

ORIGINAL

Decision No. 24142

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 Marysville and Chico,)
and intermediate points located on the)
rail lines of Southern Pacific Company,)
all in the State of California, and for)
the performance of store-door, pick-up)
and delivery service with line-haul)
equipment within specified zones around)
said points.)

Application No. 24142

FRANCIS X. VIEIRA, for Pacific Motor Trucking
Company, applicant, and for Southern Pacific
Company, intervener on behalf of applicant.

HARRY SEE, for Brotherhood of Railway Trainmen,
protestant.

BY THE COMMISSION:

O P I N I O N

By its application in this proceeding Pacific Motor Trucking Company, a corporation, seeks a certificate of public convenience and necessity, under section 50-3/4 Public Utilities Act, authorizing operation as a highway common carrier, as defined by section 2-3/4, between Marysville and Chico and intermediate points located on the rail lines of Southern Pacific Company, including Yuba City, Live Oak, Gridley, Biggs, Richvale, Nelson and Durham. The proposed service would be limited to one auxiliary to or supplemental of the rail service of Southern Pacific Company and as underlying carrier for any express corporation authorized to operate between the points mentioned.

The carriers which now serve or propose to serve some or all of these points have advised the Commission, in writing, that they have no objection to applicant's proposal. ⁽¹⁾ The Brotherhood of Railway Trainmen protested the granting of this application but made no affirmative showing in support of its objections.

A public hearing was had before Examiner Austin at Marysville, on August 15, 1941, when the matter was submitted. Evidence on behalf of applicant was produced through its operating officials and through public witnesses engaged in business in the territory affected.

At various points throughout the state, Pacific Motor Trucking Company, a wholly owned subsidiary of Southern Pacific Company, provides a highway common carrier service conducted in co-ordination with the rail operations. In this region it now operates under certificates granted by the Commission, between Marysville and Oroville and intermediate points, between Williams and Colusa and intermediate points, and between Marysville and Colusa via Yuba City, Sutter and Meridian. ⁽²⁾

In this proceeding applicant has undertaken to conduct a motor truck service supplementing the rail facilities of Southern Pacific Company between Marysville and Chico and intermediate points

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- (1) Western Pacific Railroad Company and its affiliate Sacramento Northern Railway, which now serve some of the points involved in this application, have advised the Commission that they have no objection to the granting of this application. Similar consent has been presented by Valley Express Co., Valley Motor Lines, Inc., and United Motor Transport Lines, Inc. United Motor Transport Lines, Inc. now seeks a certificate authorizing service to these points, and in connection with Valley Motor Lines, Inc. it seeks authority to publish joint rates to and from these points (Applications Nos. 23687 and 23797).
- (2) Authority to operate between the points mentioned was granted by Decision No. 26619, dated December 11, 1933, in Applications Nos. 18880 and 18882, and by Decision No. 28099, dated July 8, 1935, in Application No. 20046.

situated on the rail line, operating via U. S. Highway No. 99E, and providing in addition to the line-haul operation, a pickup and delivery service at each of these points. Traffic moving locally between the terminals and intermediate points would also be handled. Equipment adequate to furnish the service would be provided. (3) The rates applied would be those published by Southern Pacific Company, in which applicant would concur.

Two schedules would be operated, one between Marysville and Yuba City, and the other between Marysville and Chico and intermediate points, excluding Yuba City. At Marysville, less-than-carload rail traffic would be transferred to motor trucks and distributed thence to all points except Chico. Traffic consigned to Yuba City, situated adjacent to Marysville and across the Feather River, would leave Marysville at 6:45 a.m. and would be distributed in Yuba City commencing at 7:00 a.m. On its return trip, this truck would reach Marysville at 10:15 a.m., with the outbound traffic, and would then be available for drayage service in Marysville. Freight destined to points north of Yuba City would leave Marysville at 6:00 a.m., and would be delivered that morning. Leaving Chico at 1:30 p.m., this truck would handle shipments moving locally to Marysville and intermediate points, and also that intended for rail transportation beyond Marysville.

Upon the establishment of the truck service, part of the present rail operations would be discontinued. Less-than-carload traffic no longer would be handled by switch engine to Yuba City. In fact, following the dismantling of the existing railroad bridge across

(3) In this service, applicant proposes to use one 3½-ton tractor and a 22-foot van body semi-trailer for the line-haul operation between Marysville and Chico, and an additional truck, now stationed at Marysville, for the operation between Marysville and Yuba City.

the Feather River, now under way, rail service between these points could be performed only over the Knights Landing branch, a circuitous route, by means of which second day delivery from Sacramento and third day delivery from the San Francisco Bay Area would be furnished. Faced with the necessity of elevating the bridge or abandoning it, because of an increase in the height of the levees bordering the river banks, Southern Pacific Company has chosen the latter alternative.⁽⁴⁾ And should the application be approved, it no longer would be necessary to handle by rail the less-than-carload traffic moving from Marysville to Chico, and from Chico to Sacramento. However, this traffic would continue to move by rail from Sacramento and San Francisco Bay points to Chico. This service, which accords early first morning delivery at Chico, is regarded as adequate.

Under applicant's proposal, substantial improvements in the service could be effected. Earlier delivery of less-than-carload traffic originating at Sacramento, San Francisco and Oakland, the principal origin points, would be provided at Yuba City, Live Oak, and Gridley. At other communities, such as Biggs, Richvale, Nelson and Durham, the time of arrival would be substantially the same. At two of these points, Richvale and Nelson, which are non-agency stations, shippers would benefit through the inauguration of pickup and delivery service. Such a service would also be extended to Live Oak and Durham. For traffic moving locally to these points, including Marysville from Chico, merchants would be assured of first afternoon store-door delivery. Local traffic moving north from Marysville would receive first morning store-door delivery.

Substantial economies, it appears, could be effected. The savings accomplished through the abandonment of rail operations, as

(4) Authority to abandon this service has been granted by the Interstate Commerce Commission. Re Southern Pacific Railroad Company et al, Abandonment; Finance Docket 13129, decided April 2, 1941.

contemplated, would more than offset the cost of conducting the truck service. (5) A minimum of three freight cars now used to transport this less-than-carload traffic would be released for service elsewhere. This is desirable in view of present defense requirements.

On behalf of the applicant, ten public witnesses were called and the testimony of four more was received pursuant to stipulation. They represented both wholesale and retail establishments engaged in business at Marysville, Chico, Yuba City, Live Oak, Gridley, Biggs, Richvale, and Durham. They are accustomed to purchase their supplies

(5) The annual savings which would accrue under applicant's proposal are set forth in Exhibit 3. We quote as follows from that tabulation:

Summary of Annual Net Benefits from
Proposed Marysville - Chico Truck Operation

Benefits:

	<u>Rail operations presently in effect</u>	<u>Rail operations to be in effect upon removal of bridge</u>
Southern Pacific Estimated Rail Operating Economies	\$11,319	\$7,222
Southern Pacific Estimated Drayage Savings	<u>1,941</u>	<u>1,941</u>
Total	\$13,260	\$9,163

Expenses:

Estimated Truck Operatings Cost Pacific Motor Truck- ing Company	<u>\$6,515</u>	<u>\$6,515</u>
Estimated Annual Benefit	\$6,745	\$2,648

The details underlying the item of \$11,319, representing estimated rail operating economies, appear in Exhibit 7. And the estimated cost of conducting the proposed truck service is shown in Exhibit 2.

at Sacramento, San Francisco, the East Bay communities, and, in a few instances, at Los Angeles. Those engaged in the wholesale business distribute their products locally throughout the territory between Marysville and Chico, inclusive. The wholesalers, and also the retail dealers located at communities intermediate to Marysville and Chico, would use such a local service were it established.

In substance, all of these witnesses described the need for earlier arrival of freight and for a pickup and delivery service in those communities where it is not now accorded. A more expeditious service is essential to accommodate emergency shipments. Some would use the service to supplement that now provided through proprietary trucks. Through three of these witnesses, who either held official positions or appeared as spokesmen for city officials, resolutions endorsing the application were introduced. Two of them, representing local business organizations, produced letters approving the application. This territory, it appears, is devoted to agricultural pursuits. Rice, grain, almonds, and deciduous fruits are produced. The testimony of the public witnesses indicates a need for improvement of the present rail service. It discloses that the proposed service, if established, would be widely used.

In view of the facts established by this record, we are of the opinion that the application should be granted. Accordingly, applicant will be authorized to conduct a service between these points which shall be incidental to and co-ordinated with the rail operations. However, because of the clear need shown for the maintenance of a local service, the order will not restrict the traffic handled to that which would receive either a prior or a subsequent rail movement. This, of course, is a matter to be determined according to the particular facts established in each case.

O R D E R

Application having been made as above-entitled, a public hearing having been had, the matter having been duly submitted, and the Commission being of the opinion, and hereby finding, 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 Pacific Motor Trucking Company, a corporation, authorizing operation as a highway common carrier as defined by section 2-3/4 Public Utilities Act, between Marysville and Chico and points intermediate to those named, which are located on the rail lines of Southern Pacific Company, and to perform store-door pickup and delivery service at such points, subject to the following conditions:

- (a) Applicant's service shall be limited to that which may be performed as auxiliary to or supplemental of the rail service of Southern Pacific Company, or as underlying carrier for any express corporation authorized to operate between the points which applicant is herein authorized to serve.
- (b) Pacific Motor Trucking Company, its successors or assigns, shall never claim before this Commission, or any court or other public body, a value for the authority hereby granted in excess of the actual cost thereof.

IT IS FURTHER ORDERED that in the operation of said highway common carrier service pursuant to the foregoing certificate, Pacific Motor Trucking Company 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 thirty (30) days from the effective date hereof.
2. Applicant shall comply with the rules of the Commission's General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective tariffs and time schedules satisfactory to the Commission within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.

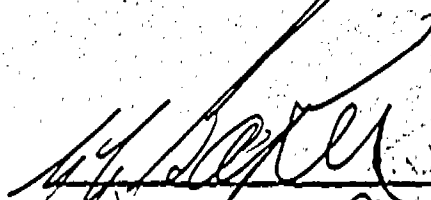
3. Applicant shall conduct said highway common carrier service over and along the following routes, subject to the authority of the Railroad Commission to change or modify them at any time by further order:


Between Marysville and Chico via U. S. Highway No. 99E, serving Gridley and Biggs by diversion over unnumbered county highways connecting with U. S. Highway No. 99E.

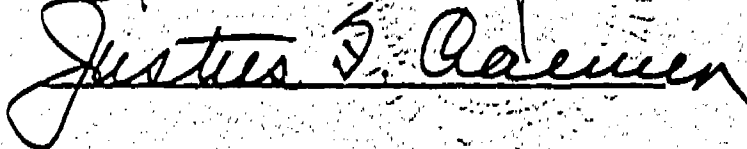
4. Applicant may render store-door pickup and delivery service at the points herein specified, only within the pickup and delivery zones described in the application herein, as supplemented by Exhibit 1, received in evidence herein. The Commission may, at any time, upon a proper showing modify or enlarge said zones or any of them.

The effective date of this order shall be the day hereof.

Dated at San Francisco, California, this 20th day of October, 1941.







COMMISSIONERS