

ORIGINAL

Decision No. 25640

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of UNITED MOTOR)
 TRANSPORT LINES, INC., for a certificate of pub-)
 lic convenience and necessity authorizing, as an)
 extension of its present operative rights, the)
 conduct of a highway common carrier service be-)
 tween Sacramento and certain other points, on)
 the one hand, and points north of Wheatland,) Application
 including Ostrom, Marysville, Yuba City, Live) No. 23687
 Oak, Gridley, Biggs, Richvale, Nelson, Durham,)
 Chico, and intermediate points between Chico and)
 Wheatland, on the other hand; and UNITED MOTOR)
 TRANSPORT LINES, INC. and VALLEY EXPRESS CO., an)
 express corporation, to publish joint rates)

In the Matter of the Application of UNITED MOTOR)
 TRANSPORT LINES, INC. and VALLEY MOTOR LINES, INC.)
 for an order approving and authorizing applicants)
 to establish and publish joint through rates and)
 to perform joint through services for the trans-) Application
 portation of property from, to and between points) No. 23797
 north of Wheatland to and including Chico, on the)
 one hand, and Fresno, Stockton, San Francisco,)
 Oakland, Alameda, Emeryville, Berkeley and San)
 Leandro, on the other hand.)

WILLARD S. JOHNSON and JAMES W. MORGAN, for Applicants.

L. N. BRADSHAW, ERNEST I. SPIEGL and F. W. STEEL, for Western Pacific Railroad Company and Sacramento Northern Railway, Protestants.

RICE & WEIS, by Richard E. Guidge, for Johnson Truck Lines, Protestant.

A. J. GAUDIO, for Southern Pacific Company and Pacific Motor Trucking Company, Protestants; and for Railway Express Agency, Inc., Interested Party.

MCCUTCHEEN, OLNEY, MANNON & GREENE, by Fred W. Mielke and John Moran; and J. H. ANDERSON, for The River Lines, Interested Party.

H. C. LUCAS and HARRY D. RICHARDS, for Pacific Greyhound Lines, Interested Party.

W. G. STONE and J. E. HARRIS, for Sacramento Chamber of Commerce, Interested Party.

J. C. SOMMERS, for Stockton Chamber of Commerce, intervener on behalf of Applicants.

BY THE COMMISSION:

O P I N I O N

By Application No. 23687 Valley Motor Lines, Inc., as successor in interest, pendente lite, to United Motor Transport Lines, Inc., 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 of that Act, between the points which United had been authorized to serve under Decisions Nos. 16407 and 30225, on the one hand; and, on the other hand, points north of Wheatland, including Ostrom, Marysville, Yuba City, Live Oak, Gridley, Biggs, Richvale, Nelson, Durham, Chico and all intermediate points between Chico and Wheatland.

Valley also seeks permission to establish joint rates (a) with The River Lines, a common carrier by vessel and motor vehicle, applying between points north of Wheatland, to and including Chico, on the

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- (1) For brevity applicant, Valley Motor Lines, Inc. will be referred to as Valley; applicant's predecessor, United Motor Transport Lines, Inc., as United; and applicant, Valley Express Co., as Valley Express.
- (2) Pursuant to Decision No. 16407 rendered May 25, 1926 in Application No. 11363, and Decision No. 30225 rendered October 11, 1937 in Application No. 21487, United was authorized to operate as a highway common carrier (1) between Sacramento and Wheatland and intermediate points, except Lincoln, via Roseville; (2) between Sacramento and Auburn and intermediate points, via Roseville; (3) between Sacramento and Chico, and Susanville and points intermediate between Chico and Susanville, including Westwood, subject to certain restrictions.
- (3) Originally, applicant also sought authority to serve Oroville. However, by the third amended application, filed during the course of the hearing, in Application No. 23687, the proposal to serve this point was withdrawn.

one hand, and San Francisco, Oakland, Alameda, Berkeley and (4) Emeryville, on the other hand; and (b) with Valley Express Co., an express corporation, applying between points north of Wheatland, to and including Chico, on the one hand, and, on the other hand, the Los Angeles Metropolitan Area, Fresno, San Jose, Santa Clara, San Francisco, East Bay Cities and intermediate points. In each instance, traffic would be interchanged at Sacramento.

Thus, Valley, in effect, seeks: (a) a certificate authorizing a highway common carrier service between Wheatland and Chico (5) and intermediate points, as an extension of the service previously conducted by its predecessor, United; and (b) authority to establish joint rates and through routes, applying over the lines of certain connecting common carriers to and from the points last mentioned.

By Application No. 23797, as originally filed, United, in connection with the service proposed under Application No. 23687, sought permission to establish joint rates with Valley, applying between all points served by Valley, on the one hand, and, on the other hand, all points which United might subsequently be authorized to serve under any certificate that might be granted in Application No. 23687. Certain traffic was

(4) During the course of the hearing, Valley Express Co. was joined as an applicant.

(5) For convenience, the area extending from Wheatland to Chico, including the intermediate points of Ostrom, Marysville, Yuba City, Live Oak, Gridley, Biggs, Richvale, Nelson and Durham, will be referred to as the Marysville-Chico territory.

(6)
expected from the operation of these rates. Subsequently, Valley was substituted for United as the sole applicant in this proceeding.

Public hearings were had before Examiner Austin at Sacramento, Chico, Marysville, San Francisco, Oakland and Stockton, when the matter was submitted on briefs, since filed. Western Pacific Railroad Company, its affiliate Sacramento Northern Railway, (7) and Johnson Truck Lines appeared as protestants. Other carriers affected by the application appeared as interested parties, viz., The River Lines, Southern Pacific Company and its affiliate Pacific Motor Trucking Company, Railway Express Agency, Inc., and Pacific Greyhound Lines. Sacramento Chamber of Commerce also appeared as an interested party, and Stockton Chamber of Commerce intervened on behalf of applicant. Although Southern Pacific Company and Pacific Motor Trucking Company, throughout the course of the hearing, participated actively as

(6) By an amended application filed during the course of the hearing, in Application No. 23797, United and Valley proposed to except from the operation of the joint rates therein proposed, the following:

1. Traffic originating at San Francisco destined to Live Oak, Chico and all intermediate points between Live Oak and Chico, including Oroville.
2. Traffic consisting of grain, olives, beans and products of field and orchard, whether in their natural state or processed, originating at Chico and Live Oak, and intermediate points between Chico and Live Oak, including Oroville, to San Francisco, Oakland, Emeryville, Berkeley, Alameda and San Leandro.

This amendment was made to meet the objections of protestant, Johnson Truck Line, and substantially followed the stipulation made between these applicants and that protestant during the course of the hearing.

(7) For brevity, Western Pacific Railroad Company and Sacramento Northern Railway will be referred to as Western Pacific and Sacramento Northern, respectively.

protestants, nevertheless, at the final hearing at Sacramento, they withdrew their opposition to the applications. Earlier in the proceeding, Johnson Truck Lines, having entered into a stipulation with applicant under which the latter had consented to certain limitations affecting the joint rates proposed between United and Valley, withdrew its protest.

By the elimination of United as an applicant in Application No. 23797, Valley remains as the sole applicant in that proceeding. In effect, it now seeks permission to establish joint rates between the points it now serves and those it would serve were Application No. 23687 granted. Since a highway common carrier is expressly authorized, under Section 50-3/4(c), Public Utilities Act, as amended in 1941 (Stats. 1941, Ch. 612) to establish "through routes and joint rates" between all points which it may serve under all certificated or operative rights that it may possess, such a carrier no longer is required to secure our approval before doing so. Application No. 23797, therefore, has become moot, and need receive no further attention.

As we have pointed out, Valley, as successor to United, holds certain operative rights within this territory, under which service is now conducted. These

were acquired by United pursuant to Decision No. 30225, rendered October 11, 1937, in Application No. 21487. Specifically, Valley is now authorized to operate between Sacramento and Chico, on the one hand, and Susanville and Westwood, and intermediate points north of Chico, on the other hand, subject to the limitation that no traffic may be handled between Westwood and Red Bluff and intermediate points. Valley now proposes to extend this service to the Marysville-Chico territory.

Under the certificate sought, Valley proposes both an overnight and a daylight service between Sacramento and Chico. Three schedules daily (except Sundays) are proposed in each direction, one operating during the daylight hours and the other two at night. Under the "Daylight" schedule, a tractor and two semi-trailers would leave Sacramento at 11:00 A.M., and arrive at Marysville at 12:45 P.M. There one semi-trailer would be detached, the Marysville freight unloaded, and, powered by another tractor, this semi-trailer would proceed to Yuba City, Live Oak, Gridley and Biggs, reaching the latter point at 4:15 P.M. The other unit would go on to Richvale, Nelson, Durham and Chico, where it would arrive at 3:00 P.M. The "Overnighter" schedule, leaving Sacramento at 3:00 A.M., would reach Marysville at 4:45 A.M. and Chico at 6:30 A.M. Local freight for Marysville

would be unloaded at the depot or transferred to a delivery truck. No freight would be delivered to Richvale, Nelson or Durham. On the "Susanville-Run," leaving Sacramento at 5:00 P.M., overloads remaining after the departure of the daylight schedule, which could not be handled on the overnight schedule, would be transported to points in this territory; Marysville and Chico would be served but no freight destined to Richvale, Nelson and Durham would be delivered.

Ordinarily the Daylight Schedule would accommodate all traffic picked up or received at Sacramento between 3:00 A.M. and 11:00 A.M.; and the Overnight Schedule would handle all traffic received between 11:00 A.M. and 3:00 A.M. No traffic for this territory, except overloads, would move on the Susanville schedule.

To accommodate southbound traffic, three schedules daily would be provided. The Daylight, the Overnight and the Susanville schedules would leave Chico at 4:00 P.M., 7:30 P.M. and 11:00 P.M., respectively; they would leave Marysville at 5:53 P.M., 9:30 P.M., and 12:30 A.M.; and they would reach Sacramento at 8:00 P.M., 11:15 P.M. and 2:00 A.M.

Store-door pickup and delivery service would be furnished at all points. Contract draymen, using their own delivery trucks, would be employed at Marysville and Chico; at the other points, applicant would use its line-haul equipment. At Sacramento, Valley itself maintains a pickup and delivery service. Depots would be provided and agents employed at all of these communities.

As stated, Valley contemplates the establishment of a through route and joint rates with The River Lines, which would apply between points north of Wheatland, to and including Chico,

on the one hand, and San Francisco, Oakland, Alameda, Berkeley and Emeryville, on the other hand. Under this plan, traffic would be interchanged at Sacramento. Freight leaving San Francisco in the evening would reach Sacramento in time to connect with the daylight schedule, thus providing first-afternoon delivery.

A similar service from San Francisco Bay points would be provided under a through route arrangement between Valley and Valley Express. (8) Freight tendered for shipment at San Francisco Bay points up to 7:00 P.M. would leave Sacramento on the overnight schedule at 3:00 A.M., thus receiving first-morning delivery. Also an overnight service with first-afternoon delivery would be established from the San Jose district.

From Stockton, Valley offers an overnight service in conjunction with Valley Express. This traffic would leave Sacramento on the overnight schedule and would be delivered on the first morning.

From the Los Angeles Metropolitan Area, a through route would be established by Valley and Valley Express. Freight received at Los Angeles before 8:00 P.M. would arrive the next morning by 10:00 A.M., at Sacramento, where it would connect with the daylight schedule leaving at 11:00 A.M. This would permit the Marysville-Chico territory to receive first-afternoon delivery. Traffic moving in the opposite direction would leave Marysville by 5:00 P.M. and reach Los Angeles the following day at 11:00 A.M.

(8) In conducting its share of the through operation described above, Valley Express would employ underlying carriers. In the Los Angeles service, Pacific Freight Lines would provide the physical transportation between Los Angeles and Fresno; and Valley would do so between Fresno and Sacramento. From Stockton to Sacramento, Valley would act as the underlying carrier. From San Francisco Bay points and from San Jose, Valley would handle the traffic, as an underlying carrier, to Stockton; beyond that point, such traffic would move over the line of Central California Traction Company to Sacramento. No freight would be transported by Valley Express north of Sacramento.

Representatives of the carriers now serving the Sacramento-Chico territory described their operations. Evidence of this character was introduced by Southern Pacific Company, Pacific Motor Trucking Company, Railway Express Agency, Inc., Western Pacific, and Sacramento Northern.

Through its rail lines, Southern Pacific Company serves the Marysville-Chico area, as well as the San Francisco Bay territory, Stockton, San Jose, and the Los Angeles Metropolitan Area. Less-carload freight from Sacramento receives early first-morning delivery at Marysville, Yuba City, and Chico. Points intermediate to Marysville and Chico are served by a local freight train which delivers the freight shortly after noon. When the present applications were filed, pickup and delivery service was available at Marysville, Yuba City, and Chico; subsequently, this service was extended to all points except Durham, Richvale, Nelson, and Live Oak.⁽⁹⁾ Traffic from San Francisco, San Jose, and East Bay points is delivered on the first-morning in the Marysville-Chico area. Freight from the latter territory, consigned to Susanville and Westwood, moves first to Sacramento and thence via Reno, Nevada, to the points mentioned. Third-day delivery is provided. Los Angeles merchandise moves overnight to Oakland, and thence on the following night, to the Marysville-Chico area. It receives second-day delivery which is also afforded traffic from east side San Joaquin Valley points, such as Modesto and Merced, and third-day delivery on freight originating at west side points, such as Los Banos. Traffic for this territory originating at Stockton moves by truck, operated by Pacific Motor Trucking Company, to Sacramento, and thence by rail as has been described. It receives first-day delivery. The truck leaves Stockton at 4:00pm. Freight tendered later goes by rail to Sacramento, and is given second-day delivery.

(9) By Decision No. 34647, rendered October 20, 1941, in Application No. 24142, Pacific Motor Trucking Company was authorized to operate as a highway common carrier between Marysville and Chico and intermediate points, pickup and delivery service being expressly authorized.

Railway Express Agency, Inc. offers both an overnight and a daylight service for express traffic, which is handled on Southern Pacific passenger trains. A pickup and delivery service is maintained at all points except Biggs, Durham, Live Oak, Richvale and Nelson. Before the Sacramento Northern abandoned its passenger train operation, ⁽¹⁰⁾ express was handled on a train leaving Sacramento at 1:00 P.M. and reaching Chico at 4:00 P.M.

From San Francisco and East Bay points, Western Pacific provides an overnight service to Marysville, which is available daily excepting Sundays and holidays. At San Francisco and Oakland freight will be received until 5:45 P.M. The traffic is handled on a train leaving Oakland at 10:45 P.M. and arriving at Marysville during the early morning hours. Freight consigned to Marysville is available for delivery at 7:00 A.M. That destined to points north of Marysville, intermediate to and including Chico, is distributed by the Sacramento Northern local freight train, and is accorded first-morning delivery.

The service last described reflects a substantial improvement in that available shortly before the hearing. Prior to March 28, 1941, when the present service was established, traffic moving over the Western Pacific from San Francisco and East Bay points received second-day delivery in the Marysville-Chico territory. This change, so a Western Pacific operating official testified, had been under consideration by the management during the preceding five years.

(10) Sacramento Northern was permitted to abandon passenger service in this territory by Decision No. 33009 rendered April 16, 1940, in Application No. 23175. (42 C.R.C. 598)

Freight originating at Sacramento and moving by the Sacramento Northern to the Marysville-Chico territory receives an overnight service. This is offered daily except Sundays and holidays. Freight is accepted at Sacramento until 5:00 P.M. First-morning delivery is provided, freight being available to the consignees at the commencement of the business day. Store-door pickup and delivery service is provided at Sacramento, Marysville, Yuba City and Chico.

Rates would be established conforming to those prescribed by Decision No. 31606, as amended, in Case No. 4246. Upon commodities exempted by that decision, applicant's rates would be competitive with those of the existing carriers. For traffic moving over the through routes contemplated, joint rates would be published, lower, and in some instances, substantially so, than the existing combinations of local rates.

Applicant, so the record shows, is financially able to conduct the service and to furnish adequate equipment. In the line-haul operation, it would use semi-trailers, each with a capacity of 26,000 pounds, powered by Diesel tractors. For the loop service between Marysville and Chico, smaller gasoline power units would be used.

Applicant submitted an estimate of the available tonnage, which was predicated upon an extensive survey. This comprehended the character and volume of the traffic, the points between which it would move, and the distribution among existing transportation agencies. It rested upon interviews with shippers, and an examination of their shipping records. It was designed to show the nature and extent of the traffic moving between the Marysville-Chico territory, on the one hand, and, on the other,

Sacramento, San Francisco, East Bay and San Jose, Stockton and the San Joaquin Valley, and the Los Angeles Metropolitan Area. It also included the local tonnage between Marysville and Chico and intermediate points. The total movement would average, it was estimated, 2,033 tons per month, of which 1,325 would be inbound to the Marysville-Chico territory, and 708 tons outbound. (11)

Of this traffic, applicant expects to secure around one-third, should it be permitted to enter the field. Applicant asserts that the traffic is fairly evenly divided between the

(11) The traffic covered by this survey was thus distributed among the destination points in the Marysville-Chico territory:

	POUNDS PER MONTH		Total
	To	From	
Marysville & Yuba City	1,127,640	520,900	1,648,540
Points intermediate to Yuba City and Chico(a)	137,080	206,000	343,080
Chico	1,384,698	689,400	2,074,098
TOTAL	2,649,418	1,416,300	4,065,718

(a)-These intermediate points comprise Live Oak, Gridley, Biggs, Richvale, Nelson and Durham. The Oroville tonnage, though shown in Exhibit No. 5, has been omitted from this summary.

The segregation of this traffic among the various origin groups is shown in the following tabulation:

	From	To	Total
Sacramento	689,095	244,800	933,895
San Francisco	679,748	362,200	1,041,948
East Bay	658,400	332,000	990,400
San Jose	138,400	218,000	356,400
Stockton	233,925	50,600	284,525
San Joaquin Valley	26,200	134,000	160,200
Los Angeles	193,650	32,800	226,450
Local	30,000	41,900	71,900
TOTAL	2,649,418	1,416,300	4,065,718

existing common carriers, on the one hand, and the contract carriers and proprietary operators, on the other. (12)

Tabulations were submitted by protestant Sacramento Northern, showing the average monthly traffic handled during 1940 between Marysville, Yuba City, East Gridley, Durham and Chico, on the one hand, and, on the other hand, Sacramento and the San Francisco-East Bay territory, respectively. This aggregated 365.5 tons monthly, of which 179 tons moved to and from Sacramento, and 186 tons, to and from San Francisco and East Bay. (13)

The cost of providing the service, applicant estimated, would amount approximately to \$2,376 per month. To arrive at this sum, applicant has applied to the number of vehicle miles

(12) Applicant estimates that the traffic involved in this survey is distributed among existing transportation agencies, in the following proportions:

	<u>Per Cent</u>
Southern Pacific Company.....	36.56
Western Pacific Railroad Company.....	1.05
Sacramento Northern Railway.....	6.00
Railway Express Agency, Inc.....	0.69
Johnson Truck Lines.....	4.88
U. S. Mail (Parcel Post).....	0.03
Passenger Stage Lines (Express).....	0.14
Highway Contract Carriers.....	25.16
Proprietary Operators.....	25.49
	<u>100.00</u>

(13) The distribution of this traffic appears in the following tabulation, based on Exhibits Nos. 20 and 21:

POUNDS PER MONTH

	<u>From Sacramento</u>	<u>From San Francisco & Oakland</u>	<u>Total Average</u>
Marysville	129,500	182,500	312,000
Yuba City	51,000	40,000	91,000
East Gridley	2,500	8,000	10,500
Durham	9,500	2,000	11,500
Chico	<u>166,000</u>	<u>140,000</u>	<u>306,000</u>
TOTAL	358,500	372,500	731,000

which would be operated monthly in conducting the service, viz., 10,560 miles, the average system operating cost of 22½ cents per mile, which had been incurred by United in conducting its existing operations during the first nine months of 1940. ⁽¹⁴⁾ This assertedly was a liberal estimate, since it included mountain operations more onerous than those that would be encountered in the operation contemplated.

Applicant has estimated that the proposed certificated operation would yield a minimum monthly revenue of \$3,200. This rests upon the conclusion that the third class rate in effect between Sacramento and Marysville-Chico territory, applying to the 4,000-pound bracket, would fairly represent the average rate applicable to this traffic.

Public witnesses were called both by applicant and by protestants. We shall consider first the evidence produced on behalf of the applicant.

The representatives of some twelve wholesale establishments of various types, centering in Sacramento, were called by applicant. These firms distribute their products, in substantial volume, throughout the Marysville-Chico territory. All testified they would use applicant's service were it available, and many asserted the existing transportation facilities were inadequate to meet their requirements. Generally, they expressed a need for a more expeditious service, including a later pickup. The proposed daylight schedule, most of them testified, would be a marked improvement.

(14) E. J. Muzio, the president of United, testified that the system average operating cost of 22½ cents per vehicle mile, was based upon operations conducted by Diesel powered equipment. Ninety per cent of United's equipment, he said, was of this type.

Some twenty-two witnesses were called at Marysville, and the testimony of six was received by stipulation. Of these, seven were engaged in business at Yuba City, Live Oak, Biggs and Gridley. Twenty-eight witnesses were produced at Chico, and the testimony of fourteen was stipulated. Four of them were located at Richvale and Nelson. All would use the proposed service if it were established. A substantial number of shippers at both Marysville and Chico testified they had found the existing service inadequate to meet their requirements. Also, many expressed a need for the daylight schedule. Several stated they would employ applicant's facilities to distribute their products locally in this territory, and at Susanville and Westwood. The local service they asserted, was inadequate.

In support of the proposal to establish joint rates and through routes between the Marysville-Chico territory and San Francisco Bay points, San Jose, Stockton and Los Angeles, applicant produced a substantial number of witnesses.

At San Francisco, the representatives of some thirteen wholesale establishments appeared, and at Oakland, eleven wholesale and manufacturing institutions were represented. All testified they would use the through service offered. The majority stated that the existing service was unsatisfactory, principally because it was too slow. Some said that by this means they would take advantage of lower split delivery rates, not now available. A number of shippers at Marysville and Chico described the need for an improved service from the Bay region.

At Stockton, applicant called the representative of thirteen wholesale and manufacturing establishments. All stated the existing service was too slow to meet their needs. The all-rail service offered by the Southern Pacific, the

Western Pacific and the Sacramento Northern, which provided second-day delivery in the Marysville-Chico territory, so the traffic manager for the Stockton Chamber of Commerce testified, was too slow to suit the needs of the Stockton distributors. Although overnight rail service would be supplied for less-carload shipments of 4,000 pounds or more, this minimum was too high, he said, to be of any practical utility, and consequently, the service was but little used. At the instance of the Chamber, the Pacific Motor Trucking Company had established a shuttle truck service between Stockton and Sacramento, through which first-day delivery in the Marysville-Chico territory was provided. However, he stated, the advantage of this service was largely offset by the early station closing hour of 3:15 P.M., and the 2:00 o'clock deadline for pickup service. As a result, he said, Stockton shippers found themselves at a disadvantage in meeting the competition of San Francisco, East Bay and Sacramento distributors. Other witnesses testified they would use the through route for traffic originating at Modesto and Fresno.

Likewise shippers at both Marysville and Chico testified they would avail themselves of the through route from Los Angeles, were it established. Several stated that the proposed service would be superior to that now existing, since it would reduce the time from third-day to first-afternoon delivery. A representative of Woolworth Company called at the San Francisco hearing, characterized the existing service as too slow. Shippers of agricultural products, originating in the Marysville-Chico territory, stated they would use the service to haul their goods to the Los Angeles market. An official of the California Farm Bureau Federation voiced the need for such a through route.

Protestants called some twenty-one witnesses at Marysville, and nineteen at Chico. They were engaged in business at Marysville, Chico, Yuba City, Live Oak, Gridley, Biggs, Richvale, Nelson and Durham. All testified that the present transportation facilities between Sacramento and the Marysville-Chico territory were adequate to meet their requirements. Some asserted they would have no occasion to use the daylight service offered by applicant.

In our judgment, applicant has shown the existence of a need for the extension of its service to the Marysville-Chico territory. The present rail service, though providing overnight delivery, appears inadequate to meet the requirements of distributors and merchants throughout this territory. Delivery of freight at Marysville and Chico and the smaller intermediate points frequently has been delayed. And the daylight service, proposed by applicant, would supply an essential need for a more expeditious service. Southern Pacific and Pacific Motor Trucking Company, coincidentally with the accomplishment of substantial improvements in service, have withdrawn their opposition.

The through service now supplied by the existing carriers between the Marysville-Chico area and San Francisco Bay points, San Jose, Stockton and Los Angeles, was shown to be inadequate to meet the shippers' requirements. When the instant applications were filed, Western Pacific and Sacramento Northern furnished second-day delivery from the San Francisco Bay Area, but during the course of the hearing first-day delivery was substituted. Under well established principles, this needed improvement was too long delayed to bar the entrance of a rival into the field. Southern Pacific, though it provides first-day delivery, has withdrawn its opposition to applicant's proposal.

Between Los Angeles and the Marysville-Chico territory, second-day delivery is now provided. Under applicant's proposal, this would be reduced to first-day delivery. From the testimony of shippers, a definite need appears for this improvement which would facilitate the movement of traffic in both directions.

By granting this certificate, a more efficient, satisfactory and complete transportation service will be made available to the public on both local and through traffic. The substantial volume of traffic shown to be moving by highway contract carriers and by proprietary operators may now be transported by a highway common carrier, thus resulting in the conservation of both equipment and tires. Applicant, of course, will be amenable to regulations, designed to accomplish that end, which may be prescribed by Federal or State authority.

The establishment of joint rates by applicant with The River Lines and with Valley Express will also lend support to the current program for more efficient use of equipment. Both vessels and trucks will be employed to carry through traffic as well as local tonnage, thus encouraging the utilization of these instrumentalities to their maximum capacity. This also would be facilitated by a proper coordination of schedules.

In this proceeding the question has been raised whether Valley, a highway common carrier, and Valley Express, an express corporation, must first obtain the permission of the Commission before establishing joint rates and through routes. Since this question is now before the Commission in Case No. 4574, Merchant's Express Corporation vs. Haslett Warehouse Company, et al, and in Case No. 4575, Pacific Southwest Railroad Association vs. California Motor Express, Ltd., et al, and inasmuch as the instant record would not permit a full consideration of this issue, we shall

not undertake to determine it here. Suffice to say, the present record warrants the conclusion that public interest justifies the establishment of the joint rates and through routes sought. Our decision here is wholly without prejudice, however, to the ultimate determination of the question in another proceeding.

Accordingly, Application No. 23687 will be granted.

O R D E R

Application having been made as above entitled, public hearings having been had, the matter having been duly submitted; and it now appearing, and the Commission hereby finding, that public convenience and necessity so require:

IT IS ORDERED:

(1) That Valley Motor Lines, Inc., a corporation, be and it hereby is substituted in the place and stead of United Motor Transport Lines, Inc., a corporation, as the sole applicant in each of the above-entitled proceedings, viz., Applications Nos. 23687 and 23797.

(2) That a certificate of public convenience and necessity, under section 50-3/4 of the Public Utilities Act, be and it hereby is granted to Valley Motor Lines, Inc., a corporation, authorizing the establishment and operation of a service as a highway common carrier, as defined by section 2-3/4 of that Act, between the points which United Motor Transport Lines, Inc., a corporation, was authorized to serve as a highway common carrier pursuant to Decisions Nos. 16407 and 30225, heretofore rendered by this Commission, on the one hand, and, on the other hand, points north of Wheatland, including Ostrom, Marysville, Yuba City,

Live Oak, Gridley, Biggs, Richvale, Nelson, Durham, Chico and all intermediate points between Chico and Wheatland.

(3) That said Valley Motor Lines, Inc., a highway common carrier, and The River Lines, a common carrier by vessel and motor vehicle, be and they hereby are authorized to establish and maintain joint rates and a through route for the transportation of property between points north of Wheatland, to and including Chico, on the one hand, and San Francisco, Oakland, Alameda, Berkeley and Emeryville, on the other hand; traffic moving thereunder to be interchanged between said carriers at Sacramento.

(4) That said Valley Motor Lines, Inc., a highway common carrier, and Valley Express Company, an express corporation, be and they hereby are authorized to establish and maintain joint rates and through routes for the transportation of property between points north of Wheatland, to and including Chico, on the one hand, and the Los Angeles Metropolitan Area, Fresno, San Jose, Stockton, San Francisco, East Bay cities and intermediate points, on the other hand; traffic moving thereunder to be interchanged between said carriers at Sacramento.

(5) That Application No. 23797, be and it hereby is dismissed.

(6) That the certificate hereinabove described shall be, and it hereby is, granted subject to the following condition:

Valley Motor Lines, Inc., its successors or assigns, may 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.

(7) That in the operation of highway common carrier service pursuant to the certificate hereinabove granted, said

Valley Motor Lines, Inc. shall comply with and observe the following service regulations:

- (a) 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.
- (b) Applicant shall comply with the provisions of 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 five (5) days' notice to the Commission and the public.
- (c) Subject to the authority of the Commission to change or modify it at any time by further order, applicant shall conduct said highway common carrier service over and along the following route:

From Sacramento over U.S. Highway No. 99E to Chico, via Roseville, Lincoln, Wheatland, Ostrom, Marysville, Yuba City, Live Oak, Gridley, Biggs, Richvale, Nelson and Durham.

Returning over the same route.

(8) That authority to establish joint rates, and through routes, as herein provided, shall be and it hereby is granted subject to the following conditions:

- (a) That said joint rates shall be established on a basis no lower than that prescribed as minimum by Decision No. 31606, as amended, in Case No. 4246.
- (b) That such authority shall be void unless said rates are published and filed within ninety (90) days from the effective date of this order.

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

Dated at Los Angeles, California, this 25th day of July, 1942.

Justus J. Cullen
Ray L. Remy

Frank R. Havens
Richard L. Lachar
COMMISSIONERS