

Decision No. 34806

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of EL  
 DORADO MOTOR TRANSPORTATION COMPANY for  
 a certificate of public convenience and  
 necessity to operate motor vehicles for  
 the transportation of property between  
 Lincoln, California and Portola, Cali-  
 fornia, via U. S. Highway 99E and State  
 Highway No. 24, etc., including all inter-  
 mediate points except that no shipments  
 will be transported which both originate  
 at and are destined to points between  
 Sacramento and Oroville inclusive, as  
 an extension of applicant's present op-  
 erations between Sacramento and Lincoln,  
 California, and for merger and consoli-  
 dation of said extension with all of  
 applicant's present operative rights.

ORIGINAL

Application No. 23736

WARE & BEROL, by MARVIN HANDLER, for Applicant.

L. N. BRADSHAW and ERNEST I. SPIEGL, for Western Pacific Railroad Company and Sacramento Northern Railway, Protestants.

L. H. THAYER, for Quincy Railroad Company, Protestant.

A. J. GAUDIO, ERNEST I. SPIEGL and L. R. BURKE, for Railway Express Agency, Inc., Protestant.

A. J. GAUDIO, for Southern Pacific Company and Pacific Motor Trucking Company, Interested Parties.

McCUTCHEEN, OLNEY, MANNON & GREEN, by FRED W. MIELKE and JOHN MORAN, for The River Lines, Interested Party.

E. J. MUZIO, for Valley Express Co. and United Motor Transport Lines, Inc., Interested Parties.

H. C. LUCAS and HARRY D. RICHARDS, for Pacific Greyhound Lines, Interested Party.

W. G. STONE and J. E. HARRIS, for Sacramento Chamber of Commerce, Interested Party.

HARRY A. ENCELL, for E. J. Fournier, Interested Party.

BY THE COMMISSION:

O P I N I O N

By its application in this proceeding, El Dorado Motor Transportation Company, a corporation, seeks a certificate of public convenience and necessity under Section 50-3/4, Public Utilities Act, authorizing operation as a highway common carrier, as defined by Section 2-3/4, (a) between Lincoln and Portola and intermediate points, with certain exceptions, via U. S. Highway No. 99E and State Highway No. 24; and (b) between the junction of State Highways Nos. 24 and 89 (near Keddle) and Greenville, Crescent Mills, Taylorsville and intermediate points, operating via State Highway No. 89 and unnumbered county roads. The latter would be in the nature of a branch, loop service. A lateral zone extending two miles on each side of the highways traversed would also be served. Applicant requests that this certificate, sought as an extension of the existing operative right between Sacramento and Lincoln, be consolidated with all of its present operations. The application was protested by Western Pacific Railroad Company and its affiliate, Sacramento Northern Railway; by Quincy Railroad Company; and by Railway Express Agency, Inc. Southern Pacific Company and its affiliate, Pacific Motor Trucking Company; Pacific Greyhound Lines; The River Lines; Valley Express Co. and its affiliate, United Motor Transport Lines, Inc.; Sacramento Chamber of Commerce; and E. J. Fournier appeared as interested parties. (1)

---

(1) For brevity, applicant, El Dorado Motor Transportation Company, will be referred to hereafter as El Dorado; protestant, Western Pacific Railroad Company, as Western Pacific; protestant, Sacramento Northern Railway, as Sacramento Northern; protestant, Quincy Railroad Company, as Quincy; and protestant, Railway Express Agency, Inc., as Railway Express.

Public hearings were had before Examiner Austin at Quincy on December 9 and 10, 1940, at Sacramento on December 11 and 12, and January 3, 1941, at Quincy on February 17, and at Portola on February 18, when evidence was received and the matter submitted. To support its proposal, applicant El Dorado called its president and general manager, and 38 public witnesses. In opposition to the application, protestants, Western Pacific, Quincy and Railway Express, produced operating officials familiar with the service, and 17 public witnesses. The manager of the Transportation and Industrial Department of Sacramento Chamber of Commerce testified on behalf of applicant. No showing was made by any of the other parties appearing.

When the application was filed, the operative rights of El Dorado, as a highway common carrier, extended from Sacramento to Fallen Leaf Lodge and Lake Tahoe points, from Sacramento to Jackson, and from Sacramento to Lincoln via Roseville. Although they converge at common points, these operations never have been consolidated. <sup>(2)</sup> Subsequently, applicant was authorized to transfer to Willis M. Capen that portion of its Sacramento - Lake Tahoe operative right extending from Pacific House to Fallen Leaf Lodge and Lake Tahoe points. <sup>(3)</sup>

---

(2) The operative right between Sacramento and Fallen Leaf Lodge and Lake Tahoe points was acquired by El Dorado pursuant to Decision No. 23125, rendered November 28, 1930, in Application No. 16956; the operative right between Sacramento and Jackson was acquired pursuant to Decision No. 30709, rendered March 21, 1938, in Application No. 21809; and the operative right between Sacramento and Lincoln and intermediate points via Roseville was acquired pursuant to Decision No. 31694, rendered January 30, 1939 and Decision No. 32938, rendered March 26, 1940, in Application No. 22505.

(3) This transfer was authorized by Decision No. 34429, dated July 21, 1941, as amended by Decision No. 34522, rendered August 19, 1941, in Application No. 24298. As a result of those decisions, El Dorado retained only that part of the operative right extending from Sacramento to Pacific House, via Folsom, Placerville and Camino.

Since September, 1940, under a highway contract carrier permit issued by the Commission, <sup>(4)</sup> El Dorado has operated between Sacramento and points in the Feather River Canyon, serving a total of some 15 shippers, 13 of whom were Sacramento wholesale establishments and the remaining two were local dealers engaged in business at Quincy and Portola, respectively. In September, 1940, El Dorado acquired from Bud Bernardo the good will of the transportation business he theretofore had conducted under his permit as a highway contract carrier.

The territory primarily affected extends easterly from Oroville to Portola, a distance of approximately 115 miles by highway. It lies within the Feather River Canyon, and Indian Valley, in Butte and Plumas Counties. The canyon is traversed by the Western Pacific main line and by the Feather River Highway. The railroad has been operating since 1910, and the highway, which had been under construction for nine years, was opened to traffic in 1937. This road crosses the summit of the Sierra Nevada at an elevation of approximately 5,000 feet, some 2,000 feet lower than Donner Summit on the Truckee Highway. It is an all-year highway designed to accommodate both through and local traffic.

During recent years, the population has increased substantially. Plumas County, within which lie most of the communities to be served, in 1940 had a population of 11,548, an increase of 45.9 per cent over 1930. That of the principal communities was shown to be substantially as follows: Crescent

---

(4) El Dorado is the holder of Permit No. 34-455, issued June 4, 1937, authorizing operation as a highway contract carrier. It is still in effect.

Mills, 250; Greenville, 1,200; Taylorsville, 250; Quincy, 1,225; Blairsden, 60; and Portola 2,250 (including Delleker). Quincy is the county seat of Plumas County, and the administrative center. Within Quincy Township reside a total of some 2,853 people. During the summer, many vacationists visit the canyon.

In this region the principal industries are lumbering and mining, and there are also many summer resorts. Agriculture, it appears, is conducted on a minor scale. Livestock is raised and marketed. Saw mills are located at or near Quincy, Greenville, Blairsden and Portola. <sup>(5)</sup> Scattered throughout the territory are several productive mines, from some of which the yield is substantial. Most of them are gold mines, and one, the Walker mine, <sup>(6)</sup> produces copper principally, with some gold and silver. There are but few ranches, and these are not extensive. At Belden is located a summer resort, and Blairsden is the center of an extensive recreational area.

Applicant maintains headquarters at Sacramento, where its office, terminal and repair shop are located. It is an experienced operator, with sufficient financial resources to carry on the proposed service, should it be authorized.

---

(5) Saw mills of substantial capacity are located at Quincy, Sloat (15 miles southeast of Quincy), Meadow Valley (7 miles west of Quincy), Massac (6 miles east of Quincy), Greenville, Graeagle (1½ miles southeast of Blairsden), and Delleker (1½ miles west of Portola).

(6) The principal mines are the Virgilia, 17 miles west of Quincy, where gold is produced; the Cherokee near Greenville, a gold producing mine; and the Walker mine near Greenville, which produces copper and some gold and silver. On Exhibit No. 16, a geological map of Plumas County, are shown 21 mines which applicant asserts could be served under its proposal.

Under applicant's proposal, no service would be performed locally between Lincoln and Oroville. However, it would accept traffic moving between Sacramento and Oroville and intermediate points, on the one hand, and Oroville and Portola and intermediate points, on the other hand; and it would also operate locally between Oroville and Portola and intermediate points.

An overnight service from Sacramento is contemplated, affording store-door pickup and delivery at all points. The schedule provides for departure from Sacramento at 7:00 P.M. and arrival at Feather River Canyon points during the early morning hours, thus permitting deliveries to be made in these communities when business establishments ordinarily would open for the day. Sacramento freight destined to points on the Keddle-Greenville loop would be loaded into a trailer which would be cut off at Quincy, where this traffic would be transferred to another vehicle. Leaving Quincy at 6:00 A.M., this truck would provide early morning delivery at Crescent Mills, Greenville and Taylorsville. At all of the points served, commission agents would be maintained, with whom shippers could deal directly. There, facilities would be provided for the safe-keeping of freight unloaded during the early morning hours. The schedule was shown to be feasible and the operation practicable.

The equipment to be used is adequate for the purpose. Between Sacramento and Portola, heavy line-haul trucks would be operated, but a light truck, to be stationed at Quincy, would serve the Keddle-Greenville loop. Throughout the summer, the trucks would be lined and insulated so that perishable freight could safely be handled. Additional equipment could be supplied if necessary.

A traffic survey recently made indicates, so applicant's president testified, that the operation could be conducted profitably. It is estimated that the annual revenue would be \$25,906; the operating expenses, \$20,754.25; and the profit, \$5,151.75. The revenue figure rests upon a field survey undertaken by applicant during which shippers were interviewed and an estimate secured of the character and volume of their traffic. The expense shown is predicated upon applicant's average system operating cost of 17.45 cents per vehicle mile, which is based in part upon mountain operations between Placerville and Lake Tahoe, assertedly similar to the proposed Feather River Canyon operation.

Because of its alleged superior service, applicant expects to divert some traffic from existing carriers, but the remainder would represent entirely new business. Most of the tonnage would originate at Sacramento. At present, because of the limitations inherent in its operations as a highway contract carrier, applicant has not been able fully to develop this field.

The protesting carriers offered evidence descriptive of their operations. Such a showing was made on behalf of Western Pacific, Quincy, and Railway Express.

Less-than-carload freight moving from Sacramento over the Western Pacific consigned to Feather River Canyon points is handled in two separate trains, viz., Nos. 62 and 54, depending upon the destination of the traffic. That intended for Quincy Junction, Blairsd<sup>(7)</sup>en, and Portola moves in train No. 62, which sets out a car at each point. Shipments for Belden move by this

---

(7) See footnote (9), infra.

train to Oroville, where they are transferred to a local train. Freight destined for Crescent Mills, Greenville and Taylorsville moves via train No. 54 in a single car, which is set out at Keddie, where ordinarily it is transferred to two cars which then move over the Westwood branch to Crescent Mills and Greenville, respectively. <sup>(8)</sup> Taylorsville freight is transferred at Crescent Mills to the local mail carrier. A refrigerator car, leaving Sacramento tri-weekly, affords a protective service for perishable commodities.

Quincy, situated  $5\frac{1}{2}$  miles south of the Western Pacific main line, is served by Quincy Railroad Company which connects with the trunk line at Quincy Junction. Though this carrier operates two round trips daily, most of the traffic is handled in the earlier train.

First-day delivery is afforded at the principal towns reached by the main line, but not in all instances at the smaller communities, nor at branch-line points. Thus, traffic for Belden, Quincy (via Quincy Junction) and Portola receives first-morning delivery, and this is true in part at Blairsden, <sup>(9)</sup> but Crescent Mills and Greenville are accorded second-morning delivery.

---

(8) When the Crescent Mills traffic falls below two tons, the car originating at Sacramento moves through to Greenville over the Westwood branch, the Crescent Mills freight (including that consigned to Taylorsville) being unloaded by the train crew and stored in the Crescent Mills freight house.

(9) On three days a week, viz., on Monday, Wednesday and Friday, freight moves direct to Blairsden on train No. 62, where a car is set out, thus affording first-day delivery. On the intervening days, however, freight moves through to Portola on train No. 62, and is back-hauled to Blairsden on a local train leaving Portola on the following morning. Thus, on alternate days, viz., on Tuesday, Thursday and Saturday, Blairsden receives second-day delivery from Sacramento.



For a substantial share of this traffic, an early closing hour is observed at Sacramento. Since train No. 62 leaves that point at 3:10 P.M., the freight which it carries must be tendered there not later than 2:00 P.M. Freight moving by train No. 54, which leaves Sacramento at 5:40 A.M., must be received there by 5:00 P.M. of the preceding day.

Neither Western Pacific nor Quincy performs a pickup or delivery service at any point in the Feather River Canyon. Local draymen are available at Quincy, Portola and Greenville. The rail tariffs provide a delivery allowance of 5 cents per 100 pounds applying on shipments under 10,000 pounds.

At points which applicant, the Western Pacific and Quincy would serve in common, the rates proposed by applicant were identical to those maintained by the railroads, excepting at Quincy, where the joint rates observed by Western Pacific and Quincy were on a somewhat higher level. Applicant has offered to publish rates in conformity with those established by Decision No. 31606 and related orders, and the rails have undertaken to establish the Quincy rates on this basis.

Through its underlying carriers, Western Pacific and Quincy, protestant Railway Express conducts a daily overnight service from Sacramento to points in the Feather River Canyon, affording first-morning delivery. Pickup and delivery service is furnished at Quincy alone of these points. Offices are

---

(10) Rail shipments destined to Taylorsville, an off-rail point, are subject to the charge imposed for the truck movement beyond Crescent Mills. A merchant engaged in business at Taylorsville testified that this amounted approximately to 15 cents per 100 pounds.

maintained at the railroad stations, where shipments will be accepted for transportation and will be delivered to consignees. At Sacramento, Marysville and Oroville, a regular pickup and delivery service is provided. On small parcels, the express rates are lower than either the rail rates or those proposed by El Dorado for like shipments; on larger shipments, they are higher.

During the winter season, slides occur in the Feather River Canyon which block both the railroad and the highway. It appears, however, that the interruptions to train and motor vehicle service thus caused have been of short duration.

Public witnesses were called on behalf of both the applicant and the protestants. Those appearing for the applicant comprised local retail dealers and Sacramento wholesale merchants. Local retail businessmen were produced by protestants.

Some 15 witnesses representing 14 retail establishments testified on behalf of applicant. <sup>(11)</sup> All stated they would use the service of El Dorado if it were established. A number receive merchandise which applicant transports under contracts with Sacramento wholesale stores, and have found the service satisfactory. <sup>(12)</sup> All would be substantial shippers. Store-door

---

(11) The local witnesses called by applicant included a resort owner, grocers, dealers in general merchandise, a hardware dealer, a liquor dealer, a cafe operator, service station operators, a garage operator, a wholesale distributor of automobile parts and a dealer in lumber and building materials. They were engaged in business at Belden, Greenville, Taylorsville, Quincy and vicinity, Blairsden and Portola, respectively.

(12) One witness who conducts a grocery store on the highway near Quincy testified that the service provided by El Dorado as a highway contract carrier, though satisfactory, is incomplete. Because of the limitations incidental to applicant's status, she cannot purchase supplies from a Sacramento wholesale firm which had not entered into a transportation agreement with applicant but with whom she would like to deal.

delivery, they said, would be advantageous.

These witnesses expressed dissatisfaction with the existing rail service. Specifically, they objected to the second-day delivery afforded at certain points, and to the delays encountered at others. <sup>(13)</sup> They complained of the early closing hour at Sacramento, stating that frequently orders could not conveniently be placed before 2:00 P.M. with wholesale houses, and that emergency orders received at a later hour must be held overnight, thus delaying delivery of the shipments for at least a day. Railway Express, they testified, provided an expeditious overnight service. However, the rates were regarded as too high for ordinary use. A wholesale distributor of automobile parts at Portola asserted he had found the service unsatisfactory because of the need for telephoning orders to Marysville at an inconveniently early hour to insure overnight delivery.

Representatives of 19 wholesale dealers and distributors engaged in business at Sacramento testified on behalf of applicant. Of these, one maintained branches at Marysville and Oroville. In addition, a distributor at Marysville was called. These establishments, it appears, distribute their products throughout the Feather River Canyon area. All would use applicant's service if it were established. Their shipments would be substantial in volume. Of the 20 firms represented, eight had entered into transportation contracts with El Dorado under which

---

(13) Complaints regarding second-day delivery were voiced by merchants and others engaged in business at Belden, Greenville, Taylorsville and Blairsden. Witnesses from Quincy and Portola, where first-day delivery was furnished, objected to the delays undergone in the delivery of their shipments.

the latter bound itself to serve them as a highway contract carrier. This service, they said, had been satisfactory.

These distributors expressed their dissatisfaction with the existing freight service. Many complained of the early closing hour at Sacramento, asserting that ordinarily they were unable by 2:00 P.M. to fill orders received by mail that morning and deliver them to the carrier for transportation. An overnight service, they said, is essential to accommodate emergency shipments. Store-door delivery at Feather River Canyon points--a service not now accorded by the railroads--would materially assist Sacramento distributors of fruits, vegetables and produce, so they testified, to compete more effectively with peddler trucks. Some testified that an overnight truck service would permit local merchants to turn over their stocks more readily. The daily refrigerator service offered by applicant during the summer period was regarded as an improvement over the present tri-weekly rail refrigerator service. Some dealers voiced the opinion that a truck service would further the development of their business in this territory, thus resulting in an expansion of the tonnage carried. They stated that because of slow rail transportation they had not endeavored to push their goods.

On behalf of protestants, some 17 public witnesses were called, representing 16 local business establishments and one civic association. One of the businessmen had also been delegated to speak for another similar organization. Various types of business, situated in the principal communities, were

(14)  
represented. All these firms, it appears, regularly receive from Sacramento shipments of substantial volume.

The existing transportation facilities, so these witnesses testified, were sufficient to meet their needs. All had used the Western Pacific freight service, which satisfied their requirements. For emergency shipments the facilities of Railway Express were asserted to be adequate. Some testified they usually anticipated ordinary replacements of merchandise stocks, thus avoiding the need for emergency shipments. The majority testified they would have no need for the service proposed by El Dorado, nor would they have any occasion to use it. However, a few from time to time have received shipments, consisting mostly of fruits and vegetables, transported by that carrier under its contracts with Sacramento distributors.

Two resolutions, passed by civic bodies opposing the application, were received in evidence. Action of this character was taken by the Plumas Chamber of Commerce and by the Portola Chamber of Commerce.

The record, we are convinced, justifies the granting of the certificate sought. The service now provided by the rail lines does not accord to the Sacramento wholesalers and to the local distributors the transportation facilities to

---

(14) The business institutions thus represented at the hearing consisted of three general merchandise stores; one ladies and mens furnishing store; one grocery store; one dry goods store; one newspaper publisher; one bank; two hotels; one food distributor; one retail liquor store; one operator of a motor court, grocery store and plumbing establishment; and one variety store. They are engaged in business at Greenville, Crescent Mills, Quincy, Blairsden and Portola, respectively.

which they are reasonably entitled. A more expeditious service, offering a later departure from Sacramento and store-door delivery at Feather River Canyon points, is essential to afford the wholesale distributors an opportunity to serve the trade and expand their markets, and to enable the retailers to receive their merchandise earlier than at present.

Applicant, so the record shows, could provide a service which would supply these deficiencies. It is qualified to conduct the operation, the service it has offered is adequate, and its proposal has met with the support of the shippers, both wholesale and retail.

The service now conducted by El Dorado as a highway contract carrier is too narrow in scope to meet the shippers' needs. Of the many wholesale establishments engaged in business at Sacramento, but 13 now avail themselves of this service, and their competitors are precluded from enjoying it. Upon this record it is apparent that applicant cannot, as a highway contract carrier, meet their requirements.

The application, therefore, will be granted, and such will be the order.

O R D E R

Application having been made as above entitled, evidence having been received, the matter having been submitted, and the Commission now finding that public convenience and necessity so require:

IT IS ORDERED that a certificate of public convenience and necessity be and it hereby is granted to El Dorado Motor Transportation Company, a corporation, authorizing the establishment and operation of a service as a highway common carrier, as defined by Section 2-3/4, Public Utilities Act, between Lincoln and Portola and intermediate points, except as hereinafter set forth; and between the junction of State Highways Nos. 24 and 89 (situated approximately two miles west of Keddie) and Crescent Mills, Greenville and Taylorsville and intermediate points; together with a lateral zone extending two miles on each side of the highways traversed; as an extension and enlargement of the present operative right of El Dorado Motor Transportation Company between Sacramento and Lincoln.

Said certificate is granted subject to the following conditions:

- (a) No freight shall be transported between Sacramento, on the one hand, and points extending northerly from, but excluding, Lincoln, to and including Oroville; between Lincoln and Oroville; between Lincoln and Oroville, respectively, and intermediate points; nor locally between such intermediate points.
- (b) El Dorado Motor Transportation Company, its successors or assigns, shall never claim before this Commission or any court or other public body, a value for the authority hereby granted in excess of the actual cost thereof.

IT IS FURTHER ORDERED that, in the operation of a highway common carrier service pursuant to the foregoing certificate, El Dorado Motor Transportation Company shall observe the following service regulations:

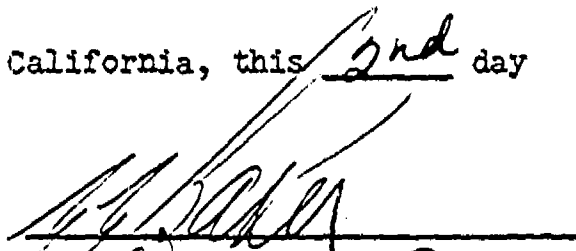
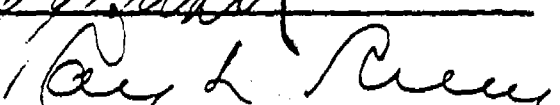



1. File a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the date hereof.

2. Comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, tariffs and time schedules satisfactory to the Commission within sixty (60) days from the effective date hereof and upon not less than five (5) days' notice to the Commission and the public.
3. Subject to the authority of this Commission to ~~change or modify~~ such at any time by further order, conduct said highway common carrier service over and along the following routes:

From Lincoln to Oroville, via U. S. Highway No. 99E; from Oroville to Portola, via State Highway No. 24; from the point of intersection of State Highways Nos. 24 and 89 (approximately two miles west of Keddie) via State Highway No. 89 to Greenville and via unnumbered highways diverging from State Highway No. 89 at Greenville and at or near Crescent Mills to Taylorsville, this being in the nature of a loop operation; returning over the same route in the reverse direction.

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

Dated at San Francisco, California, this 2nd day of December, 1941.

  
  
  
  
  
COMMISSIONERS