

Decision No. 20274

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEY MOTOR LINES, INC., a corporation,)
and H. FRASHER, an individual, to inter-)
change express matter at San Jose, Cali-)
fornia, in connection with the trans-)
portation of property between points)
located on or beyond the lines of H.)
Frasher, and points on or beyond the)
lines of Valley Motor Lines, Inc., for)
Valley Express Co., an express corpora-)
tion, in lieu of transferring the said)
property at Oakland, California.)

Application
No. 20274.

James J. Broz, for Valley Motor Lines, Inc.

H. W. Hobbs, for Pacific Motor Transport Company
and Pacific Motor Trucking Company, Protest-
ants, and Southern Pacific Company, interested
party.

Edward Stern and H. W. Hobbs, for Railway Express
Agency, Inc., Protestant.

J. F. Vizzard, for Highway Transport, Inc.,
interested party.

BY THE COMMISSION:

O P I N I O N

By their joint application in this matter, Valley
Motor Lines, Inc., a corporation, and H. Frasher (doing business
as H. Frasher Truck Line), both operating as highway common car-
riers as defined in Section 2-3/4, Public Utilities Act, seek
authority from the Commission to interchange at San Jose property
transported by them as express matter for Valley Express Company,
an express corporation, as defined in Section 2 (k), Public

Utilities Act. The granting of this application was protested by Pacific Motor Transport Company, Pacific Motor Trucking Company and Railway Express Agency, Inc. Southern Pacific Company and Highway Transport, Inc. appeared as interested parties.

A public hearing was had in this matter before Examiner Austin at San Francisco, when evidence was offered, the matter submitted, and it is now ready for decision.

Applicants' proposal contemplates the addition of San Jose as a point for the interchange of express matter transported by them for Valley Express Company; at present, they may interchange such property at Oakland alone. The application does not contemplate the performance of any service directly to the public; it is only as underlying carriers operating under an arrangement with an express corporation that the applicants are now before us.

Under certificates previously granted by the Commission, Valley Motor Lines, Inc. operates as a highway common carrier between Fresno and other San Joaquin Valley points on the one hand, and Oakland on the other, via both the Altamont Pass and the Pacheco Pass routes. It also reaches San Francisco, shipments being transported across the Bay, where they are interchanged with Highway Transport, Inc. Ordinarily, the Altamont route is used for shipments originating north of Merced and destined to points north of San Jose, such as San Mateo, while traffic destined to San Jose and Santa Clara moves via Pacheco.

Until its acquisition by Pacific Motor Trucking Company, the Oakland-San Jose Transportation Co. handled express matter for

Valley Express Company, the traffic being interchanged between Valley Motor Lines, Inc. and that company at Oakland. Only traffic destined to points beyond, but not including, San Jose and Santa Clara was then interchanged with Highway Transport Company.

By its certificate (granted by Decision No. 28199 on Application No. 19976), H. Frasher Truck Line is limited to the transportation of express for Valley Express Company (or any other express company authorized to operate under Section 2 (k), Public Utilities Act), between Oakland and San Jose and certain intermediate points. This traffic may now be interchanged between H. Frasher Truck Line and Valley Motor Lines, Inc., at Oakland only.

Authority was granted Valley Motor Lines, Inc. and Highway Transport Company by Decision No. 27385 on Application No. 19580, to interchange express matter handled for Valley Express Company at San Jose. Highway Transport Company served, and its successor, Highway Transport, Inc., now serves, San Jose, Santa Clara and points south along the Coast Route, including Gilroy, Watsonville and Pacific Grove. However, its lines do not reach Oakland.

The traffic now interchanged at Oakland between Valley Motor Lines, Inc. and H. Frasher Truck Line originates on the lines of Valley Express Company or its connecting carriers. However, it includes no tonnage originating at points between Oakland and San Jose. The right of H. Frasher Truck Line to serve these inter-

mediate points has been challenged by certain of the protestants herein in a proceeding (Case No. 4184) now awaiting determination. It will not be necessary, therefore, to deal with any of the issues raised in that proceeding.

Since traffic of the Valley Express Company destined to San Jose and handled by Valley Motor Lines, Inc. and H. Frasher Truck Line must, under the restrictions now existing in the operative rights of the two underlying carriers, be interchanged at Oakland, all tonnage destined to Oakland, moving via Pacheco Pass, is necessarily transported an additional distance of eighty-five miles (representing the roundtrip between San Jose and Oakland). Though traffic moving via Altamont Pass is not subject to this handicap, not all traffic may be routed that way.

On behalf of the applicants, Mr. Harold Frasher, owner of H. Frasher Truck Line and President of Valley Motor Lines, Inc., testified there had been displayed a total lack of cooperation on the part of Highway Transport, Inc. in handling traffic for Valley Express Company. In this connection, he said, many complaints of delays and improper handling had been received from agents of Valley Express Company. These complaints, he stated, could be overcome by permitting an interchange at San Jose with H. Frasher Truck Line; in no other way can the situation be remedied, since there is no other carrier in the field with whom Valley Express Company can arrange to handle its traffic.

The contract between Valley Express Company and Highway Transport Company, under which the latter acted as an underlying carrier, has terminated, so Mr. Frasher testified, and negotiations with the successor of that company, Highway Transport, Inc., have

not culminated in any new agreement. Though traffic has continued to be interchanged between the two carriers, considerable uncertainty exists as to the rates ultimately to be applied and as to the points to be served. Any new arrangement effected, so Mr. Frasher testified, would not contemplate the handling of express by Highway Transport, Inc., at San Jose or Santa Clara. Operation throughout a test period, so Mr. Robertson, President of Highway Transport, Inc., testified, is essential to determine whether the rates suggested by Valley Express Company would be satisfactory. From the record, it is apparent that Valley Express Company has been unable to reach an understanding with Highway Transport, Inc. regarding the handling of this traffic.

The proposed interchange at San Jose, if authorized, so Mr. Frasher testified, will, through the elimination of the additional haul of eighty-five miles, result in substantial economies in conducting the service; it will provide an expedited overnight service to San Jose and Santa Clara upon traffic originating at Los Angeles; and, through the appointment of an agent for the express company at San Jose, it will result in the more expeditious handling of traffic at that point. Neither the traffic nor the revenue involved is extensive. However, the Commission is disposed to view with favor changes in operating methods conducive to greater economies and more expeditious service. Highway Transport, Inc. stands in relation to Valley Express Company as a newcomer in the transportation field. The contract with its predecessor has expired, and it has been unable to effect an agreement with Valley Express Company for the handling of the express traffic. Since H. Frasher Truck Line is already in the field, no existing carrier will be prejudiced by permitting an interchange under which Valley Motor Lines, Inc. and H. Frasher Truck Line may perform more efficiently

and economically a service they are already authorized to provide.
The application will therefore be granted.

O R D E R.

A public hearing having been had, evidence received; the matter submitted; and the Commission being now fully advised,

IT IS HEREBY ORDERED that applicants, Valley Motor Lines, Inc., a corporation, and H. Frasher, an individual, doing business as H. Frasher Truck Line, be and they are hereby authorized to interchange at the City of San Jose any and all property which they and each of them may be transporting, as highway common carriers, as express matter for Valley Express Company, an express corporation, destined to or originating at any and all points on or beyond the lines of said Valley Motor Lines, Inc., and of said H. Frasher, doing business as H. Frasher Truck Line, respectively.

This order shall become effective twenty (20) days from and after the date thereof.

Dated at San Francisco, California, this 9th day of May, 1938.

Walter Brown
Leon A. Kelly
Frank P. Brown
Raymond W. Brown
Ray A. Kelly
Commissioners.