

Decision No. 22598.**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Suspension by  
 the Commission on its own motion of  
 Supplement No. 1 to Pacific Motor  
 Transport Company Local Express Tar-  
 iff No. 3, C.R.C. No. 3. )

Case No. 2378.

C. W. Cornell, for Pacific Motor Transport  
 Company, respondent.

Owen C. Emery, for High Sierras Motor Freight,  
 protestant.

BY THE COMMISSION:

O P I N I O N

By our order of June 21st in the above entitled proceeding we suspended until July 1, 1930, the effective date of Supplement No. 1 to Pacific Motor Transport Company Local Express Tariff No. 3, published to become effective June 23, 1930, pending a hearing to determine whether the reduced class and commodity rates published therein and applicable between Los Angeles and Lone Pine, Independence, Big Pine and Bishop were reasonable and otherwise in the public interest. The order of suspension was issued mainly upon the complaint of the High Sierras Motor Freight, that information as to the proposed changes was not made available until a few days prior to the proposed effective date of the tariff, and that the changes in rates would seriously injure its operations. This protestant operates as a common carrier of freight over the public highways

between the same points served by respondent.

A public hearing was held before Examiner Geary at Los Angeles June 27, 1930, and the proceeding submitted at that time.

Respondent operates as an express corporation between Los Angeles on the one hand and Lone Pine, Independence, Big Pine and Bishop on the other hand. Between Los Angeles and Lone Pine Station the facilities of the Southern Pacific Company are used, and between Lone Pine Station and Bishop respondent operates its own trucks over the public highway. The authority for the truck operations beyond the rail terminal at Lone Pine Station was granted by Application No. 16323, Decision No. 22183 of March 6, 1930, being a transfer of the operating rights formerly held by the California Transit Company between Lone Pine and Bishop. Protestant contends that the service by trucks between Lone Pine Station and Bishop is without authority of this Commission, claiming the certificate of public convenience and necessity heretofore issued specifically restricted the operation to Lone Pine, a point, according to protestant, approximately three miles from Lone Pine Station on the Southern Pacific. This contention is now before the Commission in formal Case No. 2867, Robert V. Hardie vs. Pacific Motor Transport Company, on calendar for hearing at Los Angeles August 14, 1930, and as it involves a technical point, the legality of respondent's operations will not be passed upon at this time.

The record shows that respondent commenced operations as an express corporation between the points here involved on May 1, 1930, and at the same rates as those in effect via protestant's line. After these rates had been applied for approximately three weeks respondent found they were too high to allow the traffic to move freely. Accordingly by the supplement under suspension it was proposed to establish reduced class rates and

also reduced commodity rates on such articles as beverages, building material, flour, plate glass, grain, groceries and lubricating oils. The supplement containing these changes was filed with the Commission within the full statutory 30-day period but was not made available to the public until a few days before its effective date.

The proposed class rates are the same as those of the Southern Pacific to its rail stations opposite Lone Pine, Independence, Big Pine and Bishop, which rail points are approximately from two to six miles from the business districts of the towns served. The practical effect of the reduced class rates will be to accord shippers in the Owens Valley deliveries at their places of business instead of at the rail stations. The commodity rates, it is alleged, are for the purpose of meeting the acute competition of so-called contract carriers, and respondent contends they will enable it to obtain at least a portion of the tonnage now moving via the unauthorized lines.

Protestant's main objection to the proposed rates is based upon the fear that the Pacific Motor Transport Company will cripple its operations by placing in effect non-compensatory rates. Other than employee witnesses for respondent and protestant, only one shipper witness appeared who declared that the rates of the common carriers, railroad, trucks and express companies were too high and that unless reductions were made the tonnage would move by shippers' private trucks or via so-called contract carriers. There is no evidence in this record to show that respondent is going any further in the proposed reductions than is essential to meet the competition of the contract carriers, now handling tonnage which neither respondent nor protestant can obtain under the present rates. The rate adjustments here in controversy are but another reflection of the transportation development in recent years due mainly to the improved public highways

and better trucks. The struggle is always for lower rates and faster service, and the rates here proposed, including the pick-up and store-door deliveries, have been shown to be reasonably compensatory.

In the future respondent should keep open for public inspection its schedules of rates as required by Section 15 of the Public Utilities Act.

After consideration of all the facts of record we are of the opinion and so find that the proposed tariff has been justified, and that our order of suspension should be vacated and set aside as of July 1, 1930.

O R D E R

This proceeding having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing this order on the findings of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that our order of suspension in this proceeding dated June 21, 1930, be and it is hereby vacated as of July 1, 1930, and this proceeding be discontinued.

Dated at San Francisco, California, this 30th day of June, 1930.

Ch. J. Jones  
James J. [unclear]  
Leon [unclear]  
[unclear]  
W. A. [unclear]  
Commissioners.