

ORIGINAL

Decision No. 67817

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of McCLOUD RIVER TRUCKING COMPANY, a Corporation, for a Temporary Certificate of Public Convenience and Necessity to Perform Substitute Service)))))))	Application No. 46918 (Filed August 24, 1964)
---	---------------------------------	--

In the Matter of the Application of McCLOUD RIVER TRUCKING COMPANY, a Corporation, for Authority to Deviate from Minimum Rates for the Transportation of Fresh Potatoes))))))	Application No. 46941 (Filed August 31, 1964)
---	----------------------------	--

OPINION AND ORDER

McCloud River Trucking Company is a highway common carrier of general commodities in the area between McCloud (Siskiyou County) and Burney (Shasta County), among other places.

In these proceedings it seeks a temporary certificate of public convenience and necessity to perform substitute service and authority to deviate from the minimum rates for a sixty-day period to transport potatoes from McArthur (Shasta County) and Pittville (Lassen County) to Nubieber, a distance of approximately thirteen to eighteen miles. The sought operative authority will require a four to five mile extension of applicant's existing authority.

Applicant alleges that there are no common carriers with which the proposed service is likely to compete. The proposed service would be daily and would continue for the period of the pertinent potato harvest season and in any event not to exceed sixty days.

According to applicant, potatoes have been planted in the McArthur and Pittville area on an experimental basis this year,

and it has just been determined that such potatoes may be marketed on a commercial basis if adequate transportation is available. Such potatoes will be ready for harvesting by mid-September or sooner. The transportation herein involved may be transported by applicant under its present authority to Burney, thence along the line of McCloud River Railroad Company to Nubieber, a point on the line of Western Pacific Railroad Company. Such route, however, obviously would be circuitous and unnecessarily lengthy, being a distance of approximately ninety miles. The route proposed herein would have a distance of only thirteen to eighteen miles and would represent only an extension of four to five miles of the present authority of applicant.

With regard to the sought authority to deviate from the minimum rates for the above transportation, applicant proposes a rate of 10 cents per hundred pounds. It is alleged that the proposed rate is reasonable and consistent with the public interest. According to applicant, there is a real need to develop new industry and new agriculture and provide additional employment in the McArthur and Pittville area. The growers have agreed to ship daily not less than three loads of 40-foot vans containing 44,000 pounds each upon commencement of this service at the proposed rate, and it is expected that approximately six loads of 44,000 pounds each will be shipped daily during the harvesting season. Cost and revenue data submitted by applicant indicate that on a three-load-per-day basis revenue would be \$132 and the full costs would be \$60.89. Loading and unloading service would be performed by the shipper and the rail carrier involved.

Applicant states that competing carriers have no objection to the granting of the sought authorities.

In the circumstances, it appears and the Commission finds, that public convenience and necessity require granting of the sought operative authority and that the proposed rate is reasonable and justified by transportation conditions. A public hearing is not necessary. The applications will be granted.

Applicant is hereby placed on 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 grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is hereby granted to McCloud River Trucking Company, a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of fresh potatoes between McArthur and Nubleber along State Highway 299 with a right to serve all intermediate points and all points within 20 miles laterally of said highway, including Pittville, to expire November 4, 1964.

2. In providing service pursuant to the certificate and rate authority herein granted, applicant shall comply with and observe the following service and rate regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules of the California Highway Patrol, and the insurance requirements of the Commission's General Order No. 100-C. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with the provisions of General Order No. 100-C, may result in a cancellation of the operating authority granted by this decision.
- (b) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-A.
- (c) McCloud River Railroad Company, a corporation, is hereby authorized to publish and file, to expire with November 4, 1964, a rate of 10 cents per 100 pounds, minimum weight 44,000 pounds, for the transportation of fresh potatoes from McArthur and Pittville to Nubieber.
- (d) Tariff filings may be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and to the public.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 4th day of September, 1964.

Frederick B. Helms
President
Everett A. Hoag
George L. Grover

Commissioners

4 Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.