



At the hearing applicant made the following statement of the scope of its offer of service to the public:

"The Pacific Motor Trucking Company, the applicant here, asks authority to operate as a common carrier, subject to the Commission's authorization, and dedicates the company's properties which it may employ to the public service in the territory affected.

The applicant asks authority to operate as a common carrier of the property of the public in the custody of the rail lines and the express companies which operate over the rail lines, offering its service to the public through the established tariff rates of those companies, which will continue to meet the obligations of the public for transportation under their own tariff and bills of lading. The applicant will directly serve the rail and express companies, referred to, offering its service to all in those classes."

The purpose of the application is to provide a more expeditious service for the freight and express above referred to and to effect economies in operation.

At the present time this service is being performed entirely by rail.

The applicant is a subsidiary of Southern Pacific Company and is a California corporation; the Southern Pacific is the foreign corporation.

There was abundant testimony establishing public convenience and necessity.

The saving in time for traffic originating at San Francisco, Oakland, Stockton or Fresno destined to points in the territory involved would be about twenty four (24) hours, resulting in first morning delivery from these points instead of second morning as at present. Out of Los Angeles there would be first day delivery in place of second or even third day delivery as at present. Out of Sacramento there would be a first morning delivery instead of a second or third morning delivery as at present. A similar improvement in transit time would be effected on traffic originating in the local territory and destined to the centers above referred to.

The plan would also give points on the Sierra Railway, such as Jamestown and Sonora, an improvement of twenty four (24) hours in deliveries of traffic originating at the principal business centers of California.

There are 1,882 shippers and receivers of freight in the local territory who would be benefited by the proposed improvement of service. These shippers receive about 5,741 shipments a month.

The annual cost of the proposed operation of trucks would be \$32,202. There would be an annual saving to the Southern Pacific Company in rail transportation costs of \$44,932. The net annual saving as a result of the change would be \$12,730. On the other hand, to render the same expedited service by rail would cost \$139,948 a year.

About forty public witnesses testified favoring the granting of the application, among them being representatives of the San Francisco, Sacramento, Oakland and Los Angeles Chambers of Commerce, the Associated Jobbers of Los Angeles, and shipper witnesses from many of the points involved.

The Valley Motor Line, which serves a considerable portion of the area involved, appeared as a protestant. It was stipulated the protestant was adequately serving its customers.

This protestant offered to contract for the transportation of the traffic involved as to most of the points at cost plus ten percent and showed that it had sufficient equipment to perform such contract. Applicant was not willing to contract stating, among other reasons, that the protestant's service does not cover a considerable number of the points involved and that its operations are not confined to movement of traffic within the local zone of operation but that it is interested also in movement of long haul highway traffic competitive with the Southern Pacific, as to which truck distribution is merely incidental.

Applicant also asks for authority to perform store-door pick-up and delivery service at the points named in its application where provided for under existing or future tariffs of the carriers whose traffic would be handled by applicant.

Pacific Motor Trucking Company is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

The following findings and order are recommended:

#### ORDER

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AND DECLARES that public convenience and necessity require the operation by Pacific Motor Trucking Company of an automobile truck service between the railroad stations located on the lines of Southern Pacific Company from Tracy to Merced, from Tracy to Los Banos, and from Fresno to Dos Palos, and over the routes as set forth in revised Exhibit "B", such service to be limited to the transportation of such freight as may have been previously consigned for transportation over the lines of said Southern Pacific Company and which may be delivered to applicant at the railroad freight stations designated below and to be redelivered to the applicant at another of said freight stations.

Applicant is also authorized to perform store-door pick-up and delivery service at each of the points named in its application where provided for under existing or future tariffs of the carriers whose traffic will be handled by applicant.

The railroad freight stations above referred to are as follows:

Route No.1 Tracy - Merced

Tracy  
Manteca  
Ripon  
Salida  
Oakdale  
Farmington  
Waterford  
Modesto  
Ceres  
Keyes  
Turlock  
Delhi  
Livingston  
Atwater  
Montpellier  
Merced  
Chowchilla

Route No.2 Tracy - Los Banos

Tracy  
Vernalis  
Solo  
Westly  
Patterson  
Crows Landing  
Newman  
Gustine  
Ingomar  
Volta  
Los Banos

Route No.3 Fresno - Dos Palos

Fresno  
Madera  
Raymond  
Knowles  
Chowchilla  
Dairyland  
Dos Palos  
Firebaugh  
Mendota  
Biola  
Friant  
Clovis

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such a service be and the same hereby is granted to Pacific Motor Trucking Company, subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

2. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than ten days' notice to the Commission and the public a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the exhibit attached to the application in so far as they conform to the certificate herein granted.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five (5) days' notice to the Commission and the public, time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

4. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

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

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 11th day of February, 1935.

Leon C. Whelan  
W. J. Quinn  
M. B. Larkin  
Robert W. ...  
Frank ...  
COMMISSIONERS.