

Decision No. 36918

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)
for the transportation of property)
by motor trucks between Pomona and)
Spadra, California.)

ORIGINAL

Application No. 25782

E. L. H. BISSINGER, for Pacific Motor Trucking
Company, applicant.

BY THE COMMISSION:

O P I N I O N

By its application in this proceeding Pacific Motor Trucking Company, a subsidiary of Southern Pacific Company, seeks a certificate of public convenience and necessity authorizing the operation of a highway common carrier service between Pomona and Spadra, situated some four miles west of the latter city. The service proposed would be auxiliary to the rail service now provided at those points by Southern Pacific Company and by Pacific Electric Railway Company, also a Southern Pacific subsidiary. A store-door pickup and delivery service would be performed within a radius of one mile from the rail station at Spadra. The matter was submitted at a public hearing had before Examiner Austin at Los Angeles on January 14, 1944.

Although no one appeared as a protestant in this proceeding, counsel for Pacific Freight Lines, who was unable because of illness to attend the hearing, requested of applicant a stipulation to the effect that Pacific Freight Lines, which operates as

a highway common carrier between Pomona and Spadra (among other points on its system), would offer to provide for Southern Pacific Company a service for the transportation of less-carload traffic between these points. Applicant accordingly stipulated that such an offer would be deemed to have been made.

In support of its proposal applicant produced operating officials representing both it and Southern Pacific Company, and called a public witness. The testimony of the operating witnesses dealt with the characteristics of the less-carload rail service presently conducted, the details of the motor truck service which applicant proposes to establish, the operating difficulties encountered in the rail operations, the economies to be effected were a truck service substituted, and the advantages that would accrue to the shipping public.

The rail station at Spadra is the center of a farming community rather than an urban area. Within the surrounding precinct reside some 300 registered voters. As no station agent is maintained there, consignees expecting shipments must call for them at an unattended shed, where freight is held at shipper's risk. The doors are kept locked, but the key is available to shippers and consignees.

The method of handling the traffic by rail was fully described. Both Pomona and Spadra are situated on the Southern Pacific Sunset Route extending from Los Angeles to El Paso. Between Alhambra and Pomona, the main line is single tracked. Less-carload shipments destined to Spadra leave Los Angeles in a car which sets out at Pomona. This train reaches Spadra at 4:00 A.M., thus providing first-morning delivery when it stops there. On approximately half of its trips the train makes no stop

at Spadra, thus necessitating the transfer of traffic for that point, at Pomona, to the westbound local train. When this occurs freight consigned to Spadra is accorded second-morning delivery. At Spadra eastbound traffic moves against an adverse grade of one per cent, a circumstance that accentuates the difficulties of stopping and starting heavy trains. Throughout this territory the main line is congested by military traffic, which necessarily must be accorded priority over the local freight movement. Because of this congestion the delays attributable to the stopping of local trains at Spadra far exceed those that normally would be encountered. Since the schedule of this train requires the train-crew to remain on duty nearly sixteen hours on every trip, the avoidance of unnecessary delay is important. It is clear, therefore, that the elimination of Spadra as a stopping point would tend to expedite the movement of traffic, both through and local, over this line.

To meet this situation applicant proposes to establish a trucking service for the accommodation of less-carload traffic moving to and from Spadra. Under a certificate previously granted by the Commission, applicant may now serve both Pomona and Spadra, but the operative right is limited to the transportation of mail, baggage and express. ⁽¹⁾ At Pomona applicant now maintains two 1½-ton trucks, which are currently used to provide a local pickup and

(1) Authority to provide this service was granted by Decision No. 35006, rendered February 5, 1942, in Application No. 24725. Here applicant was authorized to transport between Los Angeles and Colton and all intermediate rail points, both on-route and off-route, "mail and express moving on billing of Railway Express Agency, Inc. and checked baggage of passengers of Southern Pacific Company.

delivery service for rail freight at that point. One of these, -- available daily if need should arise -- would transport traffic to and from Spadra, operating "on-call," whenever business is offered. At Spadra, a pickup and delivery service, supplied through this truck, would replace the existing inadequate freight shed. Alternate routes would be used to accommodate the requirements of traffic. No point intermediate to Pomona and Spadra would be served, nor would shipments be handled other than those receiving a prior or a subsequent rail haul.

Through the substitution of the contemplated trucking operation for the present rail service, operating economies would be effected. A total annual saving of \$478, it is estimated, would be accomplished through the elimination of overtime payments to the train crew, and there would be a saving in locomotive fuel consumption. The estimated out-of-pocket cost of providing the proposed trucking service would aggregate some \$220 annually.

The business manager of the State Institution for the Feeble-Minded, located at Pacific Colony, one mile southeast of Spadra station, was called by applicant in support of its proposal. This witness testified that the Institution accommodates some 1500 patients who are served by 200 employees. The present less-carload rail freight service, he stated, is not satisfactory. The tonnage of less-carload freight, consigned to the Institution and received at Spadra, is quite substantial, it was shown. It is the practice to send a truck daily to the station to receive the freight on hand or to ascertain whether any had been left there. Ordinarily the freight shed is kept locked, but on several occasions the locks on the doors have been broken. Due to lack of personnel, and to the gasoline and rubber shortage, it is desirable to minimize or obviate the daily use of the truck for this purpose. A distinct need,

this witness testified, exists on the part of the Institution for a store-door pickup and delivery service.

No other public witness was called. However, it was shown that Southern Pacific Company, on the average, delivered at Spadra some 36 intrastate less-carload shipments for three consignees, during a representative month.

With respect to the offer of Pacific Freight Lines to handle for Southern Pacific Company all less-carload traffic moving between the points involved, one of applicant's officials testified that in the past such arrangements have proved to be mutually unsatisfactory. Ordinarily, neither equipment nor service has been available when required. It is essential to the successful operation of a coordinated rail and truck service, he testified, that the trucking facilities be controlled by the railroad rather than by a competitor. The present record, we are convinced, would not recommend such an arrangement at Spadra.

From the showing made, it is apparent that a real and distinct need exists for the establishment of the proposed trucking service. The substitution of such a service for the present less-carload rail service would tend to alleviate the congestion upon the Southern Pacific main line, and in turn facilitate the movement of military traffic. A more efficient and expeditious service can be substituted at a reduced cost, ameliorating to some extent the adverse conditions under which less-carload rail traffic now moves. The application accordingly will be granted. However, the service will be limited to the terminal points of Pomona and Spadra, and rail traffic only may be handled.

Pacific Motor Trucking Company is hereby placed upon notice that "operative rights" as such do not constitute a class

of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State which is not in any respect limited to the number of rights which may be given.

O R D E R

Application having been made as above entitled; a public hearing having been had; and the Commission now finding that public convenience and necessity so require;

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be and it hereby is granted to Pacific Motor Trucking Company, a corporation,

(a) authorizing the establishment and operation of service as a highway common carrier, as defined by Section 2-3/4, Public Utilities Act, between Pomona and Spadra, in Los Angeles County; and

(b) authorizing the establishment and operation of a pickup and delivery service throughout an area encompassed within a radius of one (1) mile from the railroad station of Southern Pacific Company at Spadra, which may be provided by applicant's line-haul trucks.

Said certificate is granted subject to the following limitations:

- (A) The service performed hereunder by applicant shall be limited to that which may be auxiliary to or supplemental of the rail service of Southern Pacific Company and of Pacific Electric Railway Company, and to service rendered as an underlying carrier for any express corporation authorized to operate between the points which applicant is herein authorized to serve.
- (B) Applicant's service shall be limited to the transportation of shipments which it may receive from or deliver to Southern Pacific Company and Pacific Electric Railway Company, and to shipments which it may transport as an underlying carrier for any express corporation, as provided in paragraph (A) hereof. All of said shipments shall receive, in addition to the trucking movement furnished by applicant, a prior or a subsequent movement by rail.

Said certificate is granted subject to the following condition:

The authority herein granted is subject to the provisions of Section 52(b), Public Utilities Act, and further to the condition that Pacific Motor Trucking Company, its successors or assigns, shall never claim before this Commission, or any court or other public body, a value for said operative rights or claim as the cost thereof, an amount in excess of that paid to the State as the consideration for such rights.

(2) That in the operation of a 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 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 one (1) day's notice to the Commission and the public.

- 3. Subject to the authority of this Commission to change or modify them at any time by further order, applicant shall conduct said highway common carrier operations over and along the following routes:

Regular Route:

Via Pomona (Valley) Boulevard from Pomona to the junction of Collins Road, thence via Collins Road to Southern Pacific station at Spadra;

Alternate Routes:

(a) Via U. S. Highway 99 to Collins Road, thence via Collins Road to Southern Pacific station at Spadra;

(b) Via Holt Avenue and an unnumbered county road to Pomona (Valley) Boulevard, thence via Pomona (Valley) Boulevard to Collins Road, thence via Collins Road to Southern Pacific station at Spadra.

The effective date of this order shall be the date hereof

Dated at San Francisco, California, this 17th day of March, 1944.

Richard L. Locke
Justus F. Casper
Francis R. Havenner
Francis W. Conner
John A. Lawrence
 COMMISSIONERS