

Decision No. 23116

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC MOTOR TRUCKING COMPANY, a
corporation, for a certificate of
public convenience and necessity to
operate motor vehicles for the trans-
portation of property over the public
highways between Redding and Dunsmuir
and intermediate points.

ORIGINAL
Application No. 23116

R. E. WEDEKIND and F. X. VIEIRA by F. X. Vieira,
for applicant Pacific Motor Trucking Company.

WARE and BEROL by Edward M. Berol, for Oregon-
Nevada-California Fast Freight, Inc., Interested
Party.

OLIVER J. CARTER, for Fred W. Peters, Interested
Party.

W. G. STONE, for Sacramento Chamber of Commerce,
Interested Party.

HARRY SEE for Brotherhood of Railroad Trainmen,
Interested Party.

BY THE COMMISSION:

O P I N I O N

By this application, as amended, Pacific Motor Trucking
Company, a wholly owned subsidiary of the Southern Pacific Company,
seeks authority to establish and operate an automotive service as
a highway common carrier between Redding and Dunsmuir and inter-
mediate points, via Highway U. S. No. 99, including a right to
serve laterally two (2) miles on either side of said highway.

Subsequent to the filing of this application, Pacific Motor Trucking Company was granted a certificate of public convenience and necessity for the transportation of property between Redding, Kennett, Shasta Dam, Coram and intermediate points, via Highway U. S. No. 99 and the Kennett and Coram Roads, which embraces a portion of the territory proposed to be served under the instant application. Therefore, Pacific Motor Trucking Company by further amendment, requests that the authority sought herein be granted as an extension and enlargement of its existing service in this territory.

Public hearing in this proceeding was had before Examiner McGettigan in Sacramento on November 22, 1939, Redding on April 1, 1940 and in San Francisco on April 3, 1940, where testimony was taken, exhibits filed, the matter submitted, and it is now ready for decision.

No protestants to the granting of this application appeared. However, appearances as interested parties were entered by Oregon-Nevada-California Fast Freight, Inc., Sacramento Chamber of Commerce, Fred W. Peters and the Brotherhood of Railroad Trainmen.

According to the record in this proceeding, the need for the service proposed has been primarily brought about by the increased tempo of construction work on the Shasta Dam development of the Central Valleys Water Project with its attendant and increasing demand for additional and more flexible transportation

(1) Application No. 21570, Decision No. 32813, dated February 13, 1940. This decision likewise granted identical authority to Oregon-Nevada-California Fast Freight, Inc. and Sacramento-Corning Freight Lines, Ltd.

facilities to handle less-than-carload freight to and from the various construction camps now established or being established in this area. Admittedly, because of the off-rail location of the various construction camps and sites and other factors, the rail service of the Southern Pacific Company north of Redding is no longer adequate for the transportation needs of the companies engaged in the building not only of the Shasta Dam itself, but also the construction of the various bridges and highways in connection with rail and highway relocation projects involved.

Seven witnesses, representing a number of contractors, were called by applicant to testify as to the transportation needs of their respective organizations. In addition, three business men located at La Moine, Vollmers and Dunsmuir, respectively, testified in regard to the general need for local service in this territory.

Active construction work is now, or will shortly be, in full swing, particularly on various bridges and tunnels located along or adjacent to Highway No. 99 north of Redding. Machinery, machinery parts, and supplies of various kinds are constantly needed and in demand; some of an emergency nature. At the present, according to these witnesses, materials transported by rail must be called for at rail points by the consignees because of the fact that their camps are located, in a great many instances, off the main rail line, and the Southern Pacific Company does not render any pickup and delivery service to points between Redding and Dunsmuir. Considerable expense, difficulty and delay attendant upon the use of either their own equipment or that of others has devolved upon rail patrons in obtaining their freight under these

circumstances. In addition, local rail freight service north of Redding has proven too slow for the needs of patrons in this particular territory and hence they have been obliged to take delivery at Redding in an effort to obtain some improvement or advantage in time which is highly important when working as these companies are, under contracts limited as to time of completion under penalty.

Pacific Motor Trucking Company proposes to operate a truck service over the highway between Redding and Dunsmuir in co-ordination with Southern Pacific Company's rail service, whereby less-than-carload rail freight shipments originating at or destined to points Redding to Dunsmuir, will be interchanged at both Redding and Dunsmuir for transportation by truck to said points. Joint through rates are to be established between the rail and truck and one round trip daily except Sundays and Holidays is proposed. Complete store-door pickup and delivery service is to be rendered at all points on the route of operation and within two (2) miles laterally thereof. It is anticipated that some five hours saving in time in transit will be forthcoming through the operation of the proposed service. Additionally, Pacific Motor Trucking Company proposes to transport any local freight movement between termini and intermediate points, under its own tariffs.

A 2½ ton rack body truck is to be employed in this service to transport the anticipated 811 tons of less-than-carload freight moving by rail annually in this area. The estimated yearly out-of-pocket cost for this service is stated as approximately \$5,000. The proposed plan will permit of reducing out-of-pocket operating expenses on the lines of the Southern Pacific Company \$2,670 (Exhibit No. 9). No estimate was presented showing the probable revenue that would be

derived from the handling of local traffic between Redding and Dunsmuir.

At the present time, Oregon-Nevada-California Fast Freight, Inc. is rendering a daily except Sunday and Holiday overnight common carrier truck service between the San Francisco Bay Area, on the one hand, and the points involved herein which are located directly upon Highway No. 99, but is not authorized to serve off-highway points. A pending application (No. 22294, as amended) now seeks such authority within a zone two (2) miles laterally of said highway. This carrier also, through joint rate arrangements with Sacramento-Corning Freight Lines, Ltd., is providing a like service out of Sacramento, the point of interchange being at Redding. This service in the main, has proven satisfactory except for the carriers' inability to perform off-line delivery and pickups of shipments and some minor complaint as to irregularity of delivery time.

The record in this proceeding indicates that at the present time there is a considerable movement of less-than-carload freight by both rail and truck into this territory, particularly from the San Francisco Bay Area, Sacramento, Los Angeles and other points in California, as well as points outside the state. It is further indicated that within the next two years, at least, a still greater movement of freight will probably take place. With contracts in excess of eight million dollars already in effect, and with work being performed by about twelve different companies located at some twenty-seven different camps, including such places as O'Brien Creek, Salt Creek, Antler, Pit River and Bass Mountain among others, it may readily be seen that transportation facilities are of prime

importance, particularly for less-than-carload shipments of machinery, machinery parts and various other supplies and equipment necessary and vitally important to a project of the magnitude of the Central Valleys Water Project. Time is the essence in these instances and every consideration must and should be given to expedite, by all means available, the movement of commodities necessary to the progress of this work. The proposal of applicant will provide a definite improvement in service in this respect which is undoubtedly required by, but not now available to consignees and consignors doing business in the territory here under discussion.

Therefore, in so far as the Pacific Motor Trucking Company proposes to establish a highway common carrier service co-ordinated and integrated with the main line service of the Southern Pacific Company, as well as a local service between termini and intermediates, the record sustains a finding that such a proposal is in the public interest and should be granted. The following order will provide that Pacific Motor Trucking Company may establish and operate a common carrier automotive service as hereinabove described.

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.

O R D E R

A public hearing having been had in the above-entitled proceeding, evidence having been received, the matter having been duly submitted, and the Commission now being fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by Pacific Motor Trucking Company of an automotive service as a highway common carrier, as such is defined in Section 2-3/4 of the Public Utilities Act, between Redding and Dunsmuir and intermediate points, via Highway U. S. No. 99 between termini and two (2) miles laterally on either side of said highway, as an extension and enlargement of and consolidated with applicant's existing rights, as heretofore granted by Decision No. 32813, dated February 13, 1940.

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

1. The authority herein granted shall lapse and be void if applicant 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.
2. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
3. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file, in triplicate, and concurrently make effective on not less than ten (10) days' notice to the Railroad 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, or rates and rules satisfactory to the Railroad Commission.

4. 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 five (5) days' notice to the Railroad Commission and the public, a time schedule or time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

5. 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 obtained.

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

7. Applicant shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all the provisions of this Commission's General Order No. 91.

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

Dated at San Francisco, California, this 9th day of

July, 1940.

Ray & Ruez
Ray B. Babelfield
Justice J. Casmen
COMMISSIONERS