overlooked or under estimated. By way of comparison, applicant's estimated operating annual expense of \$19,966.65 (Exhibit No. 8-A) is increased to \$22,188 by the revised estimate introduced by the Southern Pacific Company, (Exhibit No. 21).<sup>(10)</sup> It is further contended that the sum of \$22,188 is wholly inadequate to meet the total operating expense to provide the proposed service; the proper figure for annual operating expense, it is urged by this protestant, is not less than \$30,000.

Southern Pacific Company produced four public witnesses from Alturas, each representing business establishments in that community which now receive rail service. The substance of these

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(10) Exhibit No. 21:

SUMMARY OF COSTS  
PROPOSED TRI-WEEKLY OPERATION  
SACRAMENTO TO PINE CREEK

Investment . . . . .	\$ 5,800
Round trips per annum. . . . .	156
Truck miles per annum. . . . .	117,520
Tons hauled per annum. . . . .	1,560
Mileage costs per annum. . . . .	\$ 8,508
Fixed charges per annum. . . . .	916
Drivers wages per annum. . . . .	5,841
Helpers wages per annum. . . . .	147
Depreciation . . . . .	926
Billing. . . . .	940
	\$17,278
Expanded 22.13%. . . . .	\$22,188
Cost per ton (1560). . . . .	\$14.22
Cost per cwt. . . . .	.711

witnesses' testimony was to the effect the present rail service is reasonably adequate under prevailing conditions and they would not want to see any diversion of traffic from rail operation if it would have the effect of reducing the present over-all rail service. In addition, operating witnesses of both Southern Pacific Company and Western Pacific Railroad Company testified in detail as to the existing services of their respective companies, including that rendered by Railway Express Agency, Incorporated and Pacific Motor Trucking Company. A comparison of the service offered by the rails with that of applicant as proposed herein is set forth in the footnotes hereof.

The testimony shows that Railway Express Agency, Incorporated, offers daily including Sunday and Holiday service between Sacramento and Canby and Alturas, giving first morning delivery via Klamath Falls, using the facilities of O.C. & N. Stages, Inc. between Klamath Falls and Alturas. Daily except Sundays, Southern Pacific freight train service is available for the further movement of this Railway Express Agency traffic between Alturas and Pine Creek, affording first afternoon delivery out of Sacramento. Pickup and delivery service is available at Sacramento and Alturas but at no other points. Western Pacific Railroad Company maintains a daily except Sunday merchandise car service between Sacramento and Nubieber, providing second morning delivery at Nubieber. In addition, a refrigerated car for the transportation of perishables is operated each Tuesday morning to Bieber from Sacramento, with additional service available whenever 5,000 pounds or more of perishables are made available for shipment and second morning delivery is provided with pickup service at Sacramento.

Southern Pacific Company, Western Pacific Railroad Company and McCloud River Railroad Company filed a stipulation to the effect

they would, under certain conditions, enter into a joint rate arrangement with a certificated truck carrier operating between Redding and Adin, both points inclusive. (11)

#### SUMMARY AND FINDINGS

The record in this proceeding confirms the Commission's opinion as expressed in its Decision No. 32356 that there is a need (12)

(11) "The McCloud River Railroad, Southern Pacific Company, Sacramento Northern and Western Pacific are willing to publish rates via Bieber, Redding and Pondosa with such carrier or carriers which the Commission may certificate between Redding, Pondosa and Adin, both inclusive, provided such operators do not contemporaneously hold operative rights beyond Redding, Bieber or Adin from and to points competitive with either the McCloud River Railroad, Southern Pacific Company or Western Pacific Railroad, using the C.R.C. Decision 31,606 rates as amended under the scale of rates for four thousand pounds and less; provided satisfactory divisions can be arranged with the truck lines with the understanding that their application will be that rates via the Western Pacific via Bieber apply to and from the territory Adin to Burney, both inclusive, that rates via the Southern Pacific and truck lines via Redding will only apply to and from points east of Redding to Burney, both inclusive. That joint rail-truck rates in connection with the McCloud River Railroad via Pondosa, and thence truck lines will be confined to the territory Burney, McArthur, Fall River Mills, Glenburn, Dana and points between.

"Further, if such divisions can not be concluded voluntarily these carriers are willing to submit the matter to the Railroad Commission for settlement." (Tr. pages 537, 538)

(12) Decision No. 32356, dated September 26, 1939, in Applications Nos. 21804, 21882 and 21955 (each seeking a certificate to operate as a common carrier in the same general territory as is involved in the present proceeding) contains the following conclusion:

"The records made in these proceedings are such as to leave but little doubt that the territory involved is now without adequate and dependable transportation service and that there is a public need for a regular scheduled and dependable highway common carrier service. The records are equally clear, however, that none of the applicants has demonstrated that the particular service proposed will meet the requirements of the shipping public or that any particular service proposed, if authorized, could be profitably undertaken and maintained so as to insure to the shipping public an adequate and continuing service. While the Commission does not require the same character of showing or degree of proof as to the probable success of a public utility undertaking where private capital is involved as against capital to be raised through the sale of securities to the public at large, the Commission would be remiss in its duty to the public were it to authorize and, in a sense, encourage an undertaking which has not been shown to possess at least a fair chance of success. The burden of proof of ability to finance and maintain on a reasonably compensatory basis a public utility undertaking, such as is involved in the operation of a highway common carrier service, rests with the applicant or proponent."

for common carrier truck operation along the Redding-Alturas lateral. It cannot be found from this record, however, that applicant's proposed service can be justified at Nubieber or at points now served by Southern Pacific Company between Canby and Pine Creek via Alturas. This, for the reason that these communities are now provided with an adequate daily rail service with little additional transportation time consumed by rail movement as compared to applicant's proposed truck service. While it is true that applicant proposes a store-door delivery service as compared to a station service now provided by the rail, except at Alturas, this added transportation convenience by applicant is offset by the fact that the rail offers a daily service as compared with applicant's tri-weekly service.

Considerable indifference to and lack of knowledge of existing services, both rail and truck, was exhibited by a number of applicant's witnesses. Generally, the consensus of opinion was that applicant made better time and gave better service based upon regularity of operation and actual time of delivery to stores. They had, however, made little effort to compare the two services as to actual time saving. A number of the alleged instances of delay upon the part of the rail operation were not, on this record, substantiated to a degree which would definitely indicate that the rails were responsible for such delays. Considerable doubt is cast upon this phase of the testimony when it is observed, upon analysis of testimony relative thereto, that witnesses were unable to disclose, with any degree of certainty, just when the delayed shipments were placed in the hands of the carrier. It may well be that many delays referred to were occasioned by the failure of either shipper or distributor, or both, to promptly dispatch orders or shipments, respectively.

While applicant's proposed service between Bella Vista and Pittville follows the same route as the truck operations of the

"Roy Mark Truck Service" (Thomas B. Riley, lessee) it must be recognized that the Mark Service is primarily a local one between Redding and Pittville and intermediate points. Furthermore, attorney for applicant stated:

"At this time I want to say that I am authorized by Mr. Thomas B. Riley, the owner of the Redding-Alturas-Lakeview Stage Line and also the operator of the Roy Marks line, to withdraw his protest entered in the record at Bieber and for me to appear in his behalf as an intervenor in support of the pending application."

It may well be that experience will later dictate the advisability of consolidating these two operations.

With respect to the protestants' contention that applicant is now operating as a common carrier without authority from this Commission and should therefore be directed to discontinue this operation, this situation must be studied in the light of all the circumstances set forth in this proceeding. We will not attempt, on this record, to determine as to what extent, if any, applicant is guilty of conducting a common carrier service without a certificate to so operate. That is a matter which can be considered in an appropriate proceeding. In the interest of providing the district now without adequate common carrier transportation, such a service on a basis which can reasonably be justified, we review the record in this proceeding with due consideration to our prior orders dealing with the subject matter before us. The shippers and receivers of freight along the Redding-Alturas lateral who are now without common carrier service are reasonably entitled to such a service on some definite plan of operation, and it is with this thought in mind that the Commission is giving the utmost consideration to the testimony of the many witnesses of record, as to their needs for a common carrier service.

As to whether or not applicant can conduct the proposed operation on a profitable basis, that is a matter which might be questioned from this record. However, there is sufficient evidence to conclude that applicant has a fair chance of a successful operation, particularly in view of the fact he is an experienced truck operator in this district and seems to possess the good will of a substantial portion of the agricultural and business district along the Redding-Alturas lateral. Applicant has demonstrated his financial ability to establish and maintain the proposed service for at least a reasonable period of time during which it can be determined if the residents of this district will patronize the service to the extent of justifying its continuance on a profitable basis. In fact, the operations herein certificated are basically, as to territory served, the same as is now being conducted by applicant, except that applicant will provide a tri-weekly common carrier service in lieu of bi-weekly. In addition, it is expected the certificated operation will enjoy the benefits of a joint rate arrangement with the intersecting railroad.

In the interest of providing the best service to the community along the Redding-Alturas lateral, the Commission will look with favor upon the filing of joint rates between applicant and the Western Pacific Railroad Company, with interchange at Nubieber and between applicant and Southern Pacific Company, with interchange at both Alturas and Redding. Although Lincoln is mentioned in the application as one of the points to be served, the record is silent as to shipments to or from this point. Therefore, this portion of the application will receive no further consideration.

From this record, we find that public convenience and necessity require the establishment of common carrier service by applicant between Sacramento and Chico, on the one hand, and points

intermediate to Redding and Alturas, exclusive of Redding, Nubieber, Alturas and Canby, on the other hand.

Ralph Speer 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

A public hearing having been had in the above-entitled proceeding, evidence having been received, the matter having been duly submitted, and the Commission now being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA  
HEREBY DECLARES that public convenience and necessity require the establishment and operation, by Ralph Speer, an individual, of an automotive service as a highway common carrier, as such is defined in section 2-3/4 of the Public Utilities Act, between Sacramento and Chico, on the one hand, and Redding and Alturas and intermediate points, on the other hand, and between points intermediate between Bella Vista and Adin, both points inclusive, via Highway U. S. 99E between Sacramento and Redding and Highway U. S. 299 between Redding and Alturas, subject to the following restriction:



No shipments may be transported between Sacramento and Chico, on the one hand, and Redding, Nubieber, Canby and Alturas, on the other hand.

IT IS ORDERED that a certificate of public convenience and necessity be, and the same hereby is, granted to Ralph Speer, subject to the following conditions:

1. The authority herein granted shall lapse and be void if applicant shall not have complied with all of 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.
2. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective 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 (10) 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 (5) days' notice to the Railroad Commission and the public, a time schedule or 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.
7. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all of the provisions of this Commission's General Order No. 91.

IT IS FURTHER ORDERED that in all other respects this application is denied.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of August, 1940.

Ray L. Riley  
Frank J. Sullivan  
Raymond DeBevoise  
J. J. [unclear]  
Justus J. Cramer  
COMMISSIONERS