

Decision No. 23771

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 to operate motor trucks over
the public highways as a common car-
rier of property between Watsonville
and Camp McQuaide, California.

ORIGINAL
Application No. 23771

F. X. VIEIRA for applicant Pacific Motor
Trucking Company and Southern Pacific
Company intervenor in behalf of
applicant.

REGINALD L. VAUGHAN for A. B. and Kenneth C.
Clark, as their interests may appear.

FRED MADSEN and E. WAGONER for Highway Trans-
port, Inc., as its interests may appear

BY THE COMMISSION:

O P I N I O N

Pacific Motor Trucking Company, a wholly owned sub-
sidiary of Southern Pacific Company, and applicant herein, is
engaged in the automotive transportation of property as a high-
way common carrier between various points in California including
Watsonville.

By this application, Pacific Motor Trucking Company
seeks authority to establish an automotive service as a highway
common carrier between Watsonville, on the one hand, and Camp
McQuaide, located approximately 5.5 miles northwest of Watson-
ville, on the other hand. The service is to be rendered in

conjunction with the rail service of the Southern Pacific Company under joint rates and limited to traffic having a prior or subsequent rail movement over the lines of the Southern Pacific Company.

The route proposed to be traversed between termini is described as via Wall Street and Palm Beach Road to its intersection with an unnumbered county road; thence via said county road to Camp McQuaide. In addition, applicant seeks to establish an alternate route for emergency use only via an unnumbered county highway between Watsonville and a point just south of the Southern Pacific station of Ellicott and north of the main entrance to Camp McQuaide, a distance of approximately eight miles.

Public hearing in this matter was had at Watsonville before Examiner McGettigan on December 2, 1940 where testimony being received, exhibits filed, and the matter submitted, it is now ready for decision.

Appearing as interested parties in this proceeding were A. B. and Kenneth C. Clark and Highway Transport, Inc.

Camp McQuaide, formerly a California National Guard camp, is now under the jurisdiction of and being operated by the United States Government for the training of soldiers of the regular United States Army pursuant to the recently enacted National Defense Act.

It is, at present, the headquarters and camp of the 250th Coast Artillery, formerly a California National Guard unit,

(1) As the result of military orders, maneuvers or cataclysms of nature resulting in the closing of its regular route.

and now an integral part of the regular United States Army forces.

According to the record, approximately 1,000 officers and men are now quartered at Camp McQuaide and this number is expected to be doubled soon after January 1, 1941.

A building program involving an expenditure in excess of \$500,000 is now in progress at the camp, necessitating the movement of quantities of contracting and building supplies in addition to subsistence supplies for the camp itself, which has been designated as a permanent army cantonment.

Southern Pacific Company, at the present time, is serving Camp McQuaide through its nonagency rail station at Ellicott,⁽²⁾ located about .8 of a mile from the main gate of the camp. This service has proven rather slow and indirect as well as being uneconomical. This is due to the fact that, under the present method of handling freight destined to Camp McQuaide, it must first be transported by rail to Watsonville, there transferred to a box car for movement by local freight to Ellicott where the car is set out on the "passing" track, no spur being available. Delivery to the camp is then effected by a truck dispatched empty from Watsonville to Ellicott and there loaded from the box car for the final .8 of a mile trip to Camp McQuaide.⁽³⁾

To remedy the alleged inadequacies of the present rail-truck service as heretofore described, applicant proposes to operate a truck (one of several now available at Watsonville)

(2) This service was established on November 15, 1940.

(3) Camp McQuaide is located within the established one (1) mile pickup and delivery limit of Southern Pacific Company at Ellicott.

(4) on call and co-ordinated with rail service direct from Watsonville to Camp McQuaide. The use of the box car will be discontinued, thus freeing the passing track for other traffic and such discontinuance will result in economies in rail operation amounting to \$516⁽⁵⁾ yearly. In addition, handling of this freight will be reduced to a minimum and a faster, more expedited service with earlier delivery under joint rate arrangements will be made available, at no additional cost of operation, by truck.⁽⁶⁾ In fact, further economies in truck operation are expected to be realized by reason of the superiority of depot facilities at Watsonville over those at Ellicott, whereby the services of a helper, presently required on the current truck operation, may be eliminated.

The proposal of applicant met with the approval of both the military authorities and the private contractor employed in the construction work at Camp McQuaide.

No one actively protested the granting of this application. Upon a stipulation,⁽⁷⁾ with respect to the transportation of

(4) Service is available between the hours of 8:00 A.M. and 5:30 P.M. daily except Sundays and holidays.

(5) Exhibit No. 3 - Rail operating economies that will result from co-ordinated rail-truck service:

| | <u>Per Annum</u> |
|---|------------------|
| Elimination of local freight crew time, account handling merchandise box-car between Watsonville and Ellicott | \$335 |
| Fuel oil | 28 |
| Elimination of 306 box-car days | <u>153</u> |
| Total Economies | \$516 |

(6) The same vehicle now being deadheaded from Watsonville to Ellicott will be utilized to transport the freight between Watsonville and Camp McQuaide.

(7) Stipulation - applicant does not propose to transport farm perishable products from intermediate points between Watsonville and Camp McQuaide to San Francisco, Oakland and San Jose.

perishables, entered into between applicant and A. B. and Kenneth C. Clark, through counsel, the interests of the last-named were satisfied and they thereupon withdrew from the proceeding. Highway Transport, Inc. likewise withdrew after stating for the record that no protest on their part would be registered.

While the record is not impressive as to the actual number of shipments⁽⁸⁾ transported to Camp McQuaide during the period in which the existing rail-truck service has been in effect, the fact remains that due to the involvement of the national defense program in this matter such shipments⁽⁹⁾ as are moving should, in the public interest, be afforded the utmost expedition. Applicant's proposal will provide such expedition and, in addition, promises economies and simplifications of service which should be encouraged.

Therefore, no protest having been made to the granting

(8) Exhibit No. 2 - Number of consignees receiving less-carload shipments and number of shipments received at Camp McQuaide, California, during period November 15, 1940, to November 27, 1940:

| Number of Consignees Receiving Shipments | Origin of Shipments Received | | | | | | | |
|---|------------------------------|----------------|----------|-------------|---------|----------------|-----------------|--|
| | San Francisco | San Oakland | Stockton | San Jose | Benicia | Los Angeles | Inter- state | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | |
| 7 | 14 | 2 | 1 | 2 | 2 | 2 | 1 | |

Study of traffic movement of less-carload shipments was confined to above-mentioned 13-days as service to Camp McQuaide through use of box-car movement to Ellicott was not started until November 15, 1940.

(9) The record indicates that a greater volume of traffic inbound is due in the near future. Likewise, while negligible at present, outbound traffic may be expected to increase.

thereof, and the public interest appearing to be served thereby, the application will be granted, subject to a restriction prohibiting the transportation of traffic other than that having a prior or subsequent rail movement.

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

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 Watsonville, on the one hand, and Camp McQuaide, on the other hand, for the transportation of property which has had either a prior movement or is to have a subsequent movement over the rails of the Southern Pacific Company, over and along the following route:

Via Wall Street and Palm Beach Road to its intersection with unnumbered county highway, thence via said highway to Camp McQuaide,

including the right to operate, as an alternative only, via unnumbered county highway between Watsonville and a point just south of the Southern Pacific station of Ellicott.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby 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 of 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 tariffs of Southern Pacific Company 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.

