

ORIGINAL

Decision No. 24123

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 HASLETT WAREHOUSE COMPANY, an express )  
 corporation, and F. E. HOLLOWAY, doing )  
 business as VALLEJO EXPRESS COMPANY, a ) Application No. 24123  
 highway common carrier, for authority )  
 to establish interchange of traffic at )  
 Oakland, California. )

DOUGLAS BROCKMAN, for Applicants.

E. L. VAN BELLEN, JR., for Southern Pacific Company and Pacific Motor Trucking Company, Protestants.

FITZGERALD, ASPOTT and BEARDSLEY, by M. W. Dobrzensky, for Vallejo, Napa & Calistoga Transport Co. and Merchants Express Corporation, Protestants.

REGINALD L. VAUGHAN, for Kellogg Express and Draying Co. and Napa Transportation Company, Interested Parties.

BY THE COMMISSION:

O P I N I O N

By this joint application, as amended, Haslett Warehouse Company, a corporation, and F. E. Holloway, an individual, doing business as Vallejo Express Company, both highway common carriers, (1) seek the following authority:

(1) Haslett Warehouse Company also operates as an express corporation, as such is defined in section 2(k) of the Public Utilities Act.

1. An amendment to the highway common carrier operative rights of F. H. Holloway authorizing establishment of service to and from Oakland, and limited to the interchange of freight with Haslett Warehouse Company only;
2. The establishment of joint rates and through service by Haslett Warehouse Company and F. H. Holloway for the transportation of freight between points served by the lines of these carriers, respectively.

A public hearing was had in this matter before Examiners McGettigan and Broz at Vallejo on April 29, 1941 and at Oakland on May 6, 1941 the matter duly submitted and it is now ready for decision.

Southern Pacific Company, Pacific Motor Trucking Company, Vallejo, Napa & Calistoga Transport Co. and Merchants Express Corporation appeared in protest to the granting of this application. Kellogg Express and Draying Co. and Napa Transportation Company appeared as interested parties.

Applicant Haslett Warehouse Company, hereinafter referred to as Haslett, operates as a highway common carrier between Oakland, Alameda, Albany, Berkeley, Emeryville and Piedmont while applicant F. H. Holloway, hereinafter referred to as Vallejo Express, operated similarly between San Francisco, on the one hand, and Vallejo (including Mare Island), on the other hand, via both the San Francisco-Oakland Bay Bridge and the Golden Gate Bridge and Sears Point Road. Both of these carriers are experienced operators of many years standing.

The primary purpose of applicants, as disclosed by the record, is to afford first-day delivery of freight from East Bay points to Vallejo, and particularly to Mare Island Navy Yard, and also to afford, through the establishment of joint rates and through service, a competitive parity with San Francisco shippers.

At the present time Vallejo Express offers a noon-day, in addition to an overnight service from San Francisco to Vallejo. This noon-day service, which is operated via Oakland, affords the Vallejo area, including Mare Island, first-day delivery of freight out of San Francisco but because Vallejo Express possesses no intermediate operative rights in the East Bay territory, Oakland shippers cannot take advantage of this service unless their shipments are first taken to San Francisco and thence reshipped. The time element for first-day delivery is against this procedure and, in addition, the additional expense created by the necessity of making a double bridge crossing reacts unfavorably from an economic standpoint because of multiple toll charges. Applicants here propose, if so authorized, to interchange East Bay shipments at Oakland for transshipment via the Vallejo Express noon-day service to Vallejo and Mare Island. To accomplish this preliminarily requires that Vallejo Express first acquire a right to serve Oakland as an intermediate point as heretofore defined and limited.

The transportation reasons which underlie applicants' joint proposal and the legal necessity for Commission authorization of joint rates and through service are obvious in so far as the applicants themselves are concerned and need no further

discussion. The correlative matter of proof of public convenience and necessity by both Haslett and Vallejo Express requires more extended consideration.

No question exists, upon this record, as to the ability of the principals to establish and operate the service proposed. Furthermore, there is little doubt that certain advantages would accrue thereunder to the carriers themselves and to the consignors and consignees involved. A question does exist, however, as to the need for this additional service in the light of one existing service which now purports to and is in a position to render a service comparable to that here proposed by applicants, both in point of time and in frequency of schedules. A description of this carrier's service will be set forth later in this opinion.

The record clearly shows that there is a demand for transportation service developed by the increased activity on Mare Island Navy Yard due to the National Defense Program and that first-day delivery of freight should be, if it has not already been, inaugurated by carriers operating between the East Bay area and the Navy Yard. The demand has been made for such service and the need therefor apparently exists to a substantial degree. Confirmation of this fact was attested to by the testimony of seventeen shipper witnesses who appeared in this matter both for applicants and protestants. <sup>(2)</sup>

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(2) All the public witnesses who testified were called by applicants. The protestants all relied chiefly upon the operative testimony of their own employees.

We are primarily concerned here with the existing and proposed services in so far as they involve the ability to deliver freight at Mare Island and Vallejo from East Bay points on the same day as shipped. To this extent, the overnight service of protestant Southern Pacific Company, which operates in conjunction with Pacific Motor Trucking Company via Suisun-Fairfield, is not comparable. The other protestant of record, namely Vallejo, Napa & Calistoga Transport Co. (recent successor in interest to San Francisco & Napa Valley Railroad) is now and for a short time has been offering a first-day delivery service with 1:00 P.M. departure from Oakland to Vallejo and Mare Island Navy Yard.<sup>(3)</sup>

In substance then, the facts of record are, and we are of the opinion and find that:

1. The developments of the National Defense Program have greatly increased activity at the Mare Island Navy Yard and have created a demand for a more frequent and expedited transportation service between East Bay points and the said Navy Yard.
2. The close proximity of Vallejo and Mare Island Navy Yard to the East Bay Area has made the problem of transportation largely one of providing adequate operating schedules, but due to a lack of appropriate operating authority to perform first-day delivery from East Bay cities the latter now suffer a disparity of service as compared with San Francisco, although Oakland is intermediate to and relatively nearer to the points of destination than San Francisco.

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(3) In Application No. 24039, now pending before the Commission, Vallejo, Napa & Calistoga Transport Co. and Merchants Express Corporation seek authority to establish joint rates and through service between points served by their respective lines. Merchants Express Corporation, in addition to serving Oakland, also serves East Bay points generally.

3. The existing overnight services are inadequate to meet the demand for first-day delivery and the first-day delivery is necessary in the public interest.

4. Only one carrier, the Vallejo, Napa & Calistoga Transport Co., is now in a position to render the type of service desired and allegedly needed by East Bay shippers and, upon this record, it appears that said carrier can serve only one point, namely Oakland.

5. No common carriers operating between the East Bay points and Vallejo at the present time exclusively by truck are possessed of authority to afford the expeditious service which would result from the establishment of the joint rates and through service here proposed.

6. Pending applications now seek similar authority on behalf of practically all highway common carriers serving the points here involved.

The disposition of this matter, however, depends not only upon the emergency situation directly connected with the National Defense Program, but to effectively satisfy the needs of East Bay shippers it is essential that all sources of supply and distribution be afforded a co-ordinated and expedited means of transportation between the points of supply and Vallejo, which is also a purchasing and distributing point for the Yard.

The record affords a substantial amount of testimony by public shipper witnesses directed to the public need for through service at through rates and for co-ordinated schedules of expedited service from East Bay points to assist the rapid movement of merchandise traffic. These needs will be adequately met by the rates and service proposed herein and to that extent applicants have sustained the burden of proof of public convenience and necessity required of them under section

50-3/4 of the Public Utilities Act. The application will be granted.

O R D E R

A public hearing having been held in the above entitled proceeding, evidence having been received and the matter having been duly submitted, and it having been found as a fact that public convenience and necessity so require:

IT IS ORDERED that a certificate of public convenience and necessity be and it hereby is granted to F. H. Holloway, doing business as Vallejo Express Company, for the establishment and operation of automotive service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of property between Oakland, on the one hand, and Vallejo and Mare Island Navy Yard, on the other hand, limited to the transportation of property interchanged with the Haslett Warehouse Company, a highway common carrier at Oakland, and said certificate is hereby granted as an extension and enlargement of the existing operative rights of said Vallejo Express Company,

IT IS HEREBY FURTHER ORDERED that the operation of the highway common carrier service authorized in the preceding ordering paragraph be and it hereby is subject to the following service regulations:

1. File a written acceptance of the certificate of public convenience and necessity herein granted, within fifteen (15) days from the effective date of this order.
2. File within thirty (30) days from the effective date of this order, and on not less than five (5) days' notice to the Commission and the public, an appropriate time schedule in accordance with the offer of service set forth in the amended application herein.

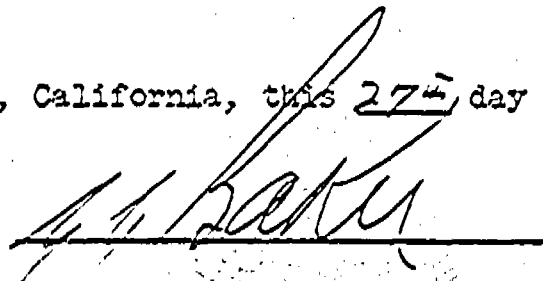
IT IS HEREBY FURTHER ORDERED that F. H. Holloway, doing business as Vallejo Express Company, and Haslett Warehouse Company, a highway common carrier, be and they hereby are authorized to establish and maintain joint rates and through routes for the transportation of property moving between Alameda, Albany, Berkeley, Emeryville, Oakland and Piedmont, on the one hand, and Vallejo and Mare Island Navy Yard on the other hand, and that the point of interchange of property between said carriers shall be at Oakland.

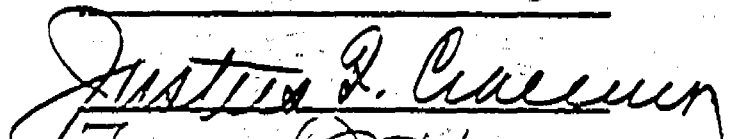
IT IS HEREBY FURTHER ORDERED that the authority described in the preceding ordering paragraph is conditioned upon the observance of the following service regulation:


1. F. H. Holloway, doing business as Vallejo Express Company and Haslett Warehouse Company, a highway common carrier shall file, within thirty (30) days from the effective date of this order, and on not less than five (5) days' notice to the Commission and to the public, an appropriate tariff naming joint rates and through routes as herein authorized, and published in a manner satisfactory to the Commission.


The effective date of this order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 27<sup>th</sup> day of May, 1941.

  
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Commissioners.