

**ORIGINAL**Decision No. 29297

## 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 ) Application No. 26103  
 service as a common carrier between )  
 Los Angeles, California, and Long )  
 Beach, California. )

FRANK KARR and E. L. H. BISSINGER, by E. L. H.  
 BISSINGER, for applicant.

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

H. P. MERRY, for Southern California Freight  
 Lines and Southern California Freight For-  
 warders, protestants.

BY THE COMMISSION:

O P I N I O N

In this proceeding Pacific Motor Trucking Company, a subsidiary of Southern Pacific Company, seeks authority, under Section 50-3/4, Public Utilities Act, to operate as a highway common carrier between Los Angeles and Long Beach. The trucking service would be coordinated with the rail service afforded by Southern Pacific Company and by Pacific Electric Railway Company, also a Southern Pacific subsidiary. Certain carriers in the field, viz., Pacific Freight Lines, Pacific Freight Lines Express, Valley Express Company, Southern California Freight Lines and Southern California Freight Forwarders appeared as protestants. The matter was submitted at a public hearing, had before Examiner Austin at Los Angeles.

In support of its proposal, applicant called operating

officials of both Southern Pacific Company and Pacific Motor Trucking Company; and it also produced representative shippers engaged in business at Long Beach.

Between Los Angeles and Long Beach intrastate traffic moves by rail over the lines of both the Southern Pacific and the Pacific Electric. The interstate traffic is handled by truck, under authority granted to applicant by the Interstate Commerce Commission. Less-carload rail traffic moving between Long Beach and points north of Los Angeles (including San Francisco Bay cities and intermediate territory) must pass through the Los Angeles yard, where normally it encounters a delay of one day. However, because of congestion at the Los Angeles terminal, freight cars frequently are held there for an additional day or more. <sup>(1)</sup> Between Los Angeles, Newport and Compton Pacific Electric operates a motor-box-car, daily except Sunday, serving Long Beach as an intermediate point. Although this car is capable of carrying loads up to fifty tons, its maximum capacity for the character of merchandise actually transported averages not over fifteen tons.

To obviate these delays, applicant proposes to establish a trucking service, which would be provided daily excepting Sundays and holidays. The line-haul equipment would operate between the Southern Pacific-Pacific Electric joint freight station at Long Beach and the freight stations maintained by those carriers,

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(1) Because of this congestion, it was shown, the movement of rail shipments between Los Angeles and Long Beach consumes as much as three days.

(2)  
 respectively, at Los Angeles, supplying an overnight service. All available routes would be used. Store-door pickup and delivery service would be performed both at Los Angeles and at Long Beach within the zones prescribed by the rail tariffs. Only traffic offered under the billing of Southern Pacific or that of Pacific Electric would be transported; this would include shipments moving locally between Los Angeles and Long Beach.

Certain efficiencies and economies, it was shown, could be accomplished. Freight consigned to San Francisco and intermediate territory would move by truck to Los Angeles, instead of by rail as at present, and there it would be loaded into freight cars destined directly to such points as Oakland, San Jose and Sacramento. At present this traffic is loaded in a single car at Long Beach and transferred to other cars at San Francisco, thus entailing a delay of 24 hours which would be avoided under applicant's proposal. The movement of freight to and from points north of Los Angeles, assertedly, would be expedited as much as forty-eight hours. Traffic consigned to Long Beach would be transferred at Los Angeles from rail to truck, thereby obviating the delays now encountered. The elimination of box cars now used in the transportation of less-carload traffic would result in a total annual saving of 2,374 car-days. Since space not ordinarily used is available upon trucks now carrying interstate traffic, the additional intrastate freight would provide a better load factor for this equipment. If necessary, larger trucks, and even trailers, would be supplied. Under the proposed rail-truck operations, net annual savings

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(2) The service would be conducted under the following time schedule:

		<u>Miles</u>			
9:30 a.m.	Lv.	0	Los Angeles	Ar.	6:15 a.m. 6:15 p.m.
10:45 a.m.	Ar.	21	Long Beach	Lv.	5:00 a.m. 5:00 p.m.

(3)  
estimated at \$2,418 would be effected.

The less-carload traffic transported between these points by applicant and its affiliated rail lines is substantial. A survey indicates that from Los Angeles it has averaged 71,694 pounds daily, and from Long Beach, 19,798 pounds. Ordinarily, Pacific Electric required four box cars daily to accommodate the less-carload traffic moving from Los Angeles to Long Beach. Of the total tonnage, about two-thirds was intrastate. Of the westbound traffic a daily average of 12,796 pounds, or 17.84 per cent, originated at Los Angeles; eastbound, the traffic consigned locally to Los Angeles averaged 1,028 pounds, or 5.19 per cent. The remainder moved to and from points beyond Los Angeles. From three to five trucks daily were required to accommodate the interstate movement.

(3) In the following tabulation the rail operating economies which assertedly would result from the proposed rail-truck operations are itemized.

	<u>PER ANNUM</u>
Elimination of merchandise car miles operating between Los Angeles and Long Beach	\$1,081.00
Elimination of one additional box car operating between Los Angeles and Long Beach	1,449.00
Elimination of per diems, on foreign box cars	<u>808.00</u>
TOTAL SAVING	\$3,338.00
Added transfer expense, Los Angeles	\$ 188.00
Cost of operating additional trailer between Los Angeles and Long Beach	<u>732.00</u>
TOTAL ADDITIONAL EXPENSE	<u>\$ 920.00</u>
NET SAVING	\$2,418.00

Ultimately, it was anticipated, still greater economies could be effected.

Applicant called some seven public witnesses, of whom six testified on behalf of shippers engaged in business at Long Beach, and one represented the Harbor Department of that city, as port traffic manager. Their tonnage, which was substantial, moved locally between Los Angeles and Long Beach and also between Long Beach and points north of Los Angeles, including San Francisco, Oakland and intermediate Coast and Valley points. To transport this traffic they have employed both the rail and the truck lines, including the protesting carriers. The existing rail service, they testified, was objectionable because of delays, ranging from two to seven days, commonly encountered at the Los Angeles terminal. A more expeditious service such as that offered by the applicant, they said, not only would be advantageous but it would be fully utilized. They conceded that the existing service, both by rail and by truck, was much slower than that provided prior to the war. The former service would be satisfactory, some testified, if it were restored. One shipper asserted that because of shortages, the pressure applied by his customers was greater than that exerted before the war. During the past five years, the tonnage moving through the Port of Long Beach has increased considerably, its traffic manager testified. (4)

(4) The following tabulation discloses, in column (a), the total ocean-borne traffic moving in and out of the Port of Long Beach during the period indicated; in column (b), the number of rail carloads moving in and out of the port; in column (c), the rail tonnage (included within column (a)) averaged at 40 tons per car; and in column (d), the truck tonnage (difference between columns (a) and (c)):

	(a) TONS (Total)	(b) RAIL CARLOADS	(c) TONS (Rail)	(d) TONS (Truck)
1939	2,660,645	6,000	240,000	2,420,645
1940	2,918,573	6,907	276,280	2,642,293
1941	3,457,156	4,113	164,520	3,292,636
1942	3,000,385	15,724	628,960	2,371,425
1943	3,688,888	15,226	609,040	3,079,848
1944	-----	20,000**	800,000	-----

\* NOT SHOWN

\*\* Estimated number of cars

Protestants' showing was presented through their operating officials. Prior to the war both Pacific Freight Lines and Southern California Freight Lines offered two schedules daily between Los Angeles and Long Beach, under which freight picked up in the morning would be delivered on the same day, and that collected in the afternoon would be delivered the following morning. Assertedly, this service would be restored upon the termination of the war. Under existing wartime regulations, they have been compelled to limit their operations, respectively, to one schedule daily between these points, under which an overnight service alone is available. Both carriers operate over extensive networks in southern California, and through their connections handle traffic originating at or destined to San Francisco, Oakland and intermediate points. Some shippers have unwarrantably ascribed to these carriers, it is claimed, responsibility for delays attributable to the shippers themselves or to their suppliers. Both protestants have been affected by manpower and equipment shortages, which have materially curtailed the volume, and depreciated the quality of the service they have been able to provide.

Pacific Freight Lines offered to transport between Los Angeles and Long Beach the rail traffic of Southern Pacific and Pacific Electric, if a more expeditious service appeared necessary. Such a service, the offer contemplated, would be conducted in coordination with the rail operations. Assertedly, Pacific Freight Lines, acting under regulations promulgated by the Office of Defense Transportation, has handled Southern Pacific freight at various points since May, 1942. Applicant declined the offer, contending that although the service could be physically provided, nevertheless the operation would not be feasible because of the difficulties

inherent in the proper coordination of the rail and the truck operations. Experience, it is claimed, had demonstrated that such an arrangement would not be satisfactory.

The conditions underlying and permeating applicant's showing, it appears, are temporary in character. Because of wartime activities the nature and the volume of the traffic have changed substantially, and it no longer flows in its accustomed channels. The efficiency of the service provided both by the applicant and the protestants has been impaired due to the impact of wartime regulations. In our judgment, the record would not justify the granting of the certificate sought, even though the proposed trucking service, if established, would accomplish certain economies and efficiencies. Under similar circumstances we have declined to issue permanent operating authority: (5) The application, therefore, will be denied without prejudice to its renewal when normal conditions once more prevail.

#### O R D E R

A public hearing having been had in the above entitled proceeding, the matter having been duly submitted, and the Commission now being fully advised,

IT IS ORDERED that Application No. 26103 be and it hereby is denied, without prejudice.

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(5) Re Reader Truck Lines, Decision No. 38012, dated June 19, 1945, in Application No. 26544; Re Signal Trucking Service, Ltd., Decision No. 38287, dated October 9, 1945 in Application No. 25857, and consolidated applications.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of November, 1945.

Harold Anderson  
Justin F. Quacken  
Francis W. ...  
Les H. ...  
 COMMISSIONERS