

ORIGINAL

Decision No. 34227

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEJO, NAPA & CALISTOGA TRANSPORT)
CO., (a corporation) and MERCHANTS)
EXPRESS CORPORATION (a corporation)) Application No. 24039
for permission to establish through)
service and joint rates between all)
points served by Vallejo, Napa &)
Calistoga Transport Co. as a highway)
common carrier and all points served)
by Merchants Express Corporation as)
a highway common carrier.)

FITZGERALD, ABBOTT and BEARDSLEY, by MILTON W.
DOERZENSKY, for Applicants.

E. L. VAN DELLEN, JR., for Southern Pacific
Company and Pacific Motor Trucking Company,
Interested Parties.

DOUGLAS BROOKMAN, for Hazlett Warehouse Company,
Sausalito, Mill Valley & San Francisco
Express Company and Vallejo Express Comp-
any, Protestants.

REGINALD L. VAUGHAN, for Kellogg Express & Draying
Co. and Napa Transportation Company, Protest-
ants.

L. M. Fites, for Durkee Famous Foods, Interested
Party.

W. M. CASSELMAN, for Colgate, Palmolive Peet Company,
Interested Party.

W. E. VANCE, for Berkeley Chamber of Commerce, Inter-
ested Party.

G. W. BARRINGTON, for Cutter Laboratories, Interested
Party.

B. R. ALLEN, for Encinal Terminal, Interested Party.

J. MESSERE, for Spool Cotton Company, Interested
Party.

W. E. FOREMAN, for Oliver Tire and Rubber Company,
Interested Party.

J. D. BURNSIDE, for Intercoastal Paint Corporation,
Interested Party.

BY THE COMMISSION:

O P I N I O N

This is a joint amended application by Vallejo, Napa & Calistoga Transport Co., hereinafter called Vallejo Napa Co., and Merchants Express Corporation, hereinafter referred to as Merchants, for authority to establish joint rates and through services between points on the lines of both of said carriers.

A public hearing in this proceeding was had before Examiner McGettigan in San Francisco on March 28 and April 15, 1941 where testimony having been taken and exhibits filed, the matter was duly submitted and it is now ready for decision.

Protests to the granting of the authority here sought were entered by Haslett Warehouse Company, Sausalito, Mill Valley & San Francisco Express Company, Vallejo Express Company, Kellogg Express & Draying Co., and Napa Transportation Company. Interested parties entering appearances in this matter included Southern Pacific Company, Pacific Motor Trucking Company and representatives of Durkee Famous Foods, Colgate, Palmolive Peet Company, Berkeley Chamber of Commerce, Cutter Laboratories, Encinal Terminal, Spool Cotton Company, Oliver Tire and Rubber Company and Intercoastal Paint Corporation.

Merchants generally operates as a highway common carrier between San Francisco, South San Francisco, Oakland, Alameda, Emeryville, Berkeley, San Leandro, Albany, Piedmont, Fruitvale, Melrose, Hayward, San Lorenzo, El Cerrito, Richmond, Santa Rita Acres, Orinda, Glorrietta, Bryant and Upton, subject to a restriction that no transportation may be conducted between the City and County of San Francisco and South San Francisco or points

intermediate. In addition, this carrier possesses a separate operative right ⁽¹⁾ to transport milk in cans between Ignacio and the dairies in the vicinity thereof, on the one hand, and Oakland, Berkeley and Richmond, on the other hand, via San Rafael, San Rafael-Richmond Ferry and Point Richmond; and for the transportation of freight in general between San Rafael and San Quentin, on the one hand, and Richmond, Berkeley and Oakland, on the other hand, via San Rafael-Richmond Ferry and Point Richmond.

Vallejo, Napa Co., recent successor in interest to the San Francisco & Napa Valley Railroad, is a highway common carrier between San Francisco and Oakland, on the one hand, and Vallejo and Calistoga and points intermediate between Vallejo and Calistoga, on the other hand. In connection with its operations to and from Vallejo this carrier has been serving the Mare Island Navy Yard located to the west of the city of Vallejo, separated therefrom by a narrow channel (an arm of San Francisco Bay) with physical connection maintained by a government causeway and a privately owned public utility passenger ferry service.

The purpose of the authority herein sought is to afford East Bay points served by Merchants, excluding Oakland, a twice-daily service through interchange of freight at Oakland between applicants which will provide first-day as well as overnight delivery from said East Bay points to Vallejo (including Mare Island) and points north thereof to Calistoga and to further afford a substantial reduction in rates to and from the points involved by reason of the establishment of joint rates. ⁽²⁾

(1) Deleted from Application No. 24039 as points to and from which the joint rates and through service sought would apply.

(2) Exhibits Nos. 1 and 2 contain a comparison of present combination rates somewhat higher than the joint rates which will apply if the instant application is granted.

Sixteen shipper representatives from various East Bay points, including Berkeley, Alameda, Emeryville and Richmond, appeared and testified to their need for and support of applicant's proposal. A representative of the Berkeley Chamber of Commerce also supported the application as did a representative of the Oakland Chamber of Commerce.

Principally, these shippers were interested in the proposal because of their desire to share in the traffic possibilities now developed and developing at Mare Island Navy Yard by reason of the inauguration of the National Defense Program and the consequent growth of and increased demand for service and commodities of all kinds. Allegedly, East Bay shippers, except Oakland, are now at a competitive disadvantage as regards both San Francisco and Oakland, both as to the time element and freight charges in bidding for and obtaining their share of such business.

However, while some measure of governmental need for expedited service may underlie the instant application, a more controlling and perhaps major element here involved is the public need of East Bay shippers for regular first day delivery service from East Bay cities to the Vallejo district. The establishment of such service under joint rates between East Bay cities and Vallejo will place East Bay shippers on a competitive parity with San Francisco shippers. Thus both the government and shippers alike will enjoy a more equal opportunity to share in the benefits of comparable service and rates between all Bay area points, on the one hand, and Vallejo and Mare Island, on the other hand.

Within their respective abilities to serve, existing services are sufficient, but present and future requirements appear to indicate a need for an improvement through the medium of closer co-operation and integration of all facilities concerned. Joint rates and through service such as here proposed appear, in this instance, to afford such a medium in the interest of co-ordinated schedules of expedited service to assist in the rapid movement of merchandise traffic plus economies as reflected in lower rates. To that extent the 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.

We are of the opinion and find that public convenience and necessity justify and require the establishment of the joint rates and through routes proposed herein. The application as amended will be granted.

ORDER

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

IT IS ORDERED that Vallejo, Napa & Colistoga Transport Co., and Merchants Express Corporation, highway common carriers, be and they hereby are authorized to establish and maintain joint rates and through routes for the transportation of property moving between the following points served by the Merchants Express Corporation: San Francisco, South San Francisco, Oakland, Alameda, Emeryville, Berkeley, San Leandro, Albany, Piedmont, Fruitvale, Melrose, Hayward, San Lorenzo, El Cerrito, Richmond, Santa Rita Acres, Orinda, Glorrietta, Bryant and Upton on the one hand, and

(3) Pending applications before the Commission now seek comparable authority on behalf of other carriers in like circumstances.

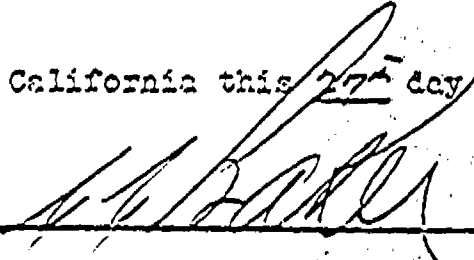
points served by the Vallejo, Napa & Calistoga Transport, Co. as described in the preceding paragraph, on the other hand, and that the point of interchange of property between said carriers shall be at Oakland.

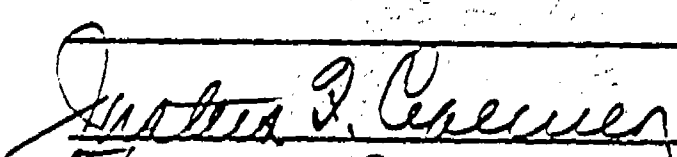
IT IS HEREBY FURTHER ORDERED that the authority set forth in the preceding ordering paragraph be and it hereby is conditioned upon the observance of the following service regulation:

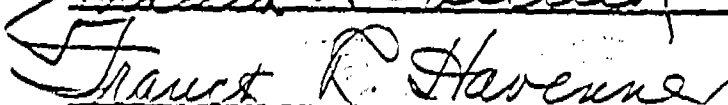
1. Vallejo, Napa & Calistoga Transport Co. and Merchants Express Corporation, highway common carriers, shall file with the Commission within thirty (30) days from the effective date of this order, and on not less than five (5) days notice to the Commission and the public, an appropriate tariff naming 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 27th day
of March, 1941.









COMMISSIONERS