

Decision No. 38467

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of  
NORMAN H. ROBOTHAM for certificate  
to operate transportation service  
by boat on Shasta Lake, etc.

Application No. 26753

Ware and Ware, by Allison Ware, for applicant;  
Douglas Brookman, for Pacific Greyhound Lines, in  
support of applicant; L. G. Crockett, for Southern  
Pacific Company, in support of applicant; A. G.  
Albertsen, of Albertsen Cruise-Tours, in support  
of applicant; Melvin Pinkham of Humboldt Motor  
Stages, in support of applicant; George L. Collins,  
representing the Department of the Interior,  
National Park Service.

ANDERSON, COMMISSIONER:

O P I N I O N

Applicant requests a certificate authorizing common carrier transportation by vessel of passengers, baggage and express between Lakeshore and Boat Landing near the east end of Shasta Dam and all intermediate points as such points may develop, via Sacramento River and Shasta Lake. The proposed route follows the former highway and railroad route, now submerged, from the east end of Shasta Dam north over the former Town of Kennett, past the confluence of the Pit and McCloud Rivers, along the channel to the east of Elmore, and following the circuitous channel beyond to a point under the Southern Pacific railroad bridge and thence to Lakeshore, a total distance of some 26 miles.

In commencing service applicant proposes one round trip

(1)  
daily , at a fare of \$2.50 one way and \$5.00 round trip. Applicant estimates a total initial investment of some \$18,000, of which about \$16,000 represents the cost of a vessel and the balance the cost of docking facilities. If a certificate issues, applicant proposes to have a vessel constructed, of a net register of some 14 tons, a draft of about 3'6", 52 feet long with a 16-foot beam, powered by Diesel engine and meeting all Federal safety requirements. Such boat will have a seating capacity for 27 passengers below decks and 32 persons on the upper deck, lavatories, and a refreshment bar. It will be operated by a crew of two men. Such boat is expected to be practical for use in all seasons.

Humboldt Motor Stages operates a highway common carrier service between Shasta Dam and Redding. The general manager of that carrier entered an appearance in support of the present application. Humboldt Stages now operates eleven schedules daily between those points, and before construction of Shasta Dam was completed carried an average of over 25,000 passengers a month. It operated a pre-war tourist service to Shasta Dam, averaging thirty-three tourist passengers daily between the middle of June and the first of September. Most of such passengers arrived at Redding via Pacific Greyhound Lines or Southern Pacific Company, under joint rate arrangements, although quite a few originated in Redding. Such tour service will be reestablished in 1946, will coordinate service with applicant's proposed vessel operation, and will join in publishing joint tariffs and rates. During the past four years Humboldt Stages has received many inquiries regarding boat service on the Lake and to the Dam.

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(1) Leaving Shasta Dam at 9 a.m., arriving at Lakeshore at 11:30 a.m., returning from Lakeshore at 12:30 p.m., and arriving at the Dam at 3:00 p.m.

This carrier is willing to work out with applicant a "package tour" from Redding and other points on its line to Shasta Dam, with guide service there, boat transportation to Lakeshore, luncheon at Lakeshore, return to the Dam, further observation there, and elevator transportation (when installed) down to the power house. The witness was of the opinion that there would be a great development of tourist interest and travel.

Pacific Greyhound Lines and Southern Pacific Company both appeared in support of the application. Both carriers will cooperate with applicant and publish joint and through rates. Southern Pacific Company proposes to include the trip as a detour on its main Shasta Route in its national magazine and newspaper advertising. That company has made a study of the development of tourist travel in the area, and if a certificate issues hopes to enter into a plan with applicant whereby a fixed amount for the tour can be set and placed in the national tariff, thus making the transportation accessible at substantially all railroad offices throughout the United States. Interchange would be made at Redding with Humboldt Motor Stages.

Peck-Judah Company, travel agents specializing in tours since 1905, with offices at San Francisco and Los Angeles, has had many inquiries for transportation to the Shasta Lake area. Its president believes that the Shasta Lake tour can be as much of an outstanding tourist trip as that to Boulder Dam, will meet a real public necessity, and believes that the tour can be sold through its offices to people making the trip to Shasta Dam by automobile, as well as to bus and train passengers.

The American Express Company, engaged in the travel and tourist business all over the world, has also had inquiries concerning transportation to Shasta Dam. Its representative testified

that in his opinion the Shasta Dam and Lake area will be a most attractive tourist area. If a certificate issues, the company will advertise the tour through its advertising agency and in booklets, and is quite interested in selling such a tour, which the witness believes will serve public convenience and necessity. The company expects to resume western tours originating on the eastern seaboard.

Albertsen Cruise-Tours, engaged in business at San Francisco for many years, appeared in support of the application. It has organized sightseeing and tourist travel all over the world. Based upon experience with transportation to Boulder Dam, the general manager of this concern is of the opinion that applicant's proposed operation would be a public service and of interest to the tourist in California, as well as transients from elsewhere.

The record shows that The Gray Line, Incorporated, would like to have tickets for applicant's proposed service on sale at its office in San Francisco.

Lakeshore, about 25 miles north of Redding, and the northern terminal of the proposed vessel service, is a year-round resort. Witness Finkler owns and operates ten cabins, a grocery store, restaurant, tavern, service station, and garage. There is a floating dock, 12 feet by 60 feet, and a few small boats with outboard motors are available. Excluding neighbors who come to the postoffice (Loftus) or store, the witness testified that the resort is visited by about 50 people daily. Inquiries and requests for boat trips on the Lake are received constantly. The witness has accommodations for and will serve lunch to applicant's passengers upon arrival at Lakeshore at 11:30. He is willing also to sell transportation for applicant and is certain that there would be some local transportation originating at Lakeshore - people who

would like to go to Redding via boat and Humboldt Motor Stages.

In addition to passengers, applicant also proposes to carry baggage and express. Witness Finkler testified that strawberry plants (nursery stock) are raised and shipped from the area. <sup>(2)</sup> Since the railroad was relocated and the railroad office closed, it has been necessary to truck such plants to Redding for reshipment. About 200 or 250 tons of strawberry plants are shipped annually, in bulky 50-pound boxes containing some 1500 plants each. Most of such nursery stock moves south. Local apiarists ship queen bees and hives in the early spring, primarily to Canada.

Applicant now operates bus service between Marysville and Yuba City, and has had considerable experience in the transportation business. Based upon a study of the records of visitors to Boulder Dam and to western National Parks, applicant concludes that most of the anticipated passenger traffic will originate outside of California. Boulder Dam was closed to visitors on December 7, 1941, guide service was discontinued, and thereafter all traffic was convoyed across the Dam. However, the Boulder Dam Recreational Area remained open to visitors. Attendance at Boulder Dam averaged 1,103 persons per day during 1941. <sup>(3)</sup>

As to Shasta Dam, applicant anticipates that in a peace-

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- (2) 1942 - 300,000 plants.  
1943 - 500,000 plants.  
1944 - 700,000 plants.  
1945 - 1,300,000 plants.  
1946 - 1,800,000 plants (ready for harvesting).

(3) Exhibit 1 discloses the following:

<u>Visitors</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>
To Boulder Dam	376,404	--	--	--
To Recreational Area	844,733	331,141	210,199	235,111

time year, there will be at least 400,000 visitors <sup>(4)</sup>, and that one per cent will avail themselves of boat transportation on the Lake. Applicant will be able to operate the year round, but whether such year-round service will be supported by the public may be affected by the weather, rainfall being heavy in the three winter months. If patronage does not warrant year-round operation, the service will be placed on an on-call basis.

Applicant estimates that he will carry 25 passengers daily during the 100-day summer peak, and 10 passengers daily during the 150-day spring and fall period. Four thousand passengers at \$5.00 each would produce passenger revenue of \$20,000. Applicant also anticipates an express revenue of \$500, as well as a non-operating net revenue (refreshment bar) of \$1,500. With a total operating revenue of \$20,500, applicant expects that operating costs will total \$16,275, based on 250 days operation annually. <sup>(5)</sup> Net revenue

(4) A study of the Travel and Recreation Department of the California State Chamber of Commerce contains an estimate that in the years 1939, 1940, and 1941 some 750,000 people visited Shasta Dam, an average of 250,000 annually.

(5) Operating expenses are estimated as follows:

<u>Acct. No.</u>	<u>Account</u>	<u>Annual</u>	<u>Daily *</u>
600	Repairs of equipment Materials & labor in maintaining equip- ment-----	\$ 1,500	\$ 6.00
610	Repairs of terminals Expenses involved in maintaining terminals-----	500	2.00
620	Depreciation, property and equipment Based on cost of boat & docking facili- ties, being \$18,000 & 15% annual depre- ciation-----	2,700	10.80
630	Traffic expense Cost of advertising, solicitation and expenses of attracting traffic-----	2,500	10.00

per day of operating (including \$1,500 estimated net from refreshment stand) thus is estimated at \$88.00 per day, and expenses at \$65.10 per day. If operation can be maintained for 365 days, instead of 250 days, there would be a relative reduction in daily operating costs. Applicant believes the above estimates to be conservative.

Mr. George L. Collins, Recreation Supervisor, Shasta-Millerton Lakes Project, National Park Service, Department of the Interior, testified that the administrative policies of the National Park Service for the Shasta Lake recreational area are almost totally unlike the policies for national parks and national monuments. The Secretary of the Interior has approved an interbureau agreement between the Bureau of Reclamation and the National Park Service, whereby the latter agency will plan and develop the area, it being the intent of the Federal reclamation laws that operations in connection with the project shall not be carried on in any manner that would interfere with State laws. Mr. Collins also testified that in a place such as the Shasta Lake area the policies are far less restricted in that it is an artificial lake, and the preservation of natural conditions is not present in the same sense as in national parks. Moreover, at Shasta Lake there are a number of different industrial interests, such as grazing interests, mining interests,

(5) cont'd.

640	Transportation - Boat operation Crew wages, fuel, lubrication, and expenses directly incidental to operation-----	\$ 7,275 \$29.10
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670	General expense Stationery, printing, postage, insur- ance, rent, legal expense, phone and telegraph costs, ice-----	1,800 7.20
	Total-----	\$16,275 \$65.10

\* Based on 250 days annual operation.

lumbering interests, power interests, etc. <sup>(6)</sup> As testified to by Mr. Collins, the State of California has ceded no authority and no jurisdiction to the Federal Government in the Shasta Lake area, which means that State laws, rules and regulations apply. Applicant expects to comply with all rules and regulations of Federal authorities applicable to vessel operations.

The application will be granted. Applicant is placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid to the State as the consideration for the issuance of a certificate. Aside from the purely permissive aspect, a certificate extends to the holder a full or partial monopoly of a class of business over a particular route, which feature may be changed or destroyed at any time by the State, which is not in any respect limited as to the number of rights which may be given.

#### ORDER

Public hearing on the above application having been had before Commissioner Anderson and Examiner Hunter, and based upon the record and upon the factual findings contained in the above opinion, the Commission, finding that public convenience and necessity so require, ORDERS as follows:

(1) That a certificate of public convenience and necessity be and is hereby issued to Norman H. Robotham, authorizing common carrier vessel operation, within the meaning of sections 2(y) and

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(6) According to the record, applicant has been informed that there are 211,000 acres close to the margin of the Lake, some 51,000 acres of which are owned by Southern Pacific Company, and 28,000 acres by other private individuals.



50(d) of the Public Utilities Act, between Lakeshore, Shasta County, and a point near the east end of Shasta Dam, Shasta County, and intermediate points, via Sacramento River and Shasta Lake, for the transportation of passengers, baggage, and express.

(2) That in providing service pursuant to the certificate herein issued, applicant shall comply with the following service regulations:

(a) File a written acceptance of this certificate within thirty days after the effective date of this order.

(b) File appropriate time schedules, tariffs, and rules and regulations, consistent with the offer of record herein, within ninety days after the effective date of this order, and on not less than ten days' notice to the Commission and the public.

This order shall become effective on the twentieth day after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated, San Francisco, California, this 10<sup>th</sup> day of

December, 1945.

Harold C. Culver  
Francis W. Brown  
James H. Sweet  
Harold P. Hale  
Commissioners