Decision No. 39416

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 Oakland and Tracy, California, and certain intermediate points.

Application No. 26433

ORIGINAL

WM. MEINHOLD, for applicant;

OPINION

Pacific Motor Trucking Company, a subsidiary of Southern Pacific Company, seeks a certificate of public convenience and necessity, under Section 50-3/4, Public Utilities Act, authorizing the establishment of a highway common carrier service between Oakland and Tracy, and intermediate rail points, situated on Southern Pacific lines, both main and branch. Pickup and delivery service would be provided at all points. The proposed service would be coordinated both with applicant's present trucking operations and with the Southern Pacific rail service, and it would be supplemental of and auxiliary to the rail operations. The matter was submitted at a public hearing had before Examiner Austin at San Francisco and Martinez. No one opposed the granting of the application.

The Southern Pacific main railroad line extends eastward from Oakland via Martinez to Tracy; from its junction with the main line at Avon, the San Ramon Branch extends south through Concord and Walnut Creek to Radum, a point on the Niles-Tracy line. Among the intermediate main line points are Emeryville, Berkeley,

Richmond, San Pablo, Pinole, Rodeo, Crockett, Port Costa, Martinez, Avon, Port Chicago, Pittsburg, Antioch, Brentwood, and Byron; those situated, on the San Ramon branch include Concord, Walnut Creek, Alamo, Danville and San Ramon.

Less-carload, freight now moves, by rail between San Francisco and Oakland, and, the main line points mentioned. Through its trucking facilities applicant now serves San Ramon branch line points. Outbound traffic would continue to move by rail from Oakland to Martinez, Port Chicago, Pittsburg and Tracy, respectively, where it would break bulk and be distributed by truck to intermediate rail points. Inbound less-carload shipments: would be handled by rail from Pittsburg to Oakland; from all other points, this traffic would move by truck.

In general, applicant would serve-both main and branch line rail points over various public highways and streets. Cartain alternate rout-s would also be used.

Regular Routes:

Between Oakland and Tracy:

From Oakland to San Pablo via U. S. Highway 40;

From Oakland to junction U. S. Highway 40 via U. S. Highway 40 business;

From junction U., S. Highway 40 and Panhandla Boulevard to Richmond, via Panhandle Boulevard, and Pullman Avenue;

From Richmond to San Pablo, via 23rd Street;

From San Pablo to Crockett, via U. S. Highway 40;

From Crockett to Martin-z, via California Highway 14-B;

From Avon to Port Chicago, via unnumbered highway;

From Port Chicago to junction California Highway 4 via unnumbered highways

From junction California Highway 4 and unnumbered highway to junction Byron Road via California Highway 4; .

From junction Byron Road and California Highway 4 to junction U. S. Highway 50 via Byron Road;
From junction U. S. Highway 50 and Byron Road to Tracy, via U.S. Highway 50.

(Contd. next page)

⁽¹⁾ In the performance of this service, applicant proposes to operate over the following routes, viz::

Pursuant to certificates previously issued, applicant conducts a highway common carrier service, coordinated with the Southern Pacific rail operations, between Martin-z and San Ramon, Concord and intermediate points (Decisions Nos. 26619 and 29444, dated December 11, 1933, and January 11, 1937, respectively); between Vallejo and Crockett (Decisions Nos. 30613 and 30647, dated February 9 and 21, 1938, respectively); and between Tracy and other points (Decision No. 27744, dated February 11, 1935; Decision No. 29216, dated October 26, 1936; Decision No. 35250, dated April 14, 1942; and Decision No. 35587, dated July 14, 1942).

(1) continued.

On each of the routes described above, service is proposed to and from all on-rail intermediate points on, and all on-rail off-route points on the line of Southern Pacific Company between Oakland and Tracy via Martinez.

:Alternate Routes, for Operating Convenience Only:

From Oakland to Walnut Creek, via California Highway 24; From Richmond to San Pablo, via 13th Street; From junction U. S. Highway 40 and unnumbered highway to

Stege, via unnumbered highway;
From junction U. S. Highway 40 and California Highway 4
to junction unnumbered highway near McAvoy, via
California Highway 4 (Franklin Canyon Road);
From junction California Highway 4 and unnumbered highway
to Martinez, via unnumbered highway;
From Concord, to junction California Highway 4, via
California Highway 24

California Highway 24.

At the hearing, applicant withdrew from consideration certain alternate routes over which authority to operate was originally sought, and the application was amended accordingly. The routes thus withdrawn comprise the following:

From junction Byron Road and California Highway 4 to Stockton, via California Highway, 4;

From Holt to Stockton, via unnumbered highway; From San Ramon to Dublin, via California Highway 21;

From Livermore, to junction Byron Road via U. S. Highway 50;/

From Livermore, to junction U. S. Highway 50, via unnumbered county highway;

From Greenville, to junction U. S. Highway 50 via U. S. Highway 50-Alternate.

Applicant no longer would serve San Ramon branch points from Martinez; this service would be replaced by that extending from Cakland to Walnut Creek via the Tunnel Road.

Under its proposal, applicant would provide a regular daily service (excepting on Sundays and holidays) over four principal divisions; viz: between Oakland and Martinez via Crockett; between Oakland, Walnut Creek, San Ramon and Martinez; between Martinez and Pittsburg; and between Pittsburg and Tracy. Each will be described in detail.

ROUTE 1 - Oakland-Crockett-Martifiez. Less-carload traffic originating at Oakland and points beyond, such as San Francisco, would move by truck to points situated along this route; freight consigned to Martinez would continue to move by rail. Scheduled stops would be made at Giant, Pinole, Hercules and Crockett; all other points would be served on-call. Leaving Oakland at 7:00 a.m., the truck would reach Crockett at 9:25 a.m. From Martinez it would return laden with outbound traffic received at Martinez and intermediate points, reaching Oakland by 3:50 p.m. Thus overnight service would be afforded from Oakland and San Francisco, and the outbound schedules would connect at Oakland with overnight trains reaching Sacramento Valley, San Joaquin Valley and Southern California points,

ROUTE 2 - Oakland-Walnut Creek-San Ramon-Martinez. Less-carload traffic destined to points on this route would be distributed from Oakland, The truck, leaving Oakland at 7:00 a.m. would travel the Tunnel Road (State Highway No. 24) to Walnut Creek, arriving there at 7:45 a.m. Following store-door distribution at that point, it would serve Alamo, Danville and San Ramon on-call. On two days a

week, when a trailer would be added to the tractor and semi-trailer ordinarily used in this operation, the trailer would be detached and left at Walnut Creek. The semi-trailer would reach Concord daily at 10:20 a.m., whence it would proceed to Martinez to accommodate traiffic originating there or transferred from Route 3, which may be destined to Oakland. Intermediate points such as Hookston, Galindo and Pacheco would be served en rout. On days when the trailer had been left at Walnut Creek, or when outbound shipments were offered there, the equipment would return via the Tunnel Road; otherwise it would use the Franklin Canyon Road (State Highway No. 4) and U. S. Highway No. 40. Traffic would reach Oakland in time to permit connections with overnight trains.

ROUTE 3 - Martinez-Pittsburg. Less-carload freight originating at Martinez, received there by rail or received from San Ramon branch line points; would move by truck to points on this route. Shipments consigned to Route 4 points would be transferred at Pittsburg. On the return trip, traffic originating at Pittsburg or received there from other points would be accepted for distribution to points on this route. Freight destined to Oakland would be transferred at Martinez to Route 2. The inbound truck would leave Martinez at 7:30 a.m., reaching Port Chicago at 8:00 a.m. and serving Mococo and Avon on-call. Rail shipments received at Port Chicago would be distributed there and at Nichols and McAvoy. Pittsburg would be served on-call to accommodate traffic consigned to that point, originating there or interchanged with Route 4. On the return trip the truck would 1-ave Port Chicago at 10:40 a.m. and reach Martinez at 11:00 a.m. Following the disposition of the line-haul traffic, the truck would be used to provide a pickup and delivery s-rvice at Martinez.

ROUTE 4 - Pittsburg-Tracy. Traffic originating at Tracy or received there from points beyond, both by rail and truck, would be distributed to points on this route. The truck would leave Tracy at 7:00 a.m., reaching Byron at 7:30 a.m., and Brentwood at 9:00 a.m. Janney, Bethany, Herdlyn and Byron Hot Springs would be served on-call. After performing a local delivery service, the truck would leave Antioch at 12:35 p.m., reaching Pittsburg at 12:45 p.m. It would leave Pittsburg at 1:45 p.m., reaching Antioch at 2:00 p.m., Brentwood at 3:30 p.m., Byron at 4:25 p.m. and Tracy at 5:00 p.m. Freight destined to or originating at points served by Route 3 would be transferred at Pittsburg. At Tracy traffic moving between points on this route and San Joaquin Valley points, including Stockton, which applicant is presently authorized to serve, would be interchanged.

Applicant, it was shown, owns and has available sufficient equipment to supply the service scught to be established. Motor vehicles assigned to this operation would be based at Oakland, Martinez and Tracy.

Throughout this territory, applicant would supply a pickup and delivery service more extensive than that now afforded. Such a service, though offered at several points, is not provided (2) at all of them, owing to applicant's inability to secure suitable contract draymen. Under applicant's proposal this service would be extended to all of the points involved. At Antioch and Brent-wood, applicant's service would replace that now performed by

⁽²⁾ Pickup and delivery service, it was shown, is provided at Oakland, Emeryville, Berkeley, Richmond, Crockett, Martinez, Mococo, Avon, Pacheco, Galindo, Concord, Hookston, Walnut Creek, Alamo, Danville, San Ramon, Port Chicago, Shell Point, Pittsburg, Antioch, Brentwood and Tracy. It is not available at other points; included among these are San Pablo, Pinole; Rodeo and Byron.

contract draymen. The line-haul trucks, as well as pickup trucks based at Martinez, Vallejo and Tracy, would be available for this purpose.

The rail service between the points affected was described by Southern Pacific operating officials. Less-carload freight originating at San Francisco now moves in box cars between San Francisco and Oakland - an operation consuming two days. This traffic, under the present proposal, would be trucked across the San Francisco-Oakland Bay Bridge, reaching Oakland during the early evening of the day the freight was received by the carrier. Thus, San Francisco shipments, in common with those originating at Oakland, would receive a more expeditious delivery throughout the territory affected.

From Oakland to Tracy, less-carload freight would continue to move by rail. Reaching Tracy at 4:00 a.m. on the first morning after leaving Oakland, this traffic is distributed by rail to Byron, Brentwood and Antioch, which now are accorded secondafternoon delivery. The application contemplates the elimination of the rail operation beyond Tracy, and the substitution of a trucking service which would afford second-morning delivery. Eventually, it is planned, the service would be still further expedited.

Shipments destined to San Ramon branch line points currently move by rail from Oakland to Martinez, and beyond that point by truck under applicant's existing operative rights. These communities, - of which Walnut Creek, Concord, Danville and San Ramon may be taken as illustrative, - now receive second-morning delivery. This traffic, it is proposed, would move by truck from

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Oakland via the Tunnel Road, thus according these points firstmorning delivery. This would replace the present truck service from Martinez, which would be discontinued. Buch a graph was

The present rail service between Oakland and Pittsburg would not be disturbed since this, assertedly, now satisfactorily accommodates the shippers, requirements. The substitution of truck for rail operation beyond Tracy, it was shown, would expedite deliveries at such points as Byron, Brentwood and Antioch.

The cost of providing the trucking service, and the economies in the rail operations flowing from its establishment, were described by operating officials. The annual out-of-pocket cost incurred in performing the trucking service over the fourroutes described would aggregate, \$23,022, it was estimated. Against Committee of the second this should be offset the cost of conducting the present Martinez-San Ramon Valley operation (which, under applicant's proposal, والمراقبة والمراجع والمراجع والمواور would be abandoned) amounting to \$9,709, thus leaving a total net Secretary of the second estimated cost of \$13,313. and the territory

	Description	Annual Miles Investment	Annual Cost
<u> </u>	Oakland - Crockett - Port Costa - Martinez	18750 - : \$2,500	\$5,386
2 :	Oakland - Walnut Creek - San Ramon-Concord-Martinez	24072 / 7,500 .	8,423
3	Martinez - Avon - Port Chicago - Pittsburg	7728 None	2,484
4	Tracy - Pittsburg Total	26010 5.000 76560 \$15,000	<u>6,729</u> \$23,022
	t - Martinez based operations eliminated Net increase	16983 59577 (\$11,000	9,709 \$13,313

⁽³⁾ In the following tabulation there appears a summary of the estimated cost of conducting the proposed operations, (distributed among the routes above described), against which has been credited the expense incurred in conducting the present Martinez-San Ramon branch service, which, it is contemplated, ... would be eliminated.

The economies attributable to the elimination of rail operations, as described, would amount approximately to \$18,103, it was shown. From this should be deducted the cost of trucking freight across the bridge from San Francisco to Oakland and the additional platform expense incurred for handling this traffic at Oakland, aggregating \$8,838, leaving estimated net rail economies (4) of \$9,265. To the latter should be added the sum saved through the elimination of contract draymen at Antioch and Brentwood,

⁽⁴⁾ In the following tabulation, the economies effected in conducting the rail operation, and the charges to be off-set against these savings, are set forth.

ECONOMIES	Per Annum
Elimination Merchandise Car miles, 43,561 car miles	\$1,060
Merchandise	3,298 1,105
of Merchandise from Crockett, Oleum and Selby to Oakland	384
Oakland - Port Costa Local	3,347 3,157 4,610
37,768 gellons	1,099
Total Estimated Economies <u>DEBITS</u>	\$18,103
Trucking Merchandise from San Francisco to Oakland Additional Platform Expense. Total Debits. Rail Economies.	\$4,554 -4,284 8,838 \$ 9,265

respectively, aggregating \$3,202, resulting in total operating economies of \$12,467. This falls short by \$846 of meeting the net cost of conducting the projected trucking service, amounting to This additional cost, it is claimed, \$13,313, as stated above. would be amply justified. Both the costs and the economies specified, it was pointed out, were computed on an out-of-pocket basis. Assertedly, other savings of an intangible nature should be considered, such as those predicated upon the elimination of delays to other traffic occasioned by the rail operations proposed to be withdrawn, and those occasioned by the avoidance of liability for per diem charges on freight cars which no longer would be required ' for this operation,

(5) The following tabulation indicates the estimated financial results of providing the proposed coordinated rail-truck service: Per Annum

Net Additional Trucking Costs . . Credit Rail Operating Credit Payments to Draymen at Antioch and Promise Antioch and Prom

Antioch and Brentwood 3,202 Total Credits

Net Additional Cost for

Providing Proposed Service

\$846

\$13,313...

12,467

(6) If the truck service were established, it was shown, the operation of box cars used for the transportation of less-carload freight between certain points would be discontinued. The freight car service, which, would be eliminated, includes the following:

One box car operating daily except Sundays and holidays, between Oakland and Port Costa;

One box car operating daily, except Sundays and holidays, from Tracy to Pittsburg, designated as the Antioch way car; One box car operating tri-weekly from Martinez to Oakland; One box car operating tri-weekly from Nichols to Oakland; One box car operating tri-weekly between Martinez and Avon; and

One box-car operating daily, except. Sundays and holidays, from San Francisco. to Oakland, containing transfer freight. A substantial volume of less-carload traffic now moves between points situated upon the routes described. During a representative month, a total of 3,085 less-carload shipments were handled to and from the points affected. These comprised 241 interstate, and 2,844 intrastate shipments. Of the latter, 1,839 shipments, or 59.6 per cent of the total, moved wholly by truck between points situated on applicant's lines.

In support of its proposal applicant called some 36 shipper and other public witnesses. Of these 12 represented shippers engaged in business at San Francisco Bay points, 22 testified on behalf of consignees located in communities scattered throughout the territory involved, and one appeared as spokesman for a county development association.

The shippers produced from the San Francisco Bay area comprised, generally speaking, manufacturers or wholesale distributors of various commodities. Some, it was shown, shipped their products to specific points within the territory involved; others marketed their wares generally throughout this region.

⁽⁷⁾ The San Francisco Bay shippers, represented at the San Francisco hearing, were engaged in manufacturing or distributing a variety of products. Included among them were wholesale distributors of chemicals and laboratory apparatus, hardware and steel articles, steel and wire products, and soap, glycerine, toilet preparations and cosmetics; manufacturers and distributors of tractors and farm machinery, asphalt roofing products and building papers, agricultural insecticides and fungicides, pipes and culverts, canal gates and irrigation machinery, and industrial chemicals; a mail-order house dealing in general merchandise; a public utility gas and electric company; and a local drayage operator. They were engaged in business in, or maintained plants at San Francisco, Oakland, Richmond and Berkeley.

Witnesses representing these shippers voiced their need for an improved transportation service which would expedite the distribution of their products throughout this area. Consignees constantly had complained of the existing slow service and of delays in delivery, they testified. A faster service is essential, they said, to permit renewal of depleted stocks of merchandise; to overcome manpower shortages; to supply the increasing demands of customers for equipment; and to meet constantly arising emergencies. The Southern Pacific rail service, and the combined rail and truck service provided by applicant and the Southern Pacific via Martinez, is slow, they testified; in fact, the service is slower than that formerly supplied. Occasionally highway contract carriers had been employed to transport shipments requiring prompt delivery. An expedited service, such as that proposed, they asserted, would be convenient, is highly desirable, and would be used if established.

The shippers produced from points located outside the
(8)
San Francisco Bay area, dealt in a variety of products. All
regularly purchased supplies from manufacturers or wholesale

⁽⁸⁾ These shippers, some 22 in number, (all but two of whom testified at the Martinez hearing) were engaged in business at Giant, Hercules, Rodeo, Crockett, Martinez, Port Chicago, Antioch, Byron, Brentwood. Walnut Creek, Danville and Concord. Two of them, situated at Giant and Hercules, respectively, operated plants for the manufacture of explosives where they received shipments of hardware, pipe and fittings, paints, electrical equipment and machine parts. Another operated a plant at Antioch for the manufacture of fiberboard shipping and food containers, where shipments of equipment, supplies, machinery, cord and paint were received. The remaining shippers comprised druggists, the proprietors of a department store, a variety store, a hardware store, a grocery and general merchandise store, dry goods stores and a furniture store; a dry cleaner, a sheet metal works proprietor; dealers in lumber and building materials, a market proprietor, a grower and distributor of fruits and vegetables; distributors of farm implements and repair parts; distributors of feed and poultry supplies; and a dealer in electrical and plumbing supplies.

distributors situated in Oakland or San Francisco; a few also dealt with firms located in San Leandro, Sacramento or Stockton.

These shippers unanimously expressed their need for a more expeditious transportation service than that now afforded. Substantial delays, it was shown, had been encountered in the transportation of shipments handled by Southern Pacific alone or by Southern Pacific and applicant via Martinez. Delays of three to four days were commonly experienced; frequently they ranged from five days to two weeks. During the preceding two years, the quality of the service, assertedly, had deteriorated. Expeditious delivery is essential, they said, to facilitate the maintenance of smaller inventories; to permit more frequent replenishment of merchandise stocks; to fill emergency orders for stock; and to meet urgent demands for repair parts occasioned by the breakdown of farm machinery.

The record, we are convinced, indicates a public need for the establishment of the proposed trucking operations. Through their instrumentality a more efficient service would be provided and substantial economies effected. Accordingly, the certificate sought will be granted, and applicant will be permitted to discontinue the existing service between Martinez and San Ramon, Concord and intermediate points.

Certain limitations, however, should be imposed. Since the proof submitted was confined to the needs of shippers offering for transportation freight which moves wholly within the territory covered by the present application (with certain exceptions, presently to be discussed), there manifestly has been no showing of public convenience and necessity sufficient to warrant the linking up of the operations her-in authorized with those which applicant may conduct between other points.

Under certificates previously issued, applicant now affords a highway common carrier service, coordinated with the Southern Pacific rail operations, extending to points situated both north and south of San Francisco, south of Oakland, north and east of Vallejo, south and east of Manteca, south and east of Tracy, and east, south and west of Dublin. At the points mentioned, these operations would connect with those which would be established under the certificate granted in the instant proceeding.

To prevent the linking up of these operations, a limitation will be imposed prohibiting the transportation of freight through the junction points specified. Precedent for such a restriction is found in Decision No. 39043, rendered June 5, 1946 (Re Pacific Motor Trucking Company, 46 C.R.C. 498) where applicant was authorized to extend its operations between Redding and Red Bluff. A small minority of the shippers, it is true, has purchased supplies at Sacramento and Stockton. In our judgment, however, the record does not justify the extension of applicant's operations so as to provide a through service between Sacramento and Stockton, respectively, and the points with which we are here concerned.

Pursuant to the understanding reached between applicant and certain other carriers in the field, a limitation will also be imposed prohibiting the operation of through trucks between San Francisco, Oakland, Alameda, Emeryville and Berkeley, on the one hand, and on the other hand, Banta, Lyoth and points beyond.

, Applicant has objected to any restriction limiting the

transportation of freight to that which may also receive, in addition to the trucking movement, a prior or a subsequent rail haul. In view of the characteristics of the service which applicant undertakes to provide throughout this territory, such a limitation, it is urged, would effectively prevent the performance of an efficient, coordinated rail and truck service. This contention, we believe, is supported by the record. Such a limitation, therefore, will not be imposed. An order will be rendered accordingly.

. <u>O R D E R</u>

Application having been made as above entitled; a public hearing having been had; the Commission now being fully advised; and it having been found 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, authorizing the establishment and operation of a service as a highway common carrier, as defined by Section 2-3/4, Public Utilities Act, between Oakland and Tracy, serving all rail intermediate points situated on the line of Southern Pacific Company extending from Oakland to Tracy via Martinez, including also those situated on the San Ramon branch line extending from Avon to San Ramon. Said certificate is granted subject to the following limitations:

- Applicant shall comply with the provisions of (b) 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 60 days from the effective date hereof and on not less than I day's notice to the Commission and the public.
- Subject to the authority of the Commission to change (c) or modify them by further order, applicant shall conduct operations pursuant to the certificate herein granted over and along the following routes:

Between Oakland and Tracy From Oakland to San Pablo via U. S. Highway 40; From Oakland to junction U. S. Highway 40 via

U. S. Highway 40 business; From junction U. S. Highway 40 and Panhandle Boulevard to Richmond, via Panhandle Boul-vard, and Pullman Avenue;

From Richmond to San Pablo, via 23rd Street; From San Pablo to Crockett, via U. S. Highway 40; From Crockett to Martinez, via California

Highway 14-B;
From Avon to Port Chicago, via unnumbered highway;
From Port Chicago to junction California Highway
4 via unnumbered highway;

From junction California Highway 4 and unnumbered highway to junction Byron Road via California Highway 4:

From junction Byron Road and California Highway 4 to junction U.S. Highway 50 via Byron Road; From junction U.S. Highway 50 and Byron Road to Tracy, via U.S. Highway 50.

Alternate Routes From Oakland to Walnut Creek, via California Highway 24;

From Richmond to San Pablo, via 13th Street; From junction U. S. Highway 40 and unnumbered

highway to Stege, via unnumbered highway; From junction U. S. Highway 40 and California Highway 4 to junction unnumbered highway near McAvoy, via California Highway 4 (Franklin Canyon Road);

From junction California Highway 4 and unnumbered highway to Martinez, via unnumbered highway; From Concord, to junction California Highway 4, via California Highway 24.

The effective date of this order shall be the date hereof. , Colifornia, this Dated at are , 1946. day of

COMMISSIONERS