

Decision No. 31042

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC MOTOR TRUCKING COMPANY
for certificate of public convenience
and necessity for the transportation
by motor trucks of railroad traffic
in the San Joaquin Valley, etc.

Application No. 18,699
(Supplemental)

In the Matter of the Application of
PACIFIC MOTOR TRUCKING COMPANY for
a certificate to transport property
by motor trucks under contract
between Metz and San Luis Obispo,
etc.

Application No. 18,881.
(Supplemental)

In the Matter of the Application of
PACIFIC MOTOR TRUCKING COMPANY for
certificate to transport by motor
truck freight and express between
railroad stations of Southern
Pacific Company and/or Visalia
Electric Railroad Company, etc.,
southeast of Fresno, et al.

Application No. 19,062.
(Supplemental)

In the Matter of the Application of
SANTA FE TRANSPORTATION COMPANY
for certificate of public con-
venience and necessity to operate
auto truck service between Fresno
and Porterville and intermediate
points.

Application No. 19,030.
(Supplemental)

In the Matter of the Application of
PACIFIC MOTOR TRUCKING COMPANY
for certificate of public convenience
and necessity for the transportation
of property by motor truck for
other common carriers between the
Southern Pacific Station at Santa
Barbara and consignors of freight,
including railroad stations within
the Montecito Zone described in
Application.

Application No. 19,563

ORIGINAL

In the Matter of the Application of)
 PACIFIC MOTOR TRUCKING COMPANY for)
 certificate of public convenience)
 and necessity for the transportation) Application No. 20,297
 of property by motor truck for)
 other common carriers between Mojave)
 and Saugus and intermediate points.)
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R.E.WEDEKIND for Pacific Motor Trucking Company in
 Apps. 18699,18881,19062,20297 and 19563.

BERNE LEVY and G.E.DUFFY for Santa Fe Transportation
 Company in Application 19030.

WALLACE K.DOWNEY for Pacific Freight Lines and Keystone
 Express System in Apps.18699,18881,19062,19030 and
 19563.

WALLACE K.DOWNEY for Frank Caudana and Maurice Lovey,
 doing business as Besone Motor Express and for H.B.
 Elbert,doing business as the Arvin Line, in Apps.
 18699,19062 and 19030.

DOUGLAS BROCKMAN for Valley and Coast Transit Company
 and Coast Line Express, protestants in App.18881.

JAMES BROZ for Valley Express and Valley Motor Lines
 and George Harm, doing business as the George Harm
 Truck Lines, and H.Frasher, doing business as the
 Frasher Truck Line; C.L. and E.B.Fortier, doing
 business as Fortier Brothers; and Huntington Stage
 Lines and G.C.Cobb, doing business as Triangle
 Transfer, as protestants in Apps. 18699,19062 and
 19030.

JOHN F. McNEIL for F.F.Sullivan, doing business as Red
 Line Express, protestant in Application 20297.

L. & M.S.AMSELL by M.AMSELL for Pacific Interurban
 Transportation.

A.D.POE and FRANK HEWSON, for Motor Truck Association
 of Southern California.

JACKSON W. KENDALL and C.P.VON HERZEN for Bekins Van
 Lines, Incorporated, Bekins Van and Storage Company,
 Bekins Van and Storage, Inc., Lyon Van and Storage
 Company, Lyon Van Lines, Inc., and United Independent
 Van and Warehousemen's Association.

C.P.VON HERZEN for Beverly-Wilshire Moving and Storage
 Company and W.L. and Jessie Carpenter, doing business
 under the name of Argonne Van Lines, Protestant.

BY THE COMMISSION:

O P I N I O N O N R E H E A R I N G

Pacific Freight Lines, Valley and Coast Transit Company,
 E.L.McConnel, doing business as Coast Line Express, Valley Express

Company, Valley Motor Lines, George Harm, doing business as George Harm Truck Lines, H. Frasher, doing business as Frasher Truck Lines, Huntington Stage Lines and G.C.Cobb, doing business as Triangle Transfer Company petitioned the Commission to set aside and vacate its Decision No. 30110, dated September 7, 1937, in Supplemental Application No. 18699, Supplemental Application No. 18881, Supplemental Application No. 19030 and Supplemental Application No. 19062 and to set the matters for rehearing.

Pacific Freight Lines filed a petition with the Commission to set aside and vacate Decision No. 30098, dated September 7, 1937, in Application 19563 and to set the matter for rehearing.

F.F.Sullivan, doing business as Red Line Express filed a petition with the Commission to set aside and vacate Decision No. 30088, dated September 7, 1937, on application No. 20297 and to set the matter for rehearing.

The Commission by its Order, dated October 18, 1937, granted the various petitions for rehearing and the matters were set for hearing.

Public hearings on all of the above applications were held before Examiner Gorman at Los Angeles, on April 19th and 20th 1938. Application 20297 was submitted on April 20th on briefs and the briefs have been filed. A public hearing was held in Los Angeles on April 21, 1938, on all the above matters except Application No. 20,297. A public hearing was held at Santa Barbara on May 19, 1938, on Application No. 19563. Oral argument was heard in San Francisco on May 21, 1938, on all the above matters except Application No. 20,297.

For the purpose of clarification and understanding it appears desirable to set forth a brief description and history of each of the applications involved in this proceeding.

APPLICATION NO. 18699 (Supplemental)

The Commission issued its Decision No. 26261, dated August 21, 1933, on application No. 18699, authorizing Pacific Motor Trucking Company to operate as a highway common carrier for the distribution of railroad traffic between railroad stations located on the Stratford, Riverdale, Coalinga and Kerman Branches of the Southern Pacific Company and its main line between Fresno and Goshen Junction.

In said Decision, the Commission made the following declaration:

" The Railroad Commission of the State of California hereby finds public convenience and necessity require the operation by Pacific Motor Trucking Company of an automobile truck service between the railroad stations located on the Stratford, Riverdale, Coalinga and Kerman Branches of the Southern Pacific Company and the main line between Fresno and Goshen Junction and over the routes as set forth in "Exhibit B" attached to the application herein for the transportation of freight, such service to be limited to the transportation of such freight as may have been previously consigned for transportation over the line of the Southern Pacific Company and which may be delivered to the applicant by the Southern Pacific Company or the Pacific Motor Transport Company, or the Railway Express Agency, Inc., at the railroad freight stations designated below and to be redelivered by the applicant at another of said freight stations, to-wit, at the freight stations of the Southern Pacific Company located at Fresno, Fowler, Selma, Kingsburg, Traver, Goshen Junction, Remmoy, Shell, Hanford, Armona, Orion, Lemoore, Rossi, Heinlen, Lethent, Cuneo, Stratford, Westhaven, Huron, Turk, Coalinga, Ora, Crump, Le Roy, Helm, Nares, Caldwell, San Joaquin, Tranquillity, Kerman, McMullin, Raisin City, Caruthers, Gendo, Hardwick, Lynn, Hassett, Hub, Robinson, Riverdale, Kimble, Caru and Burrell."
(Emphasis supplied)

From the language used by the Commission in its decision it appears clear to us that Pacific Motor Trucking Company was authorized to transport shipments between railroad stations only

and was not authorized to pick up at consignors door or deliver to consignees door at the various railroad stations involved. It also appears that applicant, however, was not certain as to the exact meaning of the language used and filed its supplemental application in this proceeding, on January 29, 1935, requesting authority to perform, in whole or in part, pick up and delivery service at each of the railroad stations involved as provided for in the tariffs of the carriers for whom it was authorized to transport; or in lieu thereof have the Commission construe its decision as not directly or indirectly implying any restriction prohibiting applicant from performing such service for said carriers. After public hearings, the Commission issued its Decision No. 30110, dated September 7, 1937, amending Decision No. 26261, on Application No. 18699, by adding the following paragraph:

" Provided, however, that applicant hereby further is authorized to perform store-door pick-up and delivery service at all station points herein granted, only when such store-door pick-up and delivery is limited to shipments consigned to or from Southern Pacific Railway, Pacific Motor Transport Company and/or Railway Express Agency, Inc., at their rates and only in the pick-up and/or delivery zone provided for in the tariffs of such carriers. "

By Supplemental order, Decision No. 30123, dated September 16, 1937, the Commission extended the effective date of Decision No. 30110 to October 17, 1937.

Petitions for vacating the order and rehearing were filed on October 6, 1937, (more than ten days prior to the effective date of the order) which stayed the order of the Commission.

The Commission on October 18, 1937, granted the rehearing.

APPLICATION NO. 18881 (Supplemental)

The Commission issued its Decision No. 26939, dated April 16, 1934, on Application No. 18881, authorizing Pacific Motor

Trucking Company to operate as a highway common carrier between the railroad stations located on the main line of Southern Pacific Company between San Luis Obispo and Metz for the transportation of freight as may have been previously consigned for transportation over the line of Southern Pacific Company and which may be delivered to Pacific Motor Trucking Company by Southern Pacific Company or Pacific Motor Transport Company or Railway Express Agency, Inc., at the railroad freight stations.

The language used in the declaration of this Order is similar to that used in Decision No. 26939, referred to above.

Applicant filed its supplemental application in this proceeding on January 29, 1935, which was identical to its supplemental application No. 18699.

Decision No. 30110, dated September 7, 1937, amended Decision No. 26939 in a manner identical with the amendment to Decision No. 26261.

Petitions for rehearing in this matter were filed on October 6, 1937.

APPLICATION NO. 19030 (Supplemental)

Decision No. 27234, dated July 30, 1934, on Application No. 19030, authorized Santa Fe Transportation Company to operate as a highway common carrier between railroad stations located between Fresno, Porterville and intermediate points located on the lines of the Atchison, Topeka and Santa Fe Railway Company for the transportation of such freight as may have been previously consigned for transportation by rail and which may be delivered to the applicant by the Atchison, Topeka and Santa Fe Railway Company or other rail carriers operating between said points. Said decision contained several conditions among which was the following:

"6. The certificate herein granted does not authorize applicant to directly or indirectly perform a pickup and/or delivery service at the points to be served."

On March 25, 1935, Santa Fe Transportation Company filed its Supplemental Application No. 19030, requesting a supplemental order authorizing applicant to use its vehicles in performing store-door pickup and delivery services in the free pick up and delivery zone at each station as provided for in the tariffs of the Atchison, Topeka and Santa Fe Railway Company and Railway Express Agency, Inc.

After public hearings, the Commission issued its Decision No. 30110, dated September 7, 1937, wherein Decision No. 27234 was amended by deleting Condition No. 6 and substituting in lieu thereof the following:

" ' No. 6. The certificate herein granted authorizes applicant to perform store-door pick-up and/or delivery service at all station points herein granted only when such store-door pick-up and delivery service is limited to shipments consigned to or from The Atchison, Topeka and Santa Fe Railway Company, and/or other rail carriers operating to and from such station points at their rates and only in the pick-up and delivery zones provided for in the tariffs of such carriers.' "

Petitions for rehearing were filed on October 6, 1937, requesting that Decision No. 30110 be vacated and the matter be reheard. These petitions were granted by the Commission on October 18, 1937.

APPLICATION NO. 19062 (Supplemental)

Decision No. 27235, dated July 30, 1934, on Application No. 19062, authorized Pacific Motor Trucking Company to operate as a highway common carrier between railroad stations located on the lines of Southern Pacific Company, the Visalia Electric Railroad Company and the Sunset Railway Company, southeast of Fresno and in the vicinity of Tulare and Bakersfield for the transportation of freight as may have been previously consigned for transportation

over the line of either of said Companies and which may be delivered to the applicant by either of said Companies at the railroad freight stations.

Said decision contained a Condition (No. 6) which is identical with the Condition contained in Decision No. 27234.

Pacific Motor Trucking Company filed its supplemental application No. 19062 on January 29, 1935, for authority to perform store-door pickup and delivery services for the carriers where provided in their tariffs at each of the stations involved.

By Decision No. 30110, dated September 7, 1937, the Commission amended its order in Decision No. 27235 by deleting Condition No. 6 and substituting in lieu thereof a new Condition No. 6 as follows:

" * No.6. The certificate herein granted authorizes applicant to perform store-door pick-up and/or delivery service at all station points herein granted, only when such store-door pick-up and/or delivery service is limited to shipments consigned to or from Southern Pacific Railway, Pacific Motor Transport Company and/or Railway Express Agency, Inc., at their rates and only in the pick-up and/or delivery zones provided for in the tariffs of such carriers. " *

Petitions for rehearing were filed on October 6, 1937, and were granted by the Commission on October 18, 1937.

The issues involved in the four above described applications are similar.

In support of the supplemental application for authority to perform store-door pickup and delivery services at the various stations involved, Pacific Motor Trucking Company alleges that the tariffs of Pacific Motor Transport Company, which Company operates to, from and between practically all of the stations involved in the Pacific Motor Trucking applications provide for free pickup and delivery services for shippers and consignees located within a zone

surrounding each of said railroad stations, said zone generally being co-extensive with the corporate limits of the incorporated cities and towns in which said stations are located, and where any such station is situated in unincorporated territory, then the free delivery zone is generally an area within one mile of such station; that Southern Pacific Company has certain interstate tariffs providing for free pickup and delivery on less-than-carload traffic within such zones and that Pacific Motor Transport Company and Southern Pacific Company desire to employ Pacific Motor Trucking Company to perform the pickup and delivery services provided for by their respective tariffs at each of the stations involved whenever substantial saving in the cost of transportation can be effected because the vehicles of applicant being available at such points or when more reliable, efficient and expeditious service may be rendered to the public.

Pacific Motor Trucking Company also alleges that the proposed pickup and delivery services are to be supplementary to the service of local draymen where the carriers have already contracted with local draymen for performing pickup and delivery services, as conditions may require; or to provide the pickup and delivery service called for by the tariffs of said carriers at points where no local drayman is available, or where, for any reason, said carriers are unable to contract with such local drayman for rendering said services at reasonable cost and in a manner satisfactory to the public.

Santa Fe Transportation Company in support of its supplemental application made practically the same allegations as Pacific Motor Trucking Company.

In brief, petitioners, in support of their petition for rehearing in the four above mentioned supplemental applications,

allege that Decision No. 30110, rendered on September 7, 1937, on the four said applications, was contrary to law and not supported by the evidence; that the original applications filed by Pacific Motor Trucking Company represented that applicant sought certificates to operate as a highway common carrier for the transportation of rail merchandise as a rail substitute service between rail stations only; that such representations were subterfuges; that in fact new services were being requested which would be competitive with the services of petitioners; that in reality Southern Pacific Company and The Atchison, Topeka and Santa Fe Railway Company were seeking by indirect means to establish new services including pick-up and delivery which would be competitive with petitioners; that Decision No. 30110 enlarges the certificates of the Pacific Motor Trucking Company and the Santa Fe Transportation Company so as to permit service along the entire route with pick-up and delivery including such off-highway limits as the carriers or their rail owners may desire to establish; that the record was not conclusive in respect to a showing of public convenience and necessity justifying the enlargement of the certificates; that petitioners offered ample evidence to prove conclusively that they were adequately serving the communities in question with pick-up and delivery services and that the additional rights granted by Decision No. 30110 are not for any substitutional rail service but are entirely new services to points never before furnished with rail service.

The amount of less-than-carload traffic being transported by Pacific Motor Trucking Company between Fresno and Porter-

ville and intermediate points and between Fresno and Orange Cove and intermediate points for the month of March, 1938, is as follows:

	FROM FRESNO TO PORTERVILLE	FROM PORTERVILLE TO FRESNO	FROM FRESNO TO ORANGE COVE	FROM ORANGE COVE TO FRESNO
	lbs.	lbs.	lbs.	lbs.
Total	396,584	56,261	153,066	23,425
Daily Average	14,688	2,084	5,669	868

The total number of tons of less-than-carload freight transported, and the number of shippers and receivers of less-than-carload freight at the various stations in the San Joaquin Valley involved in these proceedings for an annual period is as follows:

TONS RECEIVED			TONS FORWARDED			NUMBER OF	NUMBER OF
S.P.	P.M.T.	TOTAL	S.P.	P.M.T.	TOTAL	SHIPPERS	RECEIVERS
16858	11,893	18,751	2,362	1707	4069	829	2188

The total number of tons of less-than-carload freight transported and the number of shippers and receivers of freight at the various towns in the Coast Line territory is as follows:

TONS RECEIVED			TONS FORWARDED			NUMBER OF	NUMBER OF
S.P.	P.M.T.	TOTAL	S.P.	P.M.T.	TOTAL	SHIPPERS	RECEIVERS
1030	1351	2381	167	206	373	96	296

The total number of points in the San Joaquin Valley for which Pacific Motor Trucking Company requests authority to perform pick-up and delivery service, as shown by Exhibit R-7, is

69. Of these sixty-nine stations, seventeen are now being afforded pick-up and delivery services by contract draymen and six by the line haul equipment of Pacific Motor Trucking Company.

The total number of points in the Coast Line territory for which Pacific Motor Trucking Company requests authority to perform pick-up and delivery services, as shown by Exhibit R-8, is nine. Of these nine stations, two are being afforded pick-up and delivery service by the line haul equipment of applicant and one by contract drayman.

The total number of points in the San Joaquin Valley for which the Santa Fe Transportation Company requests authority to perform pick-up and delivery services, as shown by Exhibit R-5, is forty-two. Of these stations, twelve are now being afforded pick-up and delivery services by contract draymen.

The record shows that for the purpose of conserving the time of hearing and of the interested parties, public witnesses were not called from the various points in the San Joaquin Valley but a stipulation was entered into between counsel for applicants and counsel for the protestants, which stipulation reads as follows:

"IT IS HEREBY STIPULATED, by and between applicant and protestants in the above-entitled matters, that the evidence herein shall be deemed to include the testimony of at least one public witness from each of the places named on Exhibit R-7 herein, except Kerman, Armona, Hanford, Lemoore, Coalinga, Selma, Kingsburg, Tulare, Tipton, Pixley, Delano, Ducor, Porterville, Strathmore, Lindsay, Visalia, Ivanhoe, Dinuba, Reedley, Sanger, Maricopa, Taft, and Fellows, to the following effect: That he receives and ships less than carload freight from and to such place via the Southern Pacific Company and Pacific Motor Transport Company; that such shipments are hauled to and from such

place via the Pacific Motor Trucking Company; that he is required to pick up or deliver such shipments at the depot of Southern Pacific Company at such place; that it would be convenient to him if such shipments were picked up and delivered at his store-door by the line-haul equipment of Pacific Motor Trucking Company, and that, in order to avoid interference with his business, delays to his shipments and inconvenience to him by being required to pick up and deliver his shipments at the Southern Pacific Station, it is necessary to him that Pacific Motor Trucking Company be authorized to employ its line-haul equipment in picking up and delivering his shipments at his store-door.

"IT IS FURTHER STIPULATED that the evidence herein shall be deemed to include the testimony of at least one public witness from Armona, Hanford, Lemoore, Selma, Kingsburg, Tulare, Delano, Porterville, Strathmore, Lindsay, Visalia, Dinuba, Reedley, Sanger, Maricopa, Taft and Fellows, to the following effect:

"That he receives and ships less than car-load freight from and to such place via the Southern Pacific Company and Pacific Motor Transport Company; that such shipments are hauled to and from such place via the Pacific Motor Trucking Company; that such shipments are picked up and delivered at his store-door; that such pick-up and delivery service is convenient to him and is necessary in the conduct of his business; that it would not meet his convenience and needs should such pick-up and delivery service be discontinued and should he be required, upon such discontinuance, to deliver his shipments and receive his shipments at the Southern Pacific Depot at such place; and that in order to avoid interference with his business, delays to his shipments and inconvenience to him, should he be required to pick-up and deliver his shipments at the Southern Pacific station, it is necessary to him that Pacific Motor Trucking Company be authorized to employ its line-haul equipment in picking up and delivering his shipments at his store-door."

A similar stipulation was entered into with respect to the points in the Coast Line territory.

The record also shows that applicants have received numerous complaints from consignors and consignees on account of the lack of pick-up and delivery services.

Another stipulation was entered into between counsel for applicants and counsel for protestants that the record would be deemed to include the testimony of at least one witness from some sixty-seven points in the San Joaquin Valley to the following effect:

"That he receives and ships less than carload freight from and to such place, via the transportation company or companies set after the respective names of said communities; that he has been given a store-door pickup and delivery service by said company or companies set after the names of said communities for many years last past; that the service rendered by said transportation companies is now and for many years past has been adequate and satisfactory; that at no time were said transportation companies or any of them unable to render service to him through shortage of equipment or otherwise; that all of his transportation needs so far as less carload shipments are concerned, are met by said transportation companies' services, and that he need no additional transportation service; that such witness has no interest in who performs the service so long as it is performed."

This record does not contain any evidence indicating that the service of protestants in the areas involved is inadequate or unsatisfactory but to the contrary contains much evidence regarding the adequacy and efficiency of such services.

We are here confronted with the fact that Pacific Motor Trucking Company is performing the line haul service for Southern Pacific Company, Pacific Motor Transport Company and Railway Express Agency, Inc., and each of said carriers is offering to the shipping public a store-door pick-up and delivery service. Likewise, the Santa Fe Transportation Company is performing the line haul service for The Atchison, Topeka and Santa Fe Railway Company

and Railway Express Agency, Inc.

The record shows that there are many shippers and receivers of freight who are utilizing the services of these carriers and who, under present conditions, are unable to secure a desired and necessary pick-up and delivery service from such carriers. To disregard the transportation requirements of this portion of the shipping public, would, in our opinion, be contrary to public interest.

We are of the opinion that there can be no quarrel with the fact, which to us is obvious, that a transportation service including store-door pick-up and delivery is superior in most instances to a service which requires the shipping public to transport its shipments by its own conveyance between store-door and the rail station.

Pacific Motor Transport Company, Southern Pacific Company, The Atchison, Topeka and Santa Fe Railway Company and Railway Express Agency, Inc., have on file tariffs providing for store-door pick-up and delivery service. These carriers may at the present time employ draymen to perform the pick-up and delivery service, however, are unable to contract with Pacific Motor Trucking Company or Santa Fe Transportation Company because the certificates of these two carriers specifically prohibit their performance of that service.

In many of the communities, particularly the small ones, it is impossible for one reason or another to employ draymen to perform the pick-up and delivery service consequently the patrons

of applicants in such communities must forego that service unless these supplemental applications are granted or other provisions are made.

The record shows that the annual cost of performing pick-up and delivery service at the various points involved in the Pacific Motor Trucking territory in the San Joaquin Valley and between San Luis Obispo and Metz by equipment separate and distinct from the line haul equipment would be \$24,278, which expense could not be justified by the amount of traffic offered.

Petitioners, in the petition for rehearing, make the following statement:

"Decision No. 30110 as to which we here seek a rehearing, enlarges these certificates to permit service all along the route with pick-up and delivery all along the roadways traversed, including such off-highway limits as the carriers may desire, or their rail owners may desire to establish. This is what we understand to be the effect of Decision No. 30110."

We do not so construe the order in Decision No. 30110. The order, in our opinion, provides that Pacific Motor Trucking Company and the Santa Fe Transportation Company are only permitted to perform pick-up and delivery service (and thence within the zones provided for in the tariffs) at definitely named stations. The names of these stations for Pacific Motor Trucking Company are set forth in Exhibits Nos. R-7 and R-8, and for the Santa Fe Transportation Company in Exhibit No. R-5.

We can appreciate, however, that petitioners may have some apprehension as to the future enlargement of the pick-up and delivery zones by the rail carriers at these various stations. The rail carriers could, by tariff publication, extend the limits of the pick-up and delivery zones so as to make possible continu-

ous pick-up and delivery zones along the entire routes of the Pacific Motor Trucking Company and Santa Fe Transportation Company. This was not the intent of Decision No. 30110, and in order to prevent such a situation from developing in the future a further amendment should be made in the order.

After carefully considering all of the evidence in this proceeding, including the oral arguments, we are of the opinion that the Commission's Decision No. 30110 in so far as it relates to Supplemental Applications Nos. 18699, 18881, 19030 and 19062, should be affirmed with a modification to prevent a situation as described above.

APPLICATION NO. 19563.

Decision No. 30098, dated September 7, 1937, on application No. 19563, authorized Pacific Motor Trucking Company to operate as a highway common carrier for the transportation of property in the custody of Southern Pacific Company, Railway Express Agency, Inc., Pacific Motor Transport Company, and any other carrier of the same classes, which originates at or is destined to points north of Santa Barbara or south of Montecito, between Southern Pacific Company's station at Santa Barbara and points within a zone within Montecito.

By Decision No. 30122, the Commission extended the effective date of said order to October 17, 1937.

Pacific Freight Lines filed its petition on October 8, 1937, requesting that the Commission vacate and set aside its Decision No. 30098, and set the matter for rehearing. In view of the fact that the petition for rehearing was not filed ten days or more prior to the effective date, the order was not stayed and applicant

established the service authorized.

Subsequent to the original hearings in this application, Southern Pacific Company improved its rail service between Los Angeles and Santa Barbara and San Francisco and Santa Barbara. On October 22, 1935, Southern Pacific Company began the operation of a set-out box car for Santa Barbara on the overnight merchandise train from San Francisco to Los Angeles. On January 1, 1937, a similar service was inaugurated from Los Angeles.

Previous to September 22, 1937, when Pacific Motor Trucking Company began its truck service between Santa Barbara and Montecito, a twice-weekly (Wednesday and Saturday) box car service was operated by Southern Pacific Company between Santa Barbara and Miramar station.

Prior to the inauguration of the truck service, the in-transit time between San Francisco and Montecito and between Los Angeles and Montecito varied between eighteen and ninety hours depending upon the day in which the shipment was made. Subsequent to the inauguration of the truck service, the in-transit time between both Los Angeles and San Francisco and Montecito was reduced to seventeen hours, thereby providing a daily (except Sundays and holidays) overnight delivery service between the two important terminals and Montecito.

The opinion in Decision No. 30093 recites that the cost of rendering the semi-weekly box car service between Santa Barbara and Miramar was approximately \$503 per month and that the cost of rendering the truck service was approximately \$53 per month. This statement is incorrect, as the evidence shows that the cost which would be saved by Southern Pacific Company by the elimination of

said box car service is approximately \$600 annually and that the additional cost of operating the pick-up truck used in Santa Barbara to perform the service to Montecito would be approximately \$100 annually.

The record further shows that the cost which would be incurred by the operation of a daily box car service between Santa Barbara and Miramar is approximately \$1800 annually, which expense would not be justified by the volume of traffic moving.

Exhibit R-21 shows the percentages of total traffic handled in coordinated rail-truck service between Santa Barbara and Montecito for the period November, 1937, to April, 1938, inclusive, apportioned to territory from which merchandise was received at Montecito or to territory to which it was forwarded from Montecito, which is as follows:

<u>Territory from which merchandise was received from or forwarded to</u>	<u>Total</u>
San Francisco Bay Area (1)	38.92%
Other Northern California Points (2)	6.59%
Los Angeles	44.31%
Other Southern California Points (3)	<u>10.18%</u>
Total	100.00%

(1) Stations to which traffic actually moved during period November, 1937, to April, 1938, incl. in this grouping are: San Francisco, Oakland, Berkeley, Hayward and Emeryville.

(2) Stations to which traffic actually moved during period

November, 1937, to April, 1938, incl. in this grouping are: Monterey, Fresno, Chico, San Anselmo, Eureka, San Jose, Sacramento, Stockton, St. Helena, Los Gatos and Lodi.

- (3) Stations to which traffic actually moved during period November, 1937, to April, 1938, incl. in this grouping are: Ontario, Pasadena, Hollywood, Beverly Hills, Long Beach, San Bernardino, Santa Monica, Glendale, Redlands, Bakersfield, Ventura, Inglewood, and Burbank.

The following tabulation shows the tonnage moving into and out of Montecito, number of shipments and the number of shippers and consignees of Southern Pacific Company and Pacific Motor Transport Company for the period November, 1937, to March, 1938:

Month	Inbound & Outbound Traffic	Number of Shipments	Number of Customers
Nov. 1937	28,216 lbs.	54	13
Dec. 1937	18,090 lbs.	51	11
Jan. 1938	15,822 lbs.	57	8
Feb. 1938	11,287 lbs.	49	6
Mar. 1938 *	14,137 lbs.	54	10
*1st to 29th Incl.			

Applicant presented three public witnesses, and the testimony of two others was stipulated into the record. The gist of their testimony was to the effect that the expedited store-door service for shipments moving via Southern Pacific Company and Pacific Motor Transport Company was convenient and necessary.

The witness called by protestant, as well as applicants' witnesses, testified as to the efficiency and adequacy of the service rendered by Pacific Freight Lines for shipments moving via that line.

After carefully considering all of the evidence presented on rehearing, we are of the opinion that Decision No. 30098 should be affirmed.

APPLICATION NO. 20297

Decision No. 30088, dated September 7, 1937, on application No. 20297, authorized Pacific Motor Trucking Company to operate as a highway common carrier between Saugus and Mojave and intermediate points, limited to traffic consigned to Southern Pacific Company, Pacific Motor Transport Company and Railway Express Agency, Inc., and other carriers of like class, subject to the following restriction:

"No traffic having both origin and destination in the area between Saugus and Lancaster, both points inclusive, except traffic which originates at points south and west of Saugus, may be transported."

A petition for rehearing was filed by F. F. Sullivan, doing business as Red Line Express, on September 16, 1937, which has stayed the order. The Commission granted said petition on October 18, 1937.

Applicant introduced a new time schedule providing for a leaving time from Mojave at 6:30 a.m., instead of 8:30 a.m., as previously proposed, and a leaving time of 1:00 p.m., from Palmdale, instead of 2:00 p.m. The record shows that the purpose of the changed schedule was to afford early morning delivery between Mojave and Palmdale.

A new estimate of the cost of rendering the proposed substituted truck service was introduced which shows an annual cost of \$4,338.

The record shows that subsequent to the original

hearings in this matter, Southern Pacific Company, due to an increase in carload business, rearranged its operations between Los Angeles and Mojave so that a new train handling carload traffic is now transporting the less-than-carload merchandise car to Mojave, and that if the instant application were granted, one round trip per week of this train between Los Angeles and Mojave could be eliminated. On the basis of the proposed operation, a saving of \$13,426 would accrue annually to Southern Pacific Company. The net benefit which would be derived is as follows:

Estimated Annual rail economies	\$13,426
Estimated Annual Cost truck service	<u>4,338</u>
Net Reduction	\$ 9,088

A revised "in transit" study was submitted which shows that at the present the time for shipments in transit between Los Angeles and Lancaster is thirty-eight hours and between Bakersfield and Lancaster approximately forty-two hours; while under the proposed plan of truck operation, these in-transit times will be reduced to approximately fourteen hours.

The number of consignees and consignors using the present rail service for less-than-carload shipments and the number of shipments received and forwarded is shown by the following table:

Station	Month	Number of Consignees	Number of Shipments Received	Number of Consignors	Number of Shipments Forwarded
Fleta	Oct. 1937	1	1	-	-
Rosamond	" "	17	31	1	8
Lancaster	" "	147	364	12	19
Palmdale	Apr. 1937	54	93	4	4
Acton	" "	4	4	-	-
Ravenna	" "	2	2	-	-
TOTAL		225	495	17	31

It may be seen from the above table that there are 242 consignors and consignees receiving and forwarding 526 shipments during an average one month period who would be benefited by an improved and expedited service.

The record shows that of the total shipments moving into the Mojave-Saugus district, 65% originate in Los Angeles, 21% are from points north of Bakersfield and 14% are from points south and east of Los Angeles.

Several public witnesses were presented by applicant and protestant, and the gist of their testimony was that the service of Red Line Express was efficient and satisfactory for shipments moving via that line and that an expedited and more efficient service for rail shipments was desirable and would be convenient.

Petitions of the Lancaster Junior Chamber of Commerce, Lancaster Chamber of Commerce and the Antelope Valley Post No. 311, of American Legion, Department of California, were filed at the hearing, in protest to the granting of the application. The Palmdale Chamber of Commerce filed a petition favoring the granting of the application.

Counsel for applicant stipulated that the certificate, if granted, may be restricted for the transportation of property between Mojave and Rosamond and intermediate points. As a result of said stipulation, Pacific Interurban Transportation withdrew its protest.

Protestant, Red Line Express, contended that in view of the fact that it was rendering an adequate and efficient service with sufficient equipment available to accommodate the rail

traffic, it should be afforded the opportunity of transporting such rail traffic. Red Line Express does not possess a certificate authorizing an operation north of Lancaster, so consequently is unable to offer a service to the rail carrier in the entire territory involved herein.

Representatives of various household goods moving concerns and associations appeared in protest to the granting of the applications on the grounds that the territory involved is adequately served with specialized household goods carriers; that the movement of household goods is different from the movement of other types of freight and general merchandise; that the average household goods movement has to be made into a residence rather than to the sidewalk or store door; that the goods have to not only be placed in the residence but also in particular rooms; that household goods are fragile and easily subject to breakage and cannot be readily transported with general freight; that in the movement of household goods it is necessary to use the services of two men and that special equipment such as pads, dollies, etc., are necessary in the movement of household goods.

After carefully considering all of the evidence and briefs in this matter, we are of the opinion and hereby conclude that public interest will be subserved by the affirmation of Decision No. 30088.

Applicant requests that Decision No. 30088 be amended so as to permit an alternate route for operating purposes only via Mint Canyon without the right to serve any point along said route.

O R D E R

Public hearings and oral argument having been had in Supplemental Applications Nos. 18699, 18881, 19030, and 19062, and Application No. 19563; public hearings having been held and briefs filed on Application No. 20297; the matters having been submitted and the Commission being fully apprised of the facts,

IT IS HEREBY ORDERED

(A) that the paragraph set forth in the order contained in Decision No. 30110, amending paragraph No. 2 in the order of Decision No. 26261 on Application No. 18699 be and the same is hereby amended to read as follows:

"Provided, however, that applicant hereby further is authorized to perform store-door pick-up and delivery service at all station points herein granted, only when such store-door pick-up and delivery is limited to shipments consigned to or from Southern Pacific Railway, Pacific Motor Transport Company and/or Railway Express Agency, Inc., at their rates and only in the pick-up and/or delivery zones provided for in the tariffs of such carriers presently in effect and on file with this Commission."

(B) that the paragraph set forth in the order contained in Decision 30110, amending paragraph No. 2 in the order of Decision No. 26939 on Application No. 18881 be and the same is hereby amended to read as follows;

"Provided, however, that applicant hereby further is authorized to perform store-door pick-up and delivery service at all station points herein granted, only when such store-door pick-up and delivery is limited to shipments consigned to or from Southern Pacific Railway, Pacific Motor Transport Company and/or Railway Express Agency, Inc., at their rates and only in the pick-up and/or delivery zones provided for in the tariffs of such carriers presently in effect and on file with this Commission."

(C) that Condition No. 6, contained in the order of Decision No. 30110, which was in substitution of Condition No. 6, contained in the order of Decision No. 27234 on Application No. 19030, be and the same is amended to read as follows:

"No. 6. The certificate herein granted authorizes applicant to perform store-door pick-up and/or delivery service at all station points herein granted only when such store-door pick-up and delivery service is limited to shipments consigned to or from The Atchison, Topeka and Santa Fe Railway Company, and/or other rail carriers operating to and from such station points at their rates and only in the pick-up and delivery zones provided for in the tariffs of such carriers presently in effect and on file with this Commission."

(D) that Condition No. 6, contained in the order of Decision No. 30110, which was in substitution of Condition No. 6, contained in the order of Decision No. 27235 on Application No. 19062, be and the same is amended to read as follows:

"No. 6. The certificate herein granted authorizes applicant to perform store-door pick-up and/or delivery service at all station points herein granted, only when such store-door pick-up and/or delivery service is limited to shipments consigned to or from Southern Pacific Railway, Pacific Motor Transport Company and/or Railway Express Agency, Inc., at their rates and only in the pick-up and/or delivery zones provided for in the tariffs of such carriers presently in effect and on file with this Commission."

IT IS HEREBY FURTHER ORDERED that in all other respects the order contained in said Decision No. 30110 be and it is hereby affirmed and continued in full force and effect, and that, as so modified, said order be and it is hereby adopted in all respects as the order of the Commission herein.

IT IS HEREBY FURTHER ORDERED that the order contained in Decision No. 30098 on Application No. 19563 be and it is hereby affirmed and continued in full force and effect and

adopted in all respects as the order of the Commission herein.

IT IS HEREBY FURTHER ORDERED that the order contained in Decision No. 30088, on Application No. 20297, be and the same is hereby amended by adding thereto the following conditions to be designated as Conditions Numbers 7 and 8, respectively:

(7) Applicant shall not transport any property having both origin and destination in the territory between Mojave and Rosamond, and intermediate points.

(8) Applicant shall have the right to operate its vehicles over the Mint Canyon Highway between its intersections with the Soledad Canyon Highway as an alternate route without the right to serve any point along said Mint Canyon Highway.

IT IS HEREBY FURTHER ORDERED that in all other respects the order contained in said Decision No. 30088 be and it is hereby affirmed and continued in full force and effect, and that as so modified, said order be and it is hereby adopted in all respects as the order of the Commission herein.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 27th day of June, 1938.

Walter H. H. H.
W. H. H.
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W. H. H.
Commissioners.