

Decision No. 33431

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 Colton and Niland and )  
intermediate points, including Palm )  
Springs Station. )

Application No. 22926

**ORIGINAL**

ANSEL S. WILLIAMS, JR., for Applicant and  
Southern Pacific Company, Intervenor  
on behalf of Applicant.

H. J. BISCHOFF and H. P. MERRY, for Southern  
California Freight Lines and Southern  
California Freight Forwarders, Protestants.

JACKSON W. KENDALL, for California Van and  
Storage Association, Bekins Van Lines,  
Inc., Lyons Van Lines, Inc. and Safeway  
Van Lines, Protestants.

CRAEMER, Commissioner:

O P I N I O N

By application filed August 16, 1939, the Pacific Motor Trucking Company seeks a certificate of public convenience and necessity authorizing operation as a highway common carrier of property between Colton and Niland and intermediate points, ex-  
(1)  
clusive of Redlands but including Palm Springs Station. The corporate history, general operations, and financial position of the applicant are fully described in Pacific Motor Trucking Company, (42 C.R.C. 735, 757) and need not be repeated here.

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(1) Service between Colton and Redlands is now performed by applicant pursuant to authority granted by Decision No. 33431, dated August 24, 1940, in Application No. 21360.

Public hearing was had at Indio on December 14, 1939, evidence was received, and the matter submitted on briefs duly filed. Subsequently, by its order of January 16, 1940, the Commission set aside said submission and reopened the proceeding for oral argument before the Commission en banc in San Francisco, which was duly had on January 30 and 31, February 1 and 6, 1940. The matter was again taken under submission and is now ready for decision.

The Southern Pacific Company intervened in support of the applicant. The Southern California Freight Lines and Southern California Freight Forwarders, together with certain carriers of household goods, <sup>(2)</sup> opposed the granting of the application.

It is represented by applicant that the existing all-rail service is inadequate in the territory here considered to properly meet the needs and demands of shippers. Shipments are said to be delayed in transit and store-door pickup and delivery service is not now afforded at some points. The primary purpose of the authority sought herein is to remedy this condition. By the use of motor trucks as a substitute for the present less-carload all-rail service of the Southern Pacific Company, (auxiliary to and supplemental of such rail operations) applicant contends that it can render an improved and more expeditious service to the shipping public.

In a general way, the proposed plan of operation is similar to truck service now furnished by applicant in other

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(2) The carriers are Bekins Van Lines, Inc., Lyons Van Lines, Inc. M. E. Van Sant, doing business as Safeway Van Lines, and California Van & Storage Association, protestants only in respect of the transportation of household goods.

areas of the State. Inbound traffic would move in rail cars from Los Angeles to break-bulk stations at Colton, Indio, and Niland; distribution of shipments would then be made by truck (1) from Colton to Palm Springs Station and return, serving the intermediate points of Beaumont, Banning and Cabazon, and (in connection with another highway common carrier) the city of Palm Springs; and (2) from Indio to Niland and Indio to Palm Springs Station, serving intermediate points east and west of Indio. Conversely, inbound traffic picked up at the intermediate points by truck would move to Colton or Indio for concentration and subsequent movement by rail to Los Angeles.

Merchandise traffic handled by present all-rail service is subject to delay because of the infrequent nature of local and through freight train schedules. Testimony of record indicates that a majority of the shipments move from or to Los Angeles, or points beyond. The present rail service is provided by freight trains from Los Angeles, which operate over the main line of the Southern Pacific Company. Three days a week, merchandise cars from Los Angeles are set out at Colton with traffic for all points between Colton and Indio (except Redlands), and thereafter the cars are worked toward Indio by the local freight train. The other three days of the week, the Los Angeles merchandise cars are set out at Niland and are worked back to Indio by the local freight train.

At the present time, pickup and delivery truck service is performed at Colton, Beaumont, and Banning through the employment of local contract draymen. It is proposed to continue the contract draymen's service at Colton and Beaumont, but applicant proposes to perform its own pickup and delivery at Banning. In

addition, applicant would render pickup and delivery with its own equipment at Indio, Coachella, Thermal and Mecca, and certain other specified points to be enumerated hereafter.

In addition to reducing the time in transit on shipments moving from Los Angeles, traffic originating at or destined to points beyond Los Angeles would be handled more expeditiously over the proposed truck route. At the present time, rail service from Los Angeles to the points involved operates on a 23-hour schedule three days a week, and on a 17½-hour schedule the other three working days a week. The proposed schedule would operate six days per week on a 17-hour schedule, and would give from three to seven hours earlier delivery at various intermediate stations in the affected area.

Under the proposed co-ordination of rail and truck service, local freight trains would not be eliminated, but would continue to handle the carload business. Relieving these trains of the less-carload traffic, however, would permit the elimination of stops en route, and reduce the time now required to handle carload traffic at the intermediate stations, thus cutting down total running time and reducing operating costs particularly through the curtailment of overtime wages.

At nonagency stations between Indio and Palm Springs and between Mecca and Niland, applicant proposes an "on-call" pickup and delivery service for merchandise traffic. Such service is not now offered by the rail line and shippers are presently required to tender or accept delivery of their shipments at the depot of the Southern Pacific Company.

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(3) It is proposed to amend the Southern Pacific Company tariff to permit pickup and delivery service at the following points, not now accorded such service: Cabazon, Palm Springs Station, Garnet, Edom, Dry Camp, Myoma, Caleb, Mortmar, Salton, Durmid, Bertram, Pope, Frink, Wister, and Mundo.

To render the truck service here proposed, applicant would operate two trucks daily, except Sundays and holidays. One truck would operate from Colton to Palm Springs Station and return and the other truck would operate east and west of Indio, to Niland and Palm Springs Station, respectively, and return to Indio. The estimated cost of rendering the proposed service is \$7,333 per annum for both trucks. The Southern Pacific Company estimated that the economies it would realize from the proposed truck service would amount to \$15,131 per annum, or a net saving of \$7,798 per year. An exhibit submitted by applicant discloses that the proposed operation would handle approximately 1,422 tons of less-carload merchandise annually.

In support of the granting of the application, seven shippers and/or receivers of freight at points on the proposed truck routes involved herein testified as to their need for coordinated rail-truck service in order to enjoy more expedited and satisfactory handling of their shipments, including pickup and delivery service on traffic destined to or originating at Los Angeles or points beyond by rail. Their testimony was limited to shipments having a prior or subsequent movement by rail.<sup>(4)</sup>

Protestant Southern California Freight Lines contends that its motor carrier facilities are sufficient for the performance of adequate highway transportation service between the points here considered and states that it is ready, willing, and able to provide truck service, such as that proposed by applicant, in coordination with the present train schedules. The showing made by

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(4) In addition to the witnesses who testified, the testimony of five additional shipper witnesses on behalf of the applicant, was stipulated to by the protestants.

this protestant as to its service is not persuasive that it can afford the degree of co-operation necessary to provide a complete and successful co-ordination of rail-truck service when it is in competition for both long and short haul traffic with the rail lines.<sup>(5)</sup>

In answer to the proposal of protestant that applicant ought to institute joint rates and joint service with it for the traffic here proposed, I refer to a statement in our former decision in Pacific Motor Trucking Company, supra, where we said:

"It must be remembered that these protestants now compete with the rail lines for the longest possible haul on practically all of the traffic moving. Since this competition would necessarily continue even though protestants should provide the truck service for the rail lines, it is obvious they would be placed in the position of competing with themselves. Self-interest of both rail lines and protestants demands that each carrier endeavor to transport traffic entirely on its own lines if possible and if necessary to interchange with another carrier, retain the traffic for the maximum haul. The distance which the traffic would move by the proposed truck operations is small, and in some instances insignificant, in proportion to the total length of the combined rail-truck hauls, hence any fair division of the joint rates would produce relatively little revenue compared to that which protestant would receive if it transported the traffic wholly on its own lines.

"There appears to be much foundation for applicant's claim that the protestants are and must be principally interested in the long-haul traffic. It seems unnecessary to comment further upon the conflict of

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(5) The record shows that this protestant transported 3,493 tons of merchandise traffic to the major points here involved during an 11-month period in 1937. Of this amount, 1,728 tons moved to the city of Palm Springs alone. Applicant does not propose to serve Palm Springs, except through a connecting carrier. Southern California Freight Lines, moreover, is not authorized to render highway common carrier service for the movement of general merchandise between Colton and the following points between Mecca and Niland: Salton, Durmid, Bertram, Pope, Frink, Wister, and Mundo. Its present certificated truck operations between Los Angeles and points south of Mecca to Niland are restricted to the transportation of fruits and vegetables outbound, and empty containers returning.

interests between the carriers which would inevitably arise were the rail coordinated truck operations performed by protestants. From the facts of record we are convinced that any plan compelling the rails to short-haul themselves and turn traffic over to their principal motor competitors, the protestants, would not be conducive to providing in full measure an adequate and effective coordinated service to which the public is entitled. In our judgment we must conclude that this can be accomplished here only through the medium of the rail lines' instrumentality, the applicant." (42 C.R.C. 745, 787)

The evidence supports the view that the shipping public would receive the full benefit of improved and expedited rail-truck service by having the carriers participating in the transportation under a common management and control. As to possible loss of traffic by the protestant named, the record does not indicate that its tonnage would be materially affected by the proposed rearrangement of the existing rail schedules in order to handle more efficiently and expeditiously part-way by truck of applicant the less-carload merchandise traffic now moving on the rail lines.

The highway routes over which applicant proposes to conduct operations are parallel to the rail lines. Where, as here proposed, each point to be served is now a station on the rail lines and the truck operation is auxiliary to or supplemental of rail service, the use of highway routes parallel to the rail lines appears to be warranted.

From what has been said, it is plain that the proposed truck operation, as a supplemental service to the rail line, offers many advantages and benefits to the public over a cumbersome all-rail less-carload merchandise service and is clearly in the public interest. In this connection, certain observations in Pacific Motor Trucking Company, supra, with respect to the granting of a

certificate of public convenience and necessity to a truck subsidiary of a railroad, are pertinent, and need not be repeated here.

The record warrants the conclusion that public convenience and necessity require the establishment by applicant of the proposed service, supplementary and auxiliary to and co-ordinated with the rail service of the Southern Pacific Company, but that it does not establish a need for a service by applicant which is not required in such co-ordinated operations. The authority to operate the proposed service should be conditioned accordingly.

The California Van and Storage Association and the other protestants associated therewith urged that any certificate granted herein should provide that applicant be excluded from transporting household goods. In view of the fact that applicant will be authorized to handle only that traffic having a prior or a subsequent movement by rail and which the rail line holds itself out to transport under its applicable tariff schedules, I see no reason why any commodity restriction such as that suggested is necessary to protect carriers of household goods operating in the territory here considered.

With respect to pickup and delivery service at certain points not now accorded such service by the Southern Pacific Company, the record does not support the inauguration of new service at any of said points, except Frink. The testimony shows that the All American Canal project requires pickup and delivery service at its headquarters located at Frink, and applicant should be authorized to render pickup and delivery service at that station on behalf of the Southern Pacific Company.

After fully considering the record in this proceeding, I am of the opinion and find that the present all-rail less-carload



merchandise service provided by the Southern Pacific Company in the territory proposed to be served by applicant is inadequate and unsatisfactory to meet the present-day transportation needs of the shipping public.

I recommend the following form of order.

O R D E R

A public hearing having been held in this proceeding and it being found as a fact that public convenience and necessity so require:

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IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to the applicant to establish and operate a service as a highway common carrier, as that term is defined in Section 2-3/4 of the Public Utilities Act, over any and all available public highways only between the following named points: (1) Between Colton, on the one hand, and Beaumont, Banning, Cabazon, and Palm Springs Station, on the other hand; (2) Between Indio, on the one hand, and Garnet, Edom, Dry Camp, Myoma, Coachella, Thermal, Mecca, Calcb, Mortmar, Salton, Durmid, Bertram, Pope, Frink, Wister, Mundo, and Niland, on the other hand, including the right to render store-door pickup and delivery service at Colton, Beaumont, Banning, Indio, Coachella, Thermal, Mecca, Frink, and Niland, subject to the following conditions:

- (1) The service to be performed by applicant shall be limited to that which is auxiliary to or supplemental of the rail service of the Southern

Pacific Company, and applicant shall be limited to the transportation of shipments which it receives from or delivers to the Southern Pacific Company. All of said shipments shall receive, in addition to the movement by applicant, a prior or subsequent movement by rail.

- (2) Applicant shall not render service from, nor interchange traffic at, any point not a station on the rail line of the Southern Pacific Company.

IT IS HEREBY FURTHER ORDERED that in addition to the conditions hereinabove specified, the applicant shall comply with and observe the following service regulations:

- (1) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed twenty (20) days from the date hereof.
- (2) Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof.
- (3) Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days from the effective date hereof, on not less than ten (10) days' notice to the Railroad Commission and the public, a tariff and a time schedule covering the service herein authorized, in a form satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that said application in all other respects be and it hereby is denied.

The foregoing Opinion and Order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

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

Dated at San Francisco, California, this 21<sup>st</sup> day  
of January, 1941.

[Signature]  
[Signature]  
[Signature]  
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COMMISSIONERS