

7-11  
Decision No. 27279

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC MOTOR TRUCKING COMPANY for  
a certificate of public convenience  
and necessity for the transportation  
of property by motor truck between  
Los Angeles Harbor and Long Beach,  
and to consolidate the same with the  
operative rights held by applicant  
between Los Angeles Harbor and Los  
Angeles; and for the removal of certain  
restrictions applicable thereto.

Amended  
Application  
No. 18981

ORIGINAL

E. J. Foulds, A. A. Jones, and R. E. Wedekind, by  
R. E. Wedekind, for applicant.

Wallace K. Downey, for Motor Freight Terminal  
Company and City Transfer and Storage Company,  
Protestants.

H. J. Bischoff, for Rice Transportation Company,  
Protestant.

Phil Jacobson, for Citizens Truck Co., Protestant.

Harry See, for Brotherhood of Railway Trainmen,  
Protestant.

Chas. A. Bland, for Board of Harbor Commissioners  
of Long Beach.

Libby & Sherwin, by Warren E. Libby and Elmer Ahl,  
for Keystone Express System, Protestant.

HARRIS, Commissioner -

O P I N I O N

Applicant asks for a certificate of public convenience  
and necessity to extend its services between the Los Angeles  
Harbor District (also designated in the record as Wilmington  
and San Pedro), and the Long Beach Harbor District for the  
sole purpose of handling less than carload traffic in the  
custody of Southern Pacific Company, Pacific Electric Railway  
Company, Pacific Motor Transport Company, Railway Express

Agency, Inc., and any other common carriers of the same class between Los Angeles and Long Beach, including such traffic moving locally between Los Angeles Harbor and Long Beach.

Applicant also asks authorization to use for operating convenience an alternate route between Long Beach and Los Angeles. Amended Exhibit "B" shows the present route, the proposed extension and the proposed alternate route.

Applicant already holds operative rights between Los Angeles and Los Angeles Harbor under Decision No.23584, on Application No.17236, dated April 6, 1931, Decision No.24856, on Application No.17892, dated June 13, 1932, and Decision No.26017, on Application No.18892.

In the original application and also in this amended application applicant asked for more extensive rights than are above indicated but at the hearing on the amended application it limited its requests to those above stated. Both the original and the amended application asked for an extension of operative rights from Los Angeles Harbor to Long Beach.

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

"The applicant asks authority to operate as a common carrier of 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 at the tariff rates of these companies, which will continue to meet the obligations to the public for the transportation under their own tariff and bills of lading. The applicant is offering its service to 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 mentioned and to effect economies of operation.

At the present time the service between Los Angeles Harbor and Long Beach is being performed entirely by rail.

The improvement in service to be accomplished by the proposed operations can be best disclosed by excerpts of testimony of Mr. John G. Coburn, an official of applicant:

"It will greatly improve the present service of the express and rail companies now serving that territory in that it will allow us to move our freight, for instance, from Los Angeles to Long Beach -- it has to lay over until the afternoon schedule at the present time, and this will allow us to extend our leaving time from Long Beach for freight going beyond Los Angeles from 3 o'clock in the afternoon until 8 o'clock in the afternoon, which is vitally important to the shippers of Long Beach."

"The difference would be that the shipper in Long Beach at the present time, in order to get overnight service to practically all the points south of the San Francisco Bay area from Long Beach, would have to have his merchandise in the freight shed by 3 o'clock in the afternoon. By making this substituted service it will enable us to make the same connection from Long Beach at 5 in the afternoon. The hours of 3 to 5 are very important hours to the shippers down there, in fact, that period is the peak of the shipping demand during the day."

"Q. Is the 5 o'clock closing time more or less the accepted hour for the closing of freight houses?"

"A. Yes, that is the general practice."

"Q. What happens now if a shipper brings in freight at 5 o'clock?"

"A. It is subject to a 24-hour delay, transfer at Los Angeles -- comes up in box cars from Long Beach to Los Angeles, lays over that day, and is then sent out the following night from Los Angeles, so it actually means 24 hours faster service for any shipper whose freight is loaded by 5 o'clock in the afternoon to San Joaquin Valley points, Coast line points, the San Francisco Bay area, Imperial Valley points."

"A. At the present time we operate truck service from Los Angeles to Los Angeles Harbor points, but we have no certificate to operate into Long Beach, therefore that morning truck cannot handle shipments which might be sent from the San Joaquin Valley in by the morning train service which connects with that truck in the morning -- it would have to lay over until the afternoon motor, which is operated by the Pacific Electric, which would now arrive at Long Beach at approximately 2 in the afternoon, where we would be able to put it into Long Beach at 8:30 a.m."

"Q. At present Wilmington has that service, but Long Beach has not?

"A. That is correct."

"Q. Now, on rail and express traffic which moves between Wilmington and Long Beach, will you state what is the main purpose and reason for handling that traffic under your proposal?

"A. At the present time l.c.l. traffic originating either at Long Beach, or at Los Angeles Harbor points for Long Beach must come from those points to Los Angeles, be transferred and sent back to destination, which takes approximately second morning delivery, or at the earliest, first afternoon, depending which way it runs. We would be enabled to give service directly from Long Beach to Los Angeles Harbor points, or vice versa, if we were extended this certificate, which not only means a great saving in time to the shippers, but waves the railroad company the movement of its box cars with very light loads all the way up to Los Angeles and all the way back again, for an actual haul that amounts to approximately 4 miles.

"Q. At the present time the service of the railroads and express companies is therefore very circuitous, so that you would make operating economies in service?

"A. That is true, yes."

"A. \* \* \* \* We would be able to use the service to give improved service to Wilmington and the Harbor District; for instance, merchandise that now comes down from the Bay territory, for instance, on Train No. 70, arriving in Los Angeles at noon, with this schedule we would connect with the truck taking merchandise that there might be on that train for Wilmington and San Pedro, transfer it at Wilmington to our present truck which is operating there for distribution, and continue to Long Beach with that merchandise.

"Q. By reason of the schedule such as you have made you could give Wilmington earlier service as well as Long Beach?

"A. That is correct."

"The present service from Long Beach to Los Angeles is not adequate to take care of shipments that originate in Long Beach to go beyond Los Angeles, for the reason that the leaving time at Long Beach is too early in the afternoon to take care of our patrons, whose shipments are going beyond Los Angeles."

There is a large number of patrons of the existing service who would benefit by the proposed improvement. Traffic managers of Ford Motor Company, Proctor & Gamble, and Crane Company, which companies have plants at Long Beach, testified to the advantage to shippers of the proposed operation.

The cost of handling by truck the Long Beach traffic involved in this application would be \$3,195.57 a year. The present cost of transportation by rail is \$7,045.00 per year. The economy effected by the substitution in service therefrom is \$3,849.43 a year.

Two of the protestants offered to contract for the transportation of the freight involved. Applicant was not willing to contract, stating, among other reasons, that their operations include long-haul highway traffic competitive with the Southern Pacific Company.

Applicant also asks for authority to perform store-door pickup and delivery service at Long Beach.

The proposed extension sought by applicant from Los Angeles Harbor to Long Beach is only four miles in length. Applicant is already operating from Los Angeles to Los Angeles Harbor (Wilmington), a distance of twenty six miles. It proposes only to handle such traffic as is now moving by rail. No new service is proposed but only an improvement of an existing service.

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:

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AND DECLARES that public convenience and necessity require the extension of applicant's operative rights from Los Angeles Harbor to Long Beach for the sole purpose of handling such less than carload rail traffic as may have been previously consigned for transportation by rail between Los Angeles and Long Beach and also for the purpose of handling such traffic moving locally between the Los Angeles Harbor District and Long Beach, over and along the following route:

From the junction of Alameda Street and Anaheim Boulevard westwardly over Anaheim Boulevard  
/to Long Beach and Long Beach Harbor; provided, applicant may divert from its present route at the junction of Alameda Street and Carson Street, westwardly to Santa Fe Avenue, thence to the junction of Santa Fe Avenue and Anaheim Boulevard; or via Long Beach Boulevard and American Avenue between Los Angeles and Long Beach, together with a connecting route via Willow Street between Santa Fe Avenue and American Avenue, said additional routings contained in this proviso are alternate to applicant's Alameda Street route and are for convenience only and without authority to serve intermediate points not heretofore authorized specifically.

Applicant is also authorized to perform store-door pickup and delivery service at Long Beach.

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, stipulating in said acceptance that the certificate is accepted as an extension and enlargement of the rights now possessed by applicant under Decision No.23564, on Application No.17236, Decision No.24856, on Application No.17892, and Decision No.26017, on Application No.18892, and not as a new or separate operative right.

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 8th day of April, 1935.

John A. Wilson  
Mr. J. C. ...  
W. B. ...  
William ...  
Frank ...

COMMISSIONERS.