

Decision No. 23305

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of J. L. Graves, doing business as MOTHER LODE LINES, for certificate of public convenience and necessity to operate passenger and express service between Placerville and Auburn. )

ORIGINAL

Application  
No. 23305

HENRY S. LYON and ROBERT E. ROBERTS, for Applicant.

E. J. MUZIO, for United Motor Transport Lines, Inc., Interested Party.

W. W. BERREMAN, for El Dorado Motor Transportation Company, Interested Party.

BEN F. SNIDER, in Propria Persona, Protestant.

BY THE COMMISSION:

O P I N I O N

In this proceeding J. L. Graves, an individual, doing business under the trade name of Mother Lode Lines, seeks a certificate of public convenience and necessity authorizing operation as a passenger stage corporation as defined by section 2 $\frac{1}{4}$ , Public Utilities Act, between Placerville and Auburn and intermediate points, including Coloma, Kelsey, Georgetown, Greenwood and Cool. Incidental to this service, applicant undertakes to engage in the transportation of baggage and express. At the hearing the application was amended so as to limit shipments of express to those weighing one hundred pounds or less.

United Motor Transport Lines, Inc. and El Dorado Motor Transportation Company appeared as interested parties, and Ben F. Snider (whose application [No. 23379] for a certificate to engage in the transportation of passengers, freight and express, over routes substantially paralleling those of applicant herein was

called for hearing at the same time) entered his appearance as a protestant. However, this protest vanished upon Snider's voluntary dismissal of his application.

A public hearing was had before Examiner Austin at Placerville, on July 19 and at Georgetown on July 20, 1940, when evidence was received, the matter submitted, and it is now ready for a decision.

At the hearing applicant himself described the territory to be served, the nature of the service proposed, and the need for its establishment. Some seventeen public witnesses were called, including merchants, garagemen and businessmen, the publisher of a paper at Placerville, the Secretary of the El Dorado County Chamber of Commerce, and the Justice of the Peace at Georgetown. All alike voiced the need for a service such as that proposed.

The territory involved lies in the foothills of the Sierra Nevada Mountains, nearly all the route being included within El Dorado County of which Placerville is the county seat. Along the proposed route some heavy grades will be encountered. The principal points are the terminals at Placerville and Auburn, having populations of 3,300 and 4,000, respectively; intermediate to them are Georgetown, Kelsey, Greenwood, Cool and Coloma, with populations estimated at 500, 300, 200, 50 and 200, respectively. Throughout the "Divide," as the intermediate territory is termed, reside some 2,500 people centered in the communities mentioned and distributed over the rural area among ranches, mines and lumber camps.

In this territory the principal industries are mining, lumbering, fruit production and livestock. Mines are scattered

throughout the territory, some being situated in the vicinity of Coloma, Georgetown and Kelsey, as well as in the adjacent area. Saw mills are found in the timbered area north of Georgetown. Surrounding Auburn are the fruit orchards. Stores, garages and other business houses are located at the various communities. Because of its many historical associations, reminiscent of the early mining days of California, this region, so the record shows, possesses great attraction for tourists.

At present, no public service is available for the transportation of passengers over this route. Southern Pacific Company provides a rail connection between the proposed terminals of Placerville and Auburn but aside from being a circuitous route, this does not accommodate the intermediate territory. The United States mail carrier (protestant Ben F. Snider) who travels substantially the same route, occasionally handles passengers and express matter as an accommodation.

Residents of these communities desiring to visit Placerville or Auburn, or points beyond, it appears must use their own means of transportation or depend upon the accommodation of friends and neighbors. It has become customary to use the stores as depots or centers where those intending to drive to Auburn or Placerville can pick up others; in fact, these places have become clearing houses of travel information. Those desiring to reach this territory are not afforded public transportation.

Although express packages are carried by United Motor Transport Lines, Inc., along with general freight, the service is unsatisfactory, being tri-weekly in character. Though suitable for heavy shipments, it is inadequate to meet the needs of merchants and others, especially for emergency shipments or those requiring

expedition. There is a substantial demand for such a service on the part of merchants, garage keepers and mine operators. Businessmen throughout the territory unanimously supported this proposal. It would also be used extensively during the summer and the fall seasons, extending from July to October, for the transportation of small shipments of fruit moving out of this territory.

The need for a service such as that proposed was clearly established. Both Auburn and Placerville are trading and banking centers and distributing points, the latter being the county seat of the area embraced within the greater part of the route. One witness, apparently quite familiar with the situation, stated that nearly every family had occasion to visit one or the other of these towns weekly. The area from Georgetown north is tributary to Auburn, the residents of this territory visiting this community more frequently, and receiving most of their express shipments from that point. For Coloma and Kelsey, however, Placerville is the shopping center, and many of their inhabitants find it necessary to visit that city upon county business. Those employed at the mines require an adequate transportation service to and from both of these terminals.

From a survey of the territory which applicant has made, he has become convinced there is a substantial demand for the service and that the operation ultimately will prove profitable. He expects to carry approximately five passengers daily in each direction, and he estimated the express traffic would average two hundred pounds per trip in each direction. This conclusion rests upon interviews had with merchants and others throughout the territory, and it is also predicated upon inquiries and requests for service which applicant constantly receives. In the conduct of his taxi business at Placerville, these inquiries have reached him quite frequently.

The proposed service appears adequate to meet the requirements of the public. One round trip daily is offered. Though applicant originally tendered a schedule which would permit passengers to remain at Auburn no longer than 35 minutes, unless they wished to stay over-night, this has since been revised. As amended, it permits a layover at Auburn from 10:50 A.M. to 4:40 P.M. By the operation of a stub service between Georgetown and Placerville, passengers may remain at the latter city from 8:50 A.M. to 7:20 P.M.<sup>(1)</sup> These schedules, the public witnesses stated, would be satisfactory. Similarly, the proposed passenger fares and express rates met with their approval.

To provide this service, applicant will employ a 10-passenger bus, using also for emergency or standby purposes a 7-passenger sedan and a 5-passenger taxi cab. At the outset, he stated, this would be sufficient to accommodate the expected traffic.

(1) Applicant proposes to operate under the following time schedule:

A.M.	Miles	Stations	P.M.
8:30		Lv Coloma Ar	7:30
8:50	9	Ar Placerville Lv	7:10
9:00		Lv Placerville Ar	6:30
9:25	7	Ar Kelsey Ar	6:05
9:50	16	Ar Georgetown Lv	5:40
10:00		Lv " Ar	5:30
10:15	22	Ar Greenwood Ar	5:15
10:30	30	Ar Cool Ar	5:00
10:50	36	Ar Auburn Lv	4:40
8:00		Lv Georgetown Ar	8:10
8:25		Ar Kelsey Ar	7:45
8:50		Ar Placerville Lv	7:20

The record shows that applicant is equipped financially and by experience to provide the service now contemplated. He has been engaged in the taxi cab business at Placerville for some five years and is quite familiar with the territory. He possesses financial resources sufficient to establish and maintain the service and to provide such further equipment as may be necessary.

With respect to the transportation of express shipments weighing 100 pounds or less, applicant proposed to apply a rate of 1 cent per pound between any two points, subject to a minimum charge of 25 cents per shipment, in lieu of the minimum charges prescribed by the Commission for such transportation by Decision No. 31606 of December 27, 1938, as amended, in Case No. 4246. <sup>(2)</sup> Applicant testified that the transportation would be rendered only incidental to his passenger stage operation; that the proposed charges would be compensatory and would be as high in volume as shippers in the territory could afford; and that such type of hauling would not be competitive with other carriers.

While the proposed basis of charges in certain instances will produce charges lower in volume than prescribed by Decision No. 31606, supra, it appears that the applicant's proposed operation is comparable to that of carriers heretofore accorded authority in Case No. 4246 to depart from the established basis of rates on shipments weighing 100 pounds or less. The authority will be granted.

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(2) Specific minimum charges prescribed by Decision No. 31606, are as follows:

<u>Weight of Shipment</u>	<u>Minimum Charge per Shipment</u>
25 pounds or less	40 cents
Over 25 " but not over 50 lbs.	50 "
" 50 " " " " 75 "	60 "
" 75 " " " " 100 "	70 "

Public convenience and necessity, we believe, warrant the granting of the certificate sought and, accordingly, such will be the order.

J. L. Graves 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

Public hearings having been had in the above-entitled proceeding, the matter having been duly submitted, and the Commission being now fully advised:

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by J. L. Graves, an individual, doing business as Mother Lode Lines, of a service as a passenger stage corporation, as defined in section 24, Public Utilities Act, for the transportation of passengers, baggage and express (limited to the transportation of express shipments weighing not in excess of one hundred pounds each) between Placerville and Auburn and intermediate points, including Coloma, Kelsey, Georgetown, Greenwood and Cool.

IT IS ORDERED that a certificate of public convenience and necessity therefor be and it is hereby granted to said J. L. Graves, doing business as Mother Lode Lines, 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 triplicate, 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.

IT IS FURTHER ORDERED that said J. L. Graves be and he is hereby authorized to publish for the transportation of shipments of property weighing one hundred pounds or less, rates less than the minimum rates prescribed by Decision No. 31606, as amended, in Case No. 4246, but not less than a rate of 1 cent per pound, subject to a minimum charge of 25 cents per shipment.



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

Dated at San Francisco, California, this 3<sup>rd</sup> day of September, 1940.

Ray L. Rice  
James R. Mumford  
Robert B. Johnson  
W. H. Miller  
Justus P. Galloway  
COMMISSIONERS