

BEM

**ORIGINAL**

Decision No. 73507

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WALTER E. MENDENHALL and WILBUR N. MENDENHALL, Partners doing business as MENDENHALL TRANSPORTATION CO. for authority to transfer operating authorities and assets; and YREKA WESTERN RAILROAD COMPANY, a California corporation, to acquire said rights and assets.

Application No. 49403  
(Filed May 25, 1967, Amended  
September 8, 1967)

O P I N I O N

Applicants Walter E. and Wilbur N. Mendenhall operate as a passenger stage corporation and a general commodity carrier out of Eureka and Fortuna in Humboldt County, under authority of Decision No. 72038, dated February 21, 1967, as amended by Decision No. 72355, dated May 2, 1967, in Application No. 46755. They seek to transfer most of their operating authorities and equipment to the Yreka Western Railroad Company. The application and supplement thereto presented two alternatives in an effort to satisfy this Commission and the Interstate Commerce Commission. The latter has advised it will accept a third alternative which is midway between the first two proposals. The purchase price will be \$50,000 for the equipment to be transferred and \$15,000 for the operating authorities. The sum of \$12,500 will be a down payment and the remainder of the purchase price will be paid in monthly installments together with interest at the rate of six percent per annum on the declining balance. Thirteen motor vehicles and certain shop and office equipment are included in the sale. The sellers will retain a security interest.

The application alleges that both applicants, buyer and sellers, have been providing service in Northern California and a consolidation of their principal operating authorities under Yreka Western control will prevent duplication of service and lessen the operating expenses of both applicants. The Mendenhalls will retain authority as a passenger stage corporation to transport passengers, baggage and express packages weighing 100 pounds or less on passenger carrying vehicles only between Eureka and Fortuna on the one hand, and Rohnerville and Ruth, California, on the other hand, including intermediate points. All other Mendenhall authority is to be sold and transferred to the Yreka Western Railroad Company. The applicants further request that an in lieu certificate be issued to each applicant and that prior certificates be canceled.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest, and that the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. For clarification, each applicant's present certificate or certificates will be revoked and a new certificate issued to each applicant.

Yreka Western Railroad Company 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.

A. 49403 bem

at any time by the State, which is not in any respect limited as to the number of rights which may be given.

The action taken herein shall not be construed as a finding of value of the operative rights and properties authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before May 1, 1968, Walter E. Mendenhall and Wilbur N. Mendenhall may sell and transfer, and Yreka Western Railroad Company may purchase and acquire, the operative rights and property referred to in the application.

2. For the purpose specified in this proceeding, applicants may carry out the provisions of the agreement dated January 24, 1967, a copy of which is attached to the application, which agreement, among other things, constitutes an evidence of indebtedness in the amount of not exceeding \$50,000.

3. Yreka Western Railroad Company may execute and deliver a security agreement consistent with said January 24, 1967 agreement.

4. Within thirty days after the consummation of the transfer herein authorized, Yreka Western Railroad Company shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

5. Yreka Western Railroad Company shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the highway common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than thirty days after

the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-A. Failure to comply with and observe the provisions of General Order No. 80-A may result in a cancellation of the operating authority granted by this decision.

6. Yreka Western Railroad Company shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the passenger stage common carrier operations herein to show that Walter E. Mendenhall and Wilbur N. Mendenhall have withdrawn or canceled, and Yreka Western Railroad Company has adopted or established, as its own, said rates and rules. The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the consummation of the transfer herein authorized. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98-A. Failure to comply with and observe the provisions of General Orders Nos. 79 and 98-A may result in a cancellation of the operating authority granted by this decision.

7. Walter E. Mendenhall and Wilbur N. Mendenhall shall amend or reissue the tariffs and timetables on file with the Commission,

A. 49403 bem

naming rates and rules governing the passenger stage common carrier operations herein to show that they have withdrawn or canceled said rates and rules. The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the consummation of the transfer herein authorized. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98-A. Failure to comply with and observe the provisions of General Orders Nos. 79 and 98-A may result in a cancellation of the operating authority granted by this decision.

8. Concurrent with the effective date of the tariff filings required by ordering paragraphs 5, 6, and 7 hereof, the operating authority granted to Walter E. Mendenhall and Wilbur N. Mendenhall by Decision No. 72038, dated February 21, 1967, as amended by Decision No. 72355, dated May 2, 1967, in Application No. 46755, is hereby revoked and in the place and stead thereof a certificate of public convenience and necessity is hereby granted to Walter E. Mendenhall and Wilbur N. Mendenhall, authorizing them to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes more particularly set forth in Appendix A attached hereto.

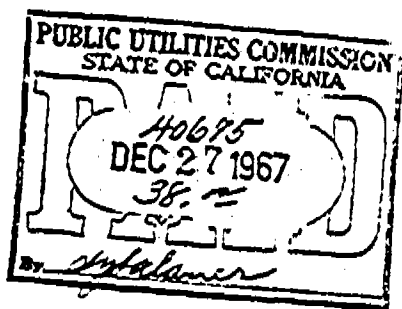
9. Concurrent with the effective date of the tariff filings required by ordering paragraphs 5, 6, and 7 hereof, the operating authority granted to Yreka Western Railroad Company by Decision No. 33798, dated January 10, 1941, Decision No. 38017, dated

A. 49403 bem

June 26, 1945, and Decision No. 41313, dated March 15, 1948, as transferred to Yreka Western in Decision No. 55215, dated July 2, 1967, is hereby revoked and in the place and stead thereof certificates of public convenience and necessity are hereby granted to Yreka Western Railroad Company, authorizing it to operate as a highway common carrier, as described in Section 213 of the Public Utilities Code, and as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes more particularly set forth in Appendices B and C attached hereto.

This order shall become effective on the day of payment by Yreka Western Railroad Company of the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$38, or on the twentieth day after the date hereof, whichever day is later.

Dated at San Francisco, California, this 19<sup>th</sup> day of DECEMBER, 1967.



[Signature] President  
[Signature]  
[Signature]  
[Signature] Commissioners

Appendix A

WALTER E. MENDENHALL  
and  
WILBUR N. MENDENHALL  
doing business as  
Mendenhall Transportation Company

Original Page 1 ✓

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY

---

Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges applicable thereto.

---

All changes and amendments as authorized by the Public Utilities  
Commission of the State of California will be made as revised  
pages or added original pages.

---

Issued under authority of Decision No. **73507**  
dated December 19, 1967, of the Public Utilities  
Commission of the State of California, on Application No. 49403.

AB

Appendix A

WALTER E. MENDENHALL  
and  
WILBUR N. MENDENHALL  
doing business as  
Mendenhall Transportation Company

Original Page 2

Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,  
AND SPECIFICATIONS.

The Certificate hereinafter noted supersedes all operative authority heretofore granted to Walter E. Mendenhall and Wilbur N. Mendenhall or their predecessors.

Walter E. Mendenhall and Wilbur N. Mendenhall, by the certificate of public convenience and necessity granted by the decision noted in the margin, are authorized to transport passengers, baggage, and packages of express weighing 100 pounds or less on passenger-carrying vehicles only between Eureka and Fortuna, on the one hand, and Rohnerville and Ruth, including intermediate points, on the other hand, over and along the routes hereinafter described, subject, however, to the authority of this Commission to change or modify said routes at any time.

Restriction: No passenger or baggage may be transported with both origin and destination between Eureka and Fortuna.

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.



Section 2. ROUTE DESCRIPTIONS

- (1) From Eureka via U. S. Highway 101 to Fortuna, thence via unnumbered highway to Rohnerville and Hydesville, thence via State Highway 36 to junction with unnumbered highway near Mad River, thence via unnumbered highway to Ruth.

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.

Yreka Western Railroad Company, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport:

1. Lumber:

Between the George M. Huff and E. J. Hjertager lumber mills located approximately five and eleven miles, respectively, southeast of Etna, Siskiyou County, on county roads designated as East Side and West Side Callahan roads, on the one hand, and Yreka, on the other hand.

2. General Commodities

Between all points and places on and within five miles laterally of the following highways:

- (a) U.S. Highway 101 between Scotia and Trinidad, inclusive;
- (b) U.S. Highway 299 between the junction of said highway with U.S. Highway 101 and Burnt Ranch, inclusive;
- (c) California State Sign Route 96 between Willow Creek and the junction of said highway with U.S. Highway 99, inclusive;
- (d) Unnumbered highway between Somes Bar and Forks of Salmon, inclusive;
- (e) Unnumbered highway between Fortuna and Hydesville, inclusive, via Rohnerville;
- (f) Unnumbered highway between Happy Camp and Gray Eagle Mine, inclusive;
- (g) California State Sign Route 36 between Hydesville and the junction of said highway with unnumbered highway near Mad River, inclusive;

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.

- (h) Unnumbered highway between the junction of said highway with California State Sign Route 36 near Mad River and Ruth, inclusive;
- (i) Unnumbered highway between the junction of said highway with California State Sign Route 36 near Bridgeville and Alderpoint, inclusive;
- (j) Unnumbered highway between Alderpoint and Zenia, inclusive;
- (k) Unnumbered highway between the junction of said highway with another unnumbered highway approximately 4 miles south of Blocksburg and Fort Seward, inclusive;
- (l) California State Sign Route 3 between Etna and the junction of said highway with U.S. Highway 99, inclusive, via Greenview and Fort Jones;
- (m) U.S. Highway 99 between the junction of said highway with California State Sign Route 3 and Hornbrook, inclusive; and
- (n) Unnumbered highway between Yreka and Montague.

Applicant shall not transport any shipments of:

1. Used household goods and personal effects not packed in accordance with the crated property requirements set forth in Item No. 5 of Minimum Rate Tariff No. 4-B.
2. Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis, freight chassis, truck trailers, trucks and trailers combined, buses and bus chassis.

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.

3. Livestock: viz., bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags or swine.
4. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
5. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
6. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Logs
9. Commodities requiring special equipment and handling because of unusual size, weight, or shape.
10. Articles of extraordinary value, viz.: Bank bills, coin or currency, deeds, drafts, notes or valuable papers of any kind; jewelry, including costume or novelty jewelry; postage stamps or letters and packets of letters with or without postage stamps affixed; precious articles of extraordinary value.
11. Explosives.
12. Commodities injurious or contaminating to other lading.

(END OF APPENDIX B)

Issued by California Public Utilities Commission

Decision No. 73507, Application No. 49403.

AB

Appendix C

YREKA WESTERN RAILROAD CO.  
a corporation

Original Page 1

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY

---

Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges applicable thereto.

---

All changes and amendments as authorized by the Public  
Utilities Commission of the State of California will be  
made as revised pages or added original pages.

---

Issued under authority of Decision No. **73507**  
dated December 19, 1967, of the Public Utilities  
Commission of the State of California, on Application No. 49403.

Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,  
AND SPECIFICATIONS.

Yreka Western Railroad Co., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers, baggage, and packages of express weighing 100 pounds or less on passenger-carrying vehicles only between Eureka, Arcata, Forks of Salmon, Bayside, Sunny Brae, Arcata-Eureka Airport, and certain territories intermediate and adjacent thereto, over and along the routes hereinafter described, subject, however, to the authority of this Commission to change or modify said routes at any time.

Restriction: No passengers or baggage may be transported with both origin and destination between Eureka and Blue Lake.

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.

## Section 2. ROUTE DESCRIPTIONS

- (1) From Eureka via U. S. Highway 101 to its intersection with State Highway 299, thence via State Highway 299 to Willow Creek, thence via State Highway 96 to Somesbar, thence via unnumbered highway to Forks of Salmon.
- (2) From junction of U. S. Highway 101 and unnumbered highway (Bayside Junction) via unnumbered highways (Bayside Junction Road and old Arcata-Eureka Road) to Bayside, Sunnybrae and junction with U. S. Highway 101 (Eureka Junction).
- (3) From junction of U. S. Highway 101 and State Highway 299 via U. S. Highway 101 to its junction with unnumbered highway (Arcata-Eureka Airport access highway), thence via unnumbered highway to Arcata-Eureka Airport.

Issued by California Public Utilities Commission.

Decision No. 73507, Application No. 49403.