

ORIGINAL

Decision No. 7371

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of J. G. Shaw and G. R. Beard, co-partners, operating under the fictitious name of the Service Motor Transportation Company for certificate of public convenience and necessity to operate automobile truck lines for the transportation of freight between San Jose and Soledad, Pacific Grove and Hollister and the intermediate points, also between San Jose and Livermore, and Haywards and the intermediate points.

APPLICATION NO. 5272

Archer Bowden, for Applicant  
Harry A. Encell, for the Oakland-San Jose Transportation Company, Protestant.  
Frank B. Austin, for Southern Pacific Company.

By the Commission:

O R D E R

J. G. Shaw and G. R. Beard, co-partners, operating under the fictitious name of the Service Motor Transportation Company, have petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by them of automobile truck lines for the transportation of freight between San Jose and Soledad, Pacific Grove and Hollister and the intermediate points, also between San Jose and Livermore on the one hand and Haywards on the other and the intermediate points. Practically all of the territory is located on, or is adjacent to the rails of the Southern Pacific Company and competitive therewith, also the service to be rendered to the north between San Jose and Haywards will come in competition with the auto freight trucks

of the Oakland-San Jose Transportation Company operating under a certificate granted by this Commission October 18, 1919, in Application No.4941, Decision No.6758

A public hearing was held before Examiner Geary at San Jose on March 15, 1920, and the case having been submitted is now ready for a decision.

The applicants have five automobile trucks and one trailer and propose to render a weekly service to Livermore, Hayward's, Pacific Grove and Soledad, twice a week to Niles and Salinas, three times per week to Hollister and daily to Gilroy.

The rates on merchandise N.O.S. are graded out in zones. On the southbound trip the rate is 15 cents per 100 pounds at all points between San Jose and Gilroy, 20 cents at San Juan and Hollister, 30 cents at Salinas and Spreckels, 32½ cents at Chualar and 35 cents at Gonzales, Soledad, Monterey and Pacific Grove. North of San Jose the rate is 15 cents to Hayward's and intermediate points and 20 cents to Livermore, Santa Rita, Sunol and Pleasanton.

Applicants called a number of witnesses to testify as to the public necessity and the convenience of the proposed service. The Traffic Manager of the San Jose Chamber of Commerce and a number of business men appeared in support of the application, and gave testimony to the effect that the service was an actual necessity, that they had been urging it, also that time being the principal consideration in the jobbing business, it was essential to make prompt deliveries which could only be accomplished through the use of auto trucks, the same being sent out on such days as met the needs of the trade, making it possible to promptly fill orders secured by the traveling salesmen.

also, by reason of the store door deliveries the trucks obviated the necessity of local transfer service at the two terminals.

Applicants have been operating a temporary service for some months past handling approximately 150 tons per week out of San Jose, one third of which moves in the direction of Hayward and Livermore and two-thirds south at points between Soledad, Hollister and Pacific Grove. Most of the deliveries are effected within 24 hours and no freight is held more than 48 hours. The business of these applicants has developed from a "for hire" service gradually increasing to meet the requirements of their patrons.

The granting of this application was opposed by the Southern Pacific Company and the Oakland-San Jose Transportation Company. The latter company operating trucks between Oakland and San Jose, having commenced service in December 1919, its route is in part competitive with these applicants who will operate a service only between San Jose and Hayward, handling traffic which it does not appear from the testimony has been actively solicited by this protestant.

The testimony of the Southern Pacific Company referred in detail to the manner in which the less than carload freight is now being handled, the train schedules, and rates being charged. A number of exhibits were introduced comparing a 30 day period, February 1st to March 7, 1913, with the same period for the year 1920, showing the tonnage handled at San Jose and covering the territory involved in this proceeding. These exhibits show clearly that the less than carload tonnage on short haul business is not now moving via the railroads into the territory under consideration.

In the territory south of San Jose there were received 875,437 pounds in 1913 as against 143,226 pounds in 1920. There were forwarded 3,632,952 pounds in 1913 as against 900,601 pounds in 1920. It will thus be seen that in this territory the amount of freight received in 1920 was but 16% of that received in 1913 and the amount forwarded in 1920 was but 25% of the amount forwarded in 1913, indicating that in the movement of short haul tonnage the shipper prefers and actually uses the truck service.

The service now rendered by the Southern Pacific Company does not meet the needs of the shipping public and from the evidence it would appear that there is not sufficient tonnage being offered to the railroad company to justify the establishment of additional trains, one witness having stated that as nearly as could be estimated 70% of the local less than carload freight was now moving out of San Jose either by privately operated vehicles or the regularly established automobile companies.

After careful consideration of all the evidence in this proceeding we are of the opinion that the public is entitled to the benefit of the service offered by this applicant, it having been shown that there is a necessity and demand for a direct and expedited transportation.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by J. G. Shaw and G. F. Beard, co-partners, operating under the fictitious name of the Service Motor Transportation Company, of an automobile freight truck line between San Jose and Soledad, Pacific Grove and Hollister and the intermediate points, also between San Jose and Livermore, and Hayward and the intermediate points. No transfer or assignment of the rights and privileges hereby granted may be made unless the written consent of the Railroad Commission to such transfer or assignment has first been secured.

IT IS HEREBY ORDERED that applicants, J. G. Shaw and G. R. Beard, shall, within ten days from the date of service of this order, file with the Railroad Commission an acceptance of the certificate hereby granted, such acceptance to state the date upon which operation of the line hereby authorized will commence, which date shall be within ninety days from the date of service of this order, unless the date be extended by supplemental order.

IT IS HEREBY FURTHER ORDERED that no vehicle may be operated under this certificate unless such vehicle is owned by the applicants herein or is leased by such applicants under a contract or agreement on a basis satisfactory to the Railroad Commission.

The Railroad Commission reserves the right to make such other and further orders in this proceeding as to it may seem just and proper or as in its opinion the public convenience and necessity may demand.

*April*  
~~March~~, 1920. Dated at San Francisco, California, this 5<sup>th</sup> day of

Edwin O. Edgerton  
W. W. Woodland  
Frank R. Brown  
H. H. Boudige  
Erving Martin  
COMMISSIONERS.