

Decision No. 37697

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFIC MOTOR TRUCKING COMPANY for )  
 a certificate of public convenience )  
 and necessity to operate motor truck )  
 service as a highway common carrier )  
 of property between Calexico and ) Application No. 26148  
 Niland, California, and between El )  
 Centro and Holtville, California, )  
 and certain intermediate points. )

WILLIAM MEINHOLD, for applicant.

HUGH GORDON, for Pacific Freight Lines, Pacific Freight Lines Express, and Valley Express Company, protestants.

H. J. BISCHOFF and H. P. MERRY, for Southern California Freight Lines and Southern California Freight Forwarders, protestants.

BY THE COMMISSION:

**O P I N I O N**

Applicant seeks authority, under Section 50-3/4(c) of the Public Utilities Act, to establish motor truck service as a highway common carrier of property between Calexico and Niland via U. S. Highway 99 and State Highway No. 111, and between El Centro and Holtville via U. S. Highway No. 80, serving all intermediate points on said routes, and within 10 miles laterally on either side of said routes, which are stations on the lines of Southern Pacific Company or Holton Inter-Urban Railway Company, and to perform pickup and delivery service with line-haul equipment within the limits prescribed by this Commission in Decision No. 31606, as amended, in Case No. 4246,

(1)  
at all of said points. It is proposed to conduct said operations over regular and irregular routes.

Public hearing was held at El Centro, October 11 and 12, 1944, before Examiner Chiesa. The application having been submitted on the last mentioned date, it is now ready for decision.

The record shows that Pacific Motor Trucking Company, a subsidiary of Southern Pacific Company, seeks to provide a faster and more complete transportation service for less-carload shipments to and from Imperial Valley, the territory under consideration, by coordinating its facilities with the rail operations of Southern Pacific Company and the latter's subsidiary, Holton Inter-Urban Railway, and also to render a local truck service between the communities in the territory which are stations on said railroads.

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(1) Points proposed to be served and area for each point within which authority is sought to provide pickup and delivery service with line-haul equipment:

<u>Station</u>	<u>Area</u>
Verdant	Within a radius of one mile from station
Shamrock	Within a radius of one mile from station
Fondo	Within a radius of one mile from station
*Niland	Within a radius of one mile from station
Estelle	Within a radius of one mile from station
*Calipatria	City Limits
Rockwood	Within a radius of one mile from station
*Brawley	City Limits
Grape	Within a radius of one mile from station
*Imperial	City Limits
*El Centro	City Limits
*Heber	Within a radius of one mile from station
*Calexico	City Limits
Turn	Within a radius of one mile from station
Munyon	Within a radius of one mile from station
Moss	Within a radius of one mile from station
*Orita	Within a radius of one mile from station
Curlew	Within a radius of one mile from station
Sandia	Within a radius of one mile from station
Fuller	Within a radius of one mile from station
Meloland	Within a radius of one mile from station
Holtville	City Limits

\*Points having station building or other housing facility and, excepting at Orita, a resident agent.

By this service it expects to effect a saving of time in transit and to provide store-door pickup and delivery service at points where it is not now available.

The only intrastate right possessed by applicant in this area is by virtue of a certificate of public convenience and necessity granted in Decision No. 26260, dated August 21, 1933, authorizing applicant to conduct highway common carrier truck service between Brawley and Westmorland.<sup>(2)</sup>

Applicant also holds a certificate of public convenience and necessity from the Interstate Commerce Commission, No. MC 78786, and is presently transporting interstate traffic over the routes and within the territory heretofore mentioned, service having been authorized to and from all intermediate points and off-route points within 10 miles of the routes between Calexico and Niland, which are stations on the line of the Southern Pacific Company. Said service is limited to that which is auxiliary to, or supplemental of, rail service.

Applicant now maintains three 1½-ton trucks in Imperial Valley. One truck is stationed at Brawley and provides the authorized interstate service between that city and Westmorland, as well as pickup and delivery service at Calipatria for interstate

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(2) Decision No. 26260 provides "...such service to be limited to the transportation of such freight as may have been previously consigned for transportation over the line of the Southern Pacific Company and which may be delivered to the applicant by the Southern Pacific Company or the Pacific Motor Transport Company, or the Railway Express Agency, Inc. at the railroad freight stations designated below and to be redelivered by the applicant at another of said freight stations, to-wit: at the freight stations of the Southern Pacific Company located at Brawley and Westmorland."

Applicant asks authority to operate between Brawley and Westmorland and states that it will ask for a revocation of rights granted by Decision No. 26260 provided this application is granted in full.

shipments moving under rail less-carload store-door rates. This unit, in addition, affords said railroad a drayman at Brawley and operates south to El Centro handling outbound interstate less-carload shipments which are loaded in boxcars at that point. The other two units are based at El Centro and are used in performing similar pickup and delivery services on shipments moving under rail store-door pickup and delivery rates. One of these units is also similarly used at Calexico.

Less-carload traffic received and forwarded by rail at Imperial Valley points is approximately 80 per cent intrastate. Of the intrastate shipments received, approximately 80 per cent originate at Los Angeles and of those forwarded, about 62 per cent are destined there. <sup>(3)</sup> At present, Southern Pacific Company's less-carload service to Imperial Valley from Los Angeles consists of two cars leaving Los Angeles at 1:00 A.M. daily and arriving at Valley points late afternoon of the second day. Applicant states that if

(3) SOUTHERN PACIFIC COMPANY  
(Pacific Lines)

NUMBER OF CONSIGNEES AND CONSIGNORS USING PRESENT RAIL SERVICE AND  
NUMBER OF SHIPMENTS RECEIVED AND FORWARDED

(Data cover Less Carload traffic and represent movement  
for one month only)

STATION (a)	MONTH STUDIED (b)	NUMBER OF CONSIGNEES RECEIVING SHIPMENTS		NUMBER OF SHIPMENTS RECEIVED		NUMBER OF CONSIGNORS FORWARDING SHIPMENTS		NUMBER OF SHIPMENTS FORWARDED	
		INTRA STATE (c)	INTER STATE (d)	INTRA STATE (e)	INTER STATE (f)	INTRA STATE (g)	INTER STATE (h)	INTRA STATE (i)	INTER STATE (j)
Niland	July 1943	15	3	40	3	-	2	-	2
Calipatria	Apr. 1944	39	4	139	5	4	-	4	-
Brawley	Apr. 1944	88	15	326	91	10	8	12	8
Westmorland	" 1944	7	-	19	-	-	-	-	-
Imperial	July 1943	17	3	68	4	1	1	1	3
Calexico	Oct. 1943	63	37	290	122	24	11	38	13
Holtville	Apr. 1944	35	11	107	14	-	2	-	2
Heber	Oct. 1943	1	-	1	-	1	-	1	-
TOTAL		265	73	990	239	40	24	56	28

(Footnote continued)

this application is granted the Southern Pacific Company intends to provide railway service leaving Los Angeles at 1:00 A.M. and both cars will arrive at El Centro at 5:00 A.M. of the second day, from which point applicant will provide delivery on the second day in place of present rail service with delivery or availability on the third day. Faster schedules to Valley points will be made possible by eliminating the local freight train which now "peddles" less-carload shipments at rail points between Niland and Calexico. The proposal contemplates the addition of two 2½-ton trucks to be stationed at El Centro. The smaller trucks will be used principally in pickup and delivery or drayage service at El Centro, Brawley, or at other desirable points.

All rail less-carload inbound shipments and freight moving under depot rates and also under store-door pickup and delivery rates, destined to the rail points north of El Centro, to and including Westmorland and Niland, will be transferred to one of the 2½-ton trucks. Similarly, such merchandise and Railway Express

(3) continued

#### R E C A P I T U L A T I O N

	Intrastate	Interstate
Total number of shipments received . . . .	990	239
Total number of shipments forwarded . . . .	56	28
	1,046	267
Per Cent . . . . .	79.7	20.3

#### SUMMARY OF MOVEMENT OF INTRASTATE TRAFFIC SEGREGATED TO THE ORIGIN OR DESTINATION TERRITORY

INTRASTATE SHIPMENTS RECEIVED			INTRASTATE SHIPMENTS FORWARDED		
O R I G I N	NUMBER	PER CENT	D E S T I N A T I O N	NUMBER	PER CENT
Los Angeles	792	80.0	Los Angeles	35	62.5
Bet. Los Angeles & Yuma	54	5.5	Bet. Los Angeles & Yuma	9	16.0
Bet. Los Angeles & Fresno	2	0.2	To Imperial Valley Points	3	5.4
Bet. Los Angeles & San Luis Obispo	1	0.1	North of Fresno & San Luis Obispo	6	10.7
North of Fresno & San Luis Obispo	89	9.0	San Diego	3	5.4
Bet. Imperial Valley Points	4	0.4		56	100.0
San Diego	48	4.8			
	990	100.0			

traffic destined to the Holton Inter-Urban Railway Company points of Meloland and Holtville, and merchandise destined to the Southern Pacific Company points of Fuller, Sandia, Calexico, and Heber will be transferred to the other large truck. At said points applicant will use the line-haul truck to deliver either to the rail freight depot or to consignees, depending upon the rates under which the freight is moving. The truck serving points north of El Centro will leave at 7:45 A.M. and return by 3:55 P.M. while the truck serving the points to the east and south will leave at 7:30 A.M. and return to El Centro at 1:30 P.M. Upon return, the line-haul trucks will be used in El Centro principally for pickup and delivery service or as circumstances may require.

The evidence shows that the proposed coordinated rail-truck service will result in time saving, on shipments moving in and out of this area by rail, of as much as twenty-four hours, and that pickup and delivery service for such shipments will become available to many rail patrons. Although the proposed service will increase applicant's annual operating costs approximately \$3,837, a saving of \$76 will result from the elimination of annual expenses of \$3,913, consisting of \$888 drayage cost at Imperial and \$3,025 paid to Southern California Freight Lines for handling less-carload shipments between El Centro and Holtville. Railroad savings will amount to \$4,409, making the total truck and rail estimated savings approximately \$4,485 per year.

Numerous consignees and several shippers testified in support of the application. The proposed faster deliveries and store-door pickup and delivery service would materially benefit them. Some also favored applicant's proposed local service. There was testimony to the effect that present valley truck service is somewhat unsatisfactory and not up to prewar standards; however, the

record clearly indicates that the quality of service has deteriorated because of war conditions.

The principal protestants were Pacific Freight Lines and Southern California Freight Lines, highway common carriers now serving all points on applicant's proposed routes excepting Niland. Other protestants were Pacific Freight Lines Express, Valley Express Company, and Southern California Freight Forwarders.

Company witnesses testified that Pacific Freight Lines maintains freight depots in Imperial Valley at El Centro, Brawley, and Calexico, operating five 1½-ton trucks at and from El Centro and one similar truck at each of the other points. This operator also employs an agent, two subagents, seven drivers, two dockmen, and three bookkeepers or clerks in performing service in this area. Pacific Freight Lines is the principal truck operator from the Los Angeles and Los Angeles Harbor area direct to Imperial Valley, operating from one to four combination units per day on this run. Departures from Los Angeles are daily except Sunday, at 7:00 P.M. and 11:00 P.M., with arrivals at El Centro at 4:00 A.M. and 6:00 A.M. the following morning. Consignees usually receive merchandise the day following departure. San Francisco shipments via Valley Express Company to Los Angeles and then via Pacific Freight Lines to El Centro are delivered to consignees at Imperial Valley points on the second day. The evidence shows that this operator also has few calls for intravalley or local less-carload shipments, averaging around ten such shipments or about four tons per month.

Southern California Freight Lines also offers a daily service to principal points in this area operating between San Diego and Yuma via U.S. Highway 80 and between Calexico and Calipatria via U.S. Highway 99 and State Highway 111. It employs an agent, drivers, and other personnel and maintains four trucks at El Centro.

Protestants contend that additional service, as proposed, is not needed and that existing carriers can and are adequately providing for the needs of the public. Pacific Freight Lines is willing to enter into joint-rate arrangements with the named railroads and make available to the latter's patrons the same service as proposed by applicant. Obviously, the railroads prefer to deal with an affiliated trucking company.

Upon the record in this proceeding we find that there is a public need for a service auxiliary to, or supplemental of, the rail service at the points named; that the benefits and advantages resulting from an improved and more expeditious service by coordination of rail-truck operations are in the public interest; that the proposed rail-truck service will not materially affect trucking companies now operating in the territory; that the authorized all-truck service that can presently be rendered by protestants Pacific Freight Lines and Southern California Freight Lines in Imperial Valley is adequate; that the proposed rail-truck arrangement will result in operating economies and improved service.

Based upon the evidence of record and said findings, we conclude that public convenience and necessity require the establishment of the proposed coordinated rail-truck operation but does not require the establishment by applicant of a local trucking service. Therefore, the application will be granted upon terms and conditions set forth in the order.

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

A public hearing having been had; the matter having been duly submitted, and the Commission being now fully advised, .

#### IT IS ORDERED:

(1) That a certificate of public convenience and necessity be and it is hereby granted to Pacific Motor Trucking Company, a corporation, authorizing the establishment and operation of a service as a highway common carrier, as that term is defined in Section 2-3/4 of the Public Utilities Act, between Calexico and Niland, California, and between El Centro and Holtville, California, and intermediate points on routes hereinafter described and within ten miles laterally on either side of the routes, subject to the following conditions and restrictions:

- (a) The service to be performed by applicant shall be limited to that which is auxiliary to, or supplemental of, the rail service of the Southern Pacific Company or Holton Inter-Urban Railway Company. .
- (b) Applicant shall not render service to nor from, nor interchange traffic at any point not a station on the rail lines of the Southern Pacific Company or Holton Inter-Urban Railway Company. .
- (c) The service authorized shall be limited to the transportation of shipments which it receives from or delivers to the Southern Pacific Company or Holton Inter-Urban Railway Company. All of said shipments shall receive, in addition to the movement by truck, an immediately prior, or an immediately subsequent movement by rail.

- (d) Applicant may render store-door pickup and delivery service at the points hereinabove described, only within the pickup and delivery zones for each respective point, as defined in the tariff of the Southern Pacific Company or Holton Inter-Urban Railway Company presently on file with the Commission and in effect.

(2) That in the operation of the highway common carrier service, pursuant to the foregoing certificate, Pacific Motor Trucking Company shall conform 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 is authorized to file any necessary changes in tariffs or time schedules on one (1) day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify such at any time by further order, Pacific Motor Trucking Company shall conduct said highway common carrier service over and along the following routes:

Between Calexico and Niland via U. S. Highway 99 and California State Highway 111.

Between El Centro and Holtville via U. S. Highway 80.

Service to off-route points shall be conducted over and along the most appropriate route or routes.

Applicant may institute the service authorized by this order on March 1, 1945, but for the purpose of permitting the filing of a petition for rehearing by any party the effective date of this order shall be the tenth (10th) day from and after the date hereof.

Dated at San Francisco, California, this 27<sup>th</sup>  
day of February, 1945.

Harold Anderson

Justice F. Cameron

Richard S. Baker

James A. Powell  
COMMISSIONERS