

Decision No. 21599.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN PACIFIC COMPANY,  
PACIFIC ELECTRIC RAILWAY COMPANY,  
NORTHWESTERN PACIFIC RAILROAD COMPANY,  
PETALUMA & SANTA ROSA RAILROAD COMPANY,  
HOLTON INTER-URBAN RAILWAY COMPANY,  
VISALIA ELECTRIC RAILROAD COMPANY,  
PACIFIC MOTOR TRUCKING COMPANY, and  
PACIFIC MOTOR TRANSPORT COMPANY, for  
an Order Authorizing Pacific Motor  
Transport Company to cancel its rates,  
rules and regulations upon the publica-  
tion of rates, rules and regulations  
of the same volume and effect as the  
rates, rules and regulations of  
Pacific Motor Transport Company.

ORIGINAL

Application No. 21599.

R. E. Wedekind, for applicants.

Wallace K. Downey, for Pacific Freight Lines and  
Keystone Express System, in-  
terested parties.

Hugh Gordon, for Valley and Coast Transit Company  
and Coast Line Express, in-  
terested parties.

Louis N. Chambreau, Valley Express Company, in-  
terested party.

Harold M. Hays, for Inter-City Transport Lines  
and Pioneer Express Company,  
interested parties.

BY THE COMMISSION:

O P I N I O N

The above entitled application was filed by Pacific Motor  
Transport Company for authority to cancel all rates now on file with  
this Commission in the name of said company and by: Southern Pacific  
Company, Pacific Electric Railway Company, Northwestern Pacific Rail-  
road Company, Petaluma & Santa Rosa Railroad Company, Holton Inter-  
Urban Railway Company, Visalia Electric Railroad Company and Pacific

Motor Trucking Company for authority to file store door pick up and delivery rates, rules and regulations of the same volume and effect as the present rates, rules and regulations of Pacific Motor Transport Company.

A public hearing in this matter was held before Examiner Gorman on December 14, 1937, at San Francisco, at which time the matter was duly submitted.

Pacific Motor Transport Company, a wholly owned subsidiary of Southern Pacific Company, is an express corporation as defined in paragraph (k) Section 2 of the Public Utilities Act of the State of California, and was organized in 1928 and commenced the transportation of merchandise and freight from store door to store door between all principal points within the State of California during March, 1929.

Mr. L. B. Young, Vice-president and General Manager of Pacific Motor Transport Company, testified that as a result of an investigation prior to 1929 it was determined that if the railroads were to secure a fair share of less than carload traffic it would be necessary that they provide store door pick up and delivery service; that the Pacific Motor Transport Company was created as a separate corporation for the purpose of establishing store door pick up and delivery service and for certain rate adjustments to equalize their service with that of competing truck lines, and that the establishment of store door pick up and delivery and said rate adjustments were an experiment without any assurance that they would be successful, thereby making it desirable to create a separate corporation for that purpose which corporation began operating over the lines of the Pacific Electric Railway Company during 1929.

Pacific Motor Transport Company not only operates over the lines of the other railroad applicants herein, but also operates over the following railways intrastate within the State of California:

Amador Central Railroad Company  
 Santa Maria Valley Railroad Company  
 McCloud River Railroad Company  
 Yreka Western Railroad Company  
 Stockton Terminal & Eastern Railroad Company  
 Nevada County Narrow Gauge Railroad Company

In addition to the operations conducted by applicant Pacific Motor Transport Company over the lines of applicant Pacific Motor Trucking Company, a highway common carrier, it also operates over the lines of the following highway common carriers intrastate within the State of California:

	<u>Route Covered</u>
Eureka-Garberville Truck Line (F.S. Bridges)	Eureka-Garberville
Butler Freight Service (G.S. Butler)	Eureka-Crescent City
Covelo Stage Line (E.H. McClure)	Dos Rios-Covelo
G. de Ghetaldi	Ukiah-Upper Lake-Lucerne
E. W. Hunter	Ukiah-Potter Valley
J. A. Kiethly Truck Line	Hopland-Kelseyville
American Stage Line (G. M. Brice)	Fernbridge-Ferndale
S. B. Herrick Co.	Calistoga-Middletown
A. M. Akins	Calistoga-Clear Lake Points
Fredericksen & Sons	Calistoga-Clear Lake Points
F. A. Wermuth Transfer	Monterey-Carmel
Pacific Freight Lines	Burbank-Alhambra-Glendale
Security (Valley) Truck Line	San Jose-Hollister-San Juan-Tres Pinos

	<u>Route Covered</u>
Security (Valley) Truck Line	San Martin-Coyote Dam
Nevada Pacific Trucking Agency	N.C.N.G. RR. points
Keystone Express System	Pomona-Chino-Ontario
Borderland Express	El Centro-Holtville

Applicant Pacific Motor Transport Company has on file with this Commission tariffs containing rates, rules and regulations applicable to the service rendered by it, which tariffs are described as follows:

Pacific Motor Transport Company Express Tariff No. 6-A,  
C.R.C. No. 18

Pacific Motor Transport Company Express Tariff No. 9,  
C.R.C. No. 13

Pacific Motor Transport Company Express Tariff No. 12-A,  
C.R.C. No. 21

Pacific Motor Transport Company operates entirely as an express corporation providing store door pick up and delivery service to some 516 stations in California and has rates on file to many other stations where pick up and delivery service is not provided, in which case an allowance of 5 cents per 100 pounds is made to the consignor or consignee when pick up or store door delivery is rendered by them.

Pacific Motor Transport Company now proposes to cancel all of its rates, rules and regulations now on file with this Commission and to discontinue all service. Southern Pacific Company, and its subsidiary companies, applicants herein, request authority to publish contemporaneously with the effective date of the cancellation of the rates of the Pacific Motor Transport Company, local and joint rates, rules and regulations of the same volume and effect as the present rates, rules and regulations of Pacific Motor Transport Company.

Witnesses for the Pacific Motor Transport Company testified that the cancellation of rates of Pacific Motor Transport Company and discontinuance of service were for the purpose of simplifying the intrastate rate structure of the railroads which would be beneficial

to applicants and the shipping public, effecting economy in operations, and for the purpose of eliminating a duplicate service to the public.

The Pacific Motor Transport Company estimates that a saving of approximately \$10,000 annually would be effected by the elimination of separate sets of books in the general office and at the various stations.

At the present time, Southern Pacific Company maintains store door pick up and delivery rates for interstate traffic, while the Pacific Motor Transport Company publishes store door pick up and delivery rates for intrastate traffic. By the elimination of the Pacific Motor Transport Company, Southern Pacific Company and its subsidiary railroads will publish store door pick up and delivery rates now in effect for Pacific Motor Transport Company.

The Pacific Motor Trucking Company, possesses certificates of public convenience and necessity as a highway common carrier, some of which certificates, generally speaking, are restricted so as to authorize Pacific Motor Trucking Company to transport property only when moving in the custody of Southern Pacific Company, Pacific Motor Transport Company, Railway Express Agency, Inc., and carriers of a like class.

Counsel for Pacific Freight Lines and Valley and Coast Transit Company contend that the Southern Pacific Company, as well as other carriers, are acting in the capacity of express corporations as defined in paragraph (k) of Section (2) of the Public Utilities Act when utilizing the service of Pacific Motor Trucking Company, a highway common carrier, under contract for the transportation of property in their custody. Paragraph (k) Section (2) of the Public Utilities Act, which defines an express corporation,

reads as follows:

"The term "express corporation," when used in this act, includes every corporation or person, their lessees, trustees, receivers or trustees appointed by any court whatsoever, engaged in or transacting the business of transporting any freight, merchandise or other property for compensation on the line of any common carrier or stage or auto stage line within this State."

This Commission has, since 1929, granted to Pacific Motor Trucking Company a number of certificates authorizing said carrier to transport property between points in California, when said property is moving in the custody of Southern Pacific Company, Pacific Motor Transport Company, Railway Express Agency, Inc., and carriers of a like class. These certificates were granted for the purpose of permitting the Southern Pacific Company to effect economy in operation and to improve transportation service to more adequately meet the demands and needs of the shipping public. A strict interpretation of paragraph (k) Section 2 of the Public Utilities Act would lead to the conclusion that the manner in which Southern Pacific Company utilizes and proposes to utilize the service of Pacific Motor Trucking Company has placed and will place the Southern Pacific Company in the category of an express corporation as defined in said Public Utilities Act.

Therefore, insofar as the Pacific Motor Trucking Company participates in the transportation, the authority herein granted will be limited as set forth in the succeeding paragraph.

Upon consideration of all the facts of record, we are of the opinion and find that public convenience and necessity no longer require the continuation of the service heretofore rendered by the Pacific Motor Transport Company, provided that concurrently with the discontinuance of the service by Pacific Motor Transport Company, applicants and their connecting carriers publish and file with the Commission local and joint store door, pick up and delivery tariffs containing rates, rules and regulations identical in volume and

effect with the rates, rules and regulations presently in effect or as amended by the Pacific Motor Transport Company and provided further that the participation of the Pacific Motor Trucking Company in said tariff or tariffs is restricted to its concurrence in joint rates for the transportation of property when such property is first in the custody of applicants (except Pacific Motor Trucking Company) and their connecting carriers, subject to the following exception:

Pacific Motor Trucking Company is hereby authorized to publish and maintain or concur in joint tariffs with the other applicants and their connecting carriers in territory where said Pacific Motor Trucking Company possesses certificates of public convenience and necessity not restricted to the transportation of property moving in the custody of Southern Pacific Company or other carriers.

#### O R D E R

The above entitled application having been filed, a public hearing having been held and the Commission being fully advised, therefore

IT IS HEREBY ORDERED that Pacific Motor Transport Company be and it is hereby authorized to abandon service as an express corporation, as defined in paragraph (k) Section 2 of the Public Utilities Act and to cancel all tariffs in its name currently on file with this Commission provided that concurrently with the abandonment of service and the cancellation of tariffs by Pacific Motor Transport Company, applicants and their connecting carriers publish, file with the Commission and make effective local and joint store door pick up and delivery tariffs containing rates, rules and regulations identical in volume and effect with the rates, rules and regulations presently in effect or as amended by Pacific Motor Transport Company; and provided further that the parti-

icipation of Pacific Motor Trucking Company in said tariff or tariffs is restricted to its concurrence in joint rates for the transportation of property where such property is first in the custody of applicants (except Pacific Motor Trucking Company) and their connecting carriers, subject to the following exceptions:

Pacific Motor Trucking Company is hereby authorized to publish and maintain or concur in joint tariffs with the other applicants and their connecting carriers in territory where said Pacific Motor Trucking Company possesses certificates of public convenience and necessity not restricted to the transportation of property moving in the custody of Southern Pacific Company or other carriers.

subject to the following conditions:

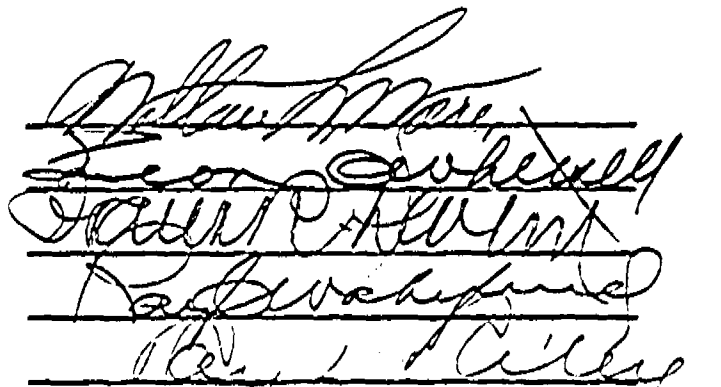
(1) Applicant shall discontinue said service within a period not to exceed sixty (60) days from and after the effective date hereof and shall cancel its tariffs contemporaneously with such discontinuance of service.

(2) The authority herein granted shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

IT IS HEREBY FURTHER ORDERED that any express rights possessed by Pacific Motor Transport shall be deemed to have been revoked and of no further force and effect upon the effective date of the abandonment of service and the cancellation of tariffs.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of March, 1938.

  
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COMMISSIONERS.