

Decision No. 37773

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	)
between Redding and Red Bluff, and	)
intermediate rail points.	)

Application No. 26186

WM. MEINHOLD, for applicant.

W. G. STONE, for Sacramento Chamber of  
Commerce, interested party.

CRAEMER, Commissioner:

O P I N I O N

Pacific Motor Trucking Company, a corporation, a subsidiary of Southern Pacific Company, seeks a certificate of public convenience and necessity authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between Redding and Red Bluff and intermediate points, via U. S. Highway 99.

A public hearing was held at Redding, the matter was submitted and is now ready for decision.

Applicant proposes to file and concur in tariffs which will set forth rates no lower than the minimum rates prescribed by the Commission in Decision No. 31606, as amended, in Case No. 4246. Service would be provided daily except Sundays and holidays.

The proposed operation would be co-ordinated with, and operated auxiliary to and supplemental of, the rail service of Southern Pacific Company in order to effect certain rail economies

and improvement in the service of the railroad. Less-carload rail traffic destined to Red Bluff or points intermediate to Red Bluff and Redding is loaded in a box car, which moves from Redding in a local freight train. If the authority sought is granted, the use of this box car would then be unnecessary, thereby eliminating 21,297 annual car miles. Annual savings to the railroad would be \$2,493.<sup>(1)</sup>

The estimated annual cost of the operation of the truck, as proposed, would be \$2,643, which exceeds the saving to the railroad by \$150. It was the position of the applicant that the excess cost would be more than justified by the improvement of service which would result under the proposed plan of operation.

Fourteen witnesses testified in support of applicant's proposal. Seven of these witnesses make or receive a small number of shipments which move between either Redding or Red Bluff and points intermediate thereto, most of which are transported by highway common carriers serving these points. While the volume of these shipments is not shown, it appears that they are relatively insignificant in comparison with those originating at or destined to points beyond Red Bluff or Redding. It was shown that the great preponderance of the traffic involved originates principally at Sacramento and San Francisco Bay points. Some

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(1) Elimination of the use of one box car would result in the following saving to the Southern Pacific Company:

	<u>PER ANNUM</u>
Car miles eliminated.....	\$ 553.00
Per diem on foreign cars used.....	458.00
Crew overtime handling merchandise.....	1,332.00
Fuel oil involved in merchandise delays...	150.00
Total	<u>\$2,493.00</u>

traffic also originates at Richmond, Stockton, Fresno and Los Angeles. This traffic appears to be about equally apportioned between Southern Pacific Company and highway common carriers. These witnesses stated that it is desirable to have a 24-hour earlier delivery of this traffic as proposed by applicant.

Exhibit No. 6, introduced by applicant, purports to show that during the selected months of January, April, July and October of 1943, 57,800 pounds of traffic moved through Red Bluff and 25,000 pounds moved through Redding, at which points interchange was made between Southern Pacific Company and applicant. Under applicant's plan of operation, rail-haul of this traffic would be eliminated. This traffic appears to average about 800 pounds daily. Only 3,500 pounds of such traffic was destined to two points intermediate to Red Bluff and Redding.

Evidence was introduced through operating witnesses indicating the amount of the Southern Pacific Company's rail traffic moving to or from the points involved.

(2)

SOUTHERN PACIFIC COMPANY  
(Pacific Lines)

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

(Data is confined to Less-Carload traffic and is representative  
of movement for one month)

STATION STUDIED	MONTH STUDIED	NUMBER OF CONSIGNEES RECEIVING SHIPMENTS		NUMBER OF SHIPMENTS RECEIVED		NUMBER OF CONSIGNORS FORWARDING SHIPMENTS		NUMBER OF SHIPMENTS FORWARDED	
		INTRA STATE	INTER STATE	INTRA STATE	INTER STATE	INTRA STATE	INTER STATE	INTRA STATE	INTER STATE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Anderson	10-'43	34	3	82	6	-	-	-	-
Cottonwood	4-'44	18	4	68	4	2	-	4	-
Red Bluff	4-'44	128	29	657	134	33	5	50	6
Total		180	36	807	144	35	5	54	6

(Continued)

No one appeared in opposition to the application.

After careful consideration of all the evidence in this proceeding, it is our conclusion that public convenience and necessity require the establishment and operation of highway common carrier service by applicant between Redding and Red Bluff and intermediate rail stations limited to traffic which has had a prior or subsequent rail movement. Such an operation would enable applicant, in conjunction with the service of Southern Pacific Company, to provide an earlier delivery at the points involved for the principal traffic, the need for which was shown to exist. In our opinion the record is insufficient to justify the establishment of an unlimited local service between the points involved.

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

(2) Continued

SUMMARY OF MOVEMENT OF INTRASTATE SHIPMENTS  
SEGREGATED AS TO ORIGIN OR DESTINATION TERRITORY

<u>INTRASTATE SHIPMENTS RECEIVED</u>			<u>INTRASTATE SHIPMENTS FORWARDED</u>		
<u>ORIGIN</u>	<u>NO.</u>	<u>PER CENT</u>	<u>DESTINATION</u>	<u>NO.</u>	<u>PER CENT</u>
San Francisco	433	53.7	San Francisco	11	20.4
East Bay	165	20.4	East Bay	13	24.1
Pts. north of S.F.	145	18.0	Pts. north of S.F.	21	38.8
Pts. south of S.F.	59	7.3	Pts. south of S.F.	7	13.0
Local pts. on proposed truck route	5	.6	Local pts. on proposed truck route	2	3.7
	807	100.0		54	100.0

in any respect limited to the number of rights which may be given.

O R D E R

A public hearing having been held on the above entitled application, the matter having been submitted, and it being found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity is hereby granted to Pacific Motor Trucking Company authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between Redding and Red Bluff and intermediate rail stations of Southern Pacific Company, subject to the following conditions:

- (a) The service to be performed by applicant shall be limited to that which is auxiliary to, and supplemental of the rail service of Southern Pacific Company.
- (b) Applicant shall not render service to, from, nor interchange traffic at any point not a station on the rail line of Southern Pacific Company.
- (c) The service herein authorized shall be limited to the transportation of shipments which applicant receives from or delivers to Southern Pacific Company. All of such shipments shall receive a prior or subsequent movement by rail in addition to movement by trucks by applicant.
- (d) Applicant may render store-door pickup and delivery service at the points hereinabove described, when within the pickup and delivery zones for each respective point as defined in the tariff of the Southern Pacific Company presently on file with the Commission and in effect.

(2) That in providing service pursuant to the certificate herein granted, applicant 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, appropriate tariffs and time schedules within sixty (60) days from the effective date hereof and on not less than five (5) days' notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify it by further order, applicant shall conduct the service herein authorized over and along U. S. Highway No. 99 with diversions therefrom to the points authorized to be served.

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

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco California, this 3rd day of April, 1945.

Harold Anderson  
Justice F. Carver  
Richard L. Lusk  
Frank Clark  
Frank Powell  
COMMISSIONERS