

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SAN RAFAEL FREIGHT & TRANSFER COMPANY,
 a corporation, for an amendment of its
 certificate of public convenience and
 necessity for the operation of an auto
 truck line for the transportation of
 freight between Sausalito and Santa Rosa,
 and for authority to establish rates,
 rules and regulations.

) Application
) No. 10418

Gwynn H. Baker, for San Rafael Freight & Transfer
 Company,
 E. W. Hollingsworth, for Traffic Bureau of Oakland
 Chamber of Commerce,
 R. W. Palmer and W. J. Cummings, for Northwestern
 Pacific Railroad Company,
 A. S. Weston, for American Railway Express Company,
 Donald Geary and E. E. Maggard, for Petaluma and
 Santa Rosa Railroad Company,
 E. E. Maggard, for Petaluma & Santa Rosa Railroad
 Company,
 Joseph P. Berry and William N. Valindgham and
 Mark Lee, for the City of Santa Rosa, Chamber
 of Commerce of Santa Rosa and the Merchants'
 Association of Santa Rosa,
 Ervin S. Best, for Bekins Van Lines, Inc.
 G. W. Hoyle, District Attorney of Sonoma County,
 for Board of Supervisors of Sonoma County,
 Fred S. Howell, City Attorney for the City of Petaluma,
 Frank J. Burke and Clarence J. Miller, for Chamber of
 Commerce of Petaluma,
 George W. Libby, for City of Sebastopol,
 George E. Burlingame, for Chamber of Commerce of
 Sebastopol,
 D. B. Wall, for Sonoma County Farm Bureau and
 Cinnabar Farm Bureau,
 J. R. Durbin, for Gravenstein Apple Growers Cooper-
 ative Association of Sonoma County,
 J. P. Kelly, for Sebastopol Berry Growers Assn.,
 J. P. McDonnell, for Sebastopol Apple Growers Union,
 L. A. Fry, for Fry Brothers, packers,
 A. J. Peterson and William Couch, for Roblar Farm
 Center,
 Knox Boudé, for Cunningham Farm Center and himself,
 L. E. Varner, for Springhill Farm Center,
 M. D. McLeod, for Sebastopol Grange.

BY THE COMMISSION -

O P I N I O N

San Rafael Freight and Transfer Company, a corporation, applicant in this proceeding, seeks to remove the restriction regarding the movement of package merchandise, where the weight of same is in excess of 60 pounds per single item and to be permitted to file new tariffs, schedules, rules and regulations in accordance with Exhibit A, attached to the application.

Applicant alleges that it is a common carrier of express and light freight between Sausalito and Santa Rosa and intermediate points, and between San Francisco and San Rafael; that respective operative rights were obtained by authorized transfers or through the issuance of certificates of public convenience and necessity; that package merchandise moving between Sausalito and Santa Rosa is now restricted to 60 pounds or less for single packages; and that the granting of the application would tend to more economical and satisfactory operation and to clarify tariffs, rules and regulations.

Public hearings were held on this application at Petaluma before Examiner Handford, evidence taken, the matter was duly submitted following the filing of briefs, and the matter is now ready for decision.

The operative right of applicant between Sausalito and Santa Rosa and intermediate points was acquired through purchase from Frank J. Mc Sherry (Application No.6665, Decision No.9126), who in turn acquired same from Paris P. Lawson, (Application No.6351, Decision No.8422), who had obtained a certificate of public convenience and necessity from this Commission (Application No.5581, Decision No.7694). The certificate provided for the movement of express and light

freight, which in Decision No.10579 on Cases No.1601 and 1608, was amended and modified so that the foregoing designation was "deemed to mean newspapers, ice cream, dairy products, and package merchandise. No single article termed "package merchandise" shall have a weight in excess of 60 pounds."

Henry Hanson acquired an operative right between San Francisco and San Rafael due to operations prior to May 1, 1917, the effective date of the Auto Stage and Truck Transportation Act. This right was transferred to A. E. Marx, as authorized by Decision No.9225.

These operative rights were transferred to applicant, San Rafael Freight and Transfer Company by Decision No.12519 on Application No.9135, and have since been so operated. Applicant is now operating a joint boat and truck line from San Francisco to San Rafael with pick-up and delivery at San Francisco, handling general freight with no weight limitation. At San Rafael this joint boat and truck line connects with applicant's Sausalito-Santa Rosa and intermediate points motor truck line, which is limited as regards package merchandise to 60 pounds for each single package.

Mr. A. E. Marx, President of San Rafael Freight and Transfer Company, testifying in its behalf, stated that much business was lost because shipments in excess of 60 pounds could not be received and previous to the determination by the Commission that the rights held did not permit handling of packages in excess of 60 pounds, it had transported freight for restaurants and certain commercial enterprises in considerable volume. The Santa Rosa Shoe Company located at Santa Rosa and shipping its product to various places was placed at a disadvantage when using applicant's trucks as it was necessary to use a container that would with its contents weigh not in excess of 60 pounds, thus increasing the cost of packing. The Mason By-Products Company located at Sausalito is desirous that

applicant make door delivery of its soda water products in weights exceeding 60 pounds.

It does not appear that applicant has any appreciable desire to transport household goods. There has been no restriction on these goods between San Francisco and San Rafael, yet Mr. Marx testifies that his employees have had but limited experience in handling household goods and he does not expect any business of this kind, if present application is granted, except incidentally or of an occasional single item being sent for repairs.

Mr. F. O. Garrett, part owner of Oakland-San Rafael Express Company, an authorized motor freight carrier between Oakland and San Rafael and intermediate points, testified in behalf of applicant. His company operates a daily service which leaves Oakland at 10 A.M., arriving at San Rafael at 2:30 P.M. Freight consigned to points north of San Rafael may be delivered by Mr. Garrett's company at San Rafael to Northwestern Pacific Railroad Company, American Railway Express Company or the applicant. Mr. Garrett stated that some shippers objected to transfer to rail carriers and as applicant was limited to packages not in excess of 60 pounds, inconvenience was caused and his company thus lost business which was needed to keep it on a sound financial basis.

Mr. Carl F. Lewis, a driver for Oakland-San Rafael Express Company, testified that shippers of leather goods, fresh and smoked meats desired a through service to points north of San Rafael and did not care to have it reshipped via American Railway Express Company from San Rafael.

Mr. W. A. De Witt of Hammer-Bray Company, stove manufacturers located at Oakland, desired applicant's proposed service as it would give quick transportation to points north of San Rafael and also save the trouble and expense of crating. He did not state that the service of Oakland-San Rafael Express

Company had ever been used, his general practice being to route shipments via San Francisco. This service will be later referred to. Mr. De Witt testified that if time consumed in delivery were the same by the various carriers, the pick up service proposed by applicant would be the only advantage to his company.

The Traffic Bureau of the Oakland Chamber of Commerce testified in behalf of applicant, stating that the proposed service would furnish an added outlet for the goods of East Bay merchants citing specifically five firms who had requested the Chamber to act for them in this matter.

Mr. A. G. Drees, Marin Paper Company representative, testified that his company maintained a warehouse at San Anselmo from which 90% of its business was done, all being handled by applicant. Some inconvenience is experienced due to necessity for keeping packages at 60 pound weight, or less. The remainder of the business done comes direct from San Francisco and consists of heavy items, building paper, etc.

Mr. E. Meyer, proprietor of soda bottling works at San Francisco and San Rafael, stated that while no extensive business was done in Petaluma and Santa Rosa, if the application was granted, he would be enabled to better meet competition and build up a business in that territory as he could have store door delivery in any desired sized package.

Mr. J. S. Peixotto, a tire merchant at Petaluma, uses applicant's service occasionally, the pick up and delivery service being very convenient. The competitive rail and boat service is considered satisfactory. Mr. H. K. Walton, a mercantile broker, dealing in lumber, cement, plaster, tile, hardware, heating appliances and furnaces, was of the opinion the proposed service would give a job delivery for cement and furnaces more promptly than now available.

The protests, as the appearances indicate, were made by the present rail carriers, cities, various civic organizations, farm bureaus and centers, and individuals.

Shippers in the East Bay Cities who do not care to use all motor truck transportation to San Rafael and points north thereof, or part motor and part rail, may deliver shipments to Bay Cities Transportation Company at Oakland by 12 noon, and these are delivered at Petaluma, Sebastopol and Santa Rosa at 7 A.M. next morning. Shipments destined for Oakland and contiguous cities originating at Santa Rosa leave at 5 P.M., Sebastopol at 6 P.M., and Petaluma at 9 P.M., arriving at Oakland at noon of the next day. These shipments are handled by Bay Cities Transportation Company by barge between Oakland and San Francisco, by boat between San Francisco and Petaluma and points north thereof by rail. The latter two movements are over the Petaluma and Santa Rosa Railroad Company's rail and steamer system.

Petaluma and Santa Rosa Railroad Company operates a daily overnight boat service between San Francisco and Petaluma. The San Francisco-Sonoma Express Company uses this boat and rail service, having agents at points along the line. Free pick up and delivery service is given within city limits at all points where an agent is located. The shipper receives one bill for the complete movement.

Petaluma and Santa Rosa Railroad Company in the last year handled 128,337 tons of freight, the peak months being June, July and August. Of the incoming freight in the less than carload lots, 91% of the packages were 100 pounds in weight or less.

This protestant alleges that it has adequately met the needs of the county and communities which it serves and, if any business should be lost due to motor truck competition, or otherwise, it would be financially damaged to such an extent that the service would break down to the possible permanent injury of the railroad and ultimately to the disadvantage of the communities now served. Passenger business is decreasing rapidly and protestant now relies entirely on its freight business

for its existence.

Northwestern Pacific Railroad Company alleges that it operates a daily freight service in less than carload lots from San Francisco to Santa Rosa. The time of departure is from 6 to 7 P.M. and freight thus shipped is ready for delivery to and including Santa Rosa at 6:30 to 7 A.M. next morning. San Anselmo freight bound north is picked up from 1:30 to 2:00 P.M. and brought to San Rafael, it then going forward with local freight and arriving at Santa Rosa next morning.

The losses sustained in the past year's operation were mostly incurred in the local business as operated over the entire system. Data were not presented as to any losses in this specific section.

American Railway Express Company handles express between San Francisco and Santa Rosa over the lines of Northwestern Pacific Railroad Company. Five trains daily are operated each way with express service. Shipments from Oakland and vicinity to points north of San Rafael going forward via Oakland-San Rafael Express Company lines, may be transferred at San Rafael to American Railway Express Company without delay and should connections not be made, perishables may move on a later train and be delivered that evening, ordinary shipments if missing the connection at 2:30 P.M. not being delivered until next morning. This company also maintains that public convenience and necessity does not require applicant's proposed service, the territory being now sufficiently served.

Southern Pacific Company submitted a time table which shows that local freight leaving Oakland at 10:15 P.M. arrived and is ready for delivery at Santa Rosa at 11 A.M. next morning. This is a daily service except Sunday.

The cities of Petaluma, Sebastopol and Santa Rosa, Sonoma County, by official action of their respective governing bodies, protest the granting of the application.

The Chambers of Commerce at Sebastopol, Petaluma and Santa Rosa took similar action, also Sonoma County Farm Bureau, and Merchants' Association of Santa Rosa. Petitions in protest were signed by merchants and citizens of Sebastopol and Petaluma. About twelve farm centers and similar organizations in the general territory of Petaluma, Santa Rosa and vicinity protest, through petition or official action of their organizations. Other organizations protested as the appearances indicate.

The above official actions resulting in resolutions or petitions in protest and the testimony of about seventeen business men from Petaluma, Sebastopol and Santa Rosa are in general accord that the present service is satisfactory and that no need exists for the additional service proposed by applicant, and are affirmative to the effect that service as proposed would weaken the ability of present rail carriers and thereby destroy the admittedly good service now received. It is their position that the rail carriers are necessary for the further development of the territory.

The City of Petaluma alleges that if tonnage is diverted from its water front, the assistance now received from the United States Government in maintaining the channel will be decreased with consequent increased financial burdens on the city.

Applicant's proposed operation would give a door to door service and thereby possibly be of advantage in the movement of certain commodities from East Bay Cities for packages over 60 pounds in weight. The record discloses, however, that some witnesses who desired the proposed service were not entirely familiar with the present facilities available. A very limited number of commodities would be affected by the removal of the present 60 pound weight restriction, and we are of the opinion and hereby find as a fact that applicant has failed to show the necessity for such amendment, consequently such portion of the application will be denied.

Exhibit A attached to the application shows tariffs, rules, regulations and schedules which the applicant desires to adopt in lieu of its present filings. Pick up and delivery service is offered which will be of advantage to the public. This portion of the application will be granted with the provision that no increases in the terminal rates as now on file with the Commission will be authorized.

O R D E R

A public hearing having been held in the above entitled proceeding, the matter having been duly submitted following the filing of briefs, the Commission being now fully advised and basing its order on the statements and findings of fact as appearing in the opinion which precedes this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require any modification of this Commission's Decision Nos. 7694 and 10579 as regards the removal of the weight limitation of 60 pounds but does require the filing with this Commission of tariffs, rules, regulations etc., as set out in Exhibit A, attached to the application, provided that no increases in present terminal rates are thereby created, and

IT IS HEREBY ORDERED that this application be and the same hereby is denied insofar as it relates to removal of the limitation of weight on articles termed "package merchandise" in excess of 60 pounds.

IT IS HEREBY FURTHER ORDERED that a tariff in accordance with Exhibit A as attached to the application herein shall be filed, in duplicate, with this Commission, subject to all provisions contained in the opinion and order herein within a period of not to exceed twenty (20) days from date hereof.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 13th day of October, 1925.

H. C. Brundage
C. Leary
Edmund C. ...
Leon O. ...
COMMISSIONERS.