

Decision No. 39514

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Marin-Sonoma Fast Freight, Inc.,
Merchants Express Corporation, and
Vallejo Express Company, for an
order authorizing the establishment
of joint rates between points on the
line of Marin-Sonoma Fast Freight,
Inc., and points on the lines of
Merchants Express Corporation and
Vallejo Express Company..

ORIGINAL

Application No. 27730

Appearances

Aaron H. Glickman and Douglas Brookman, for Applicants.
E. L. Van Dellen for Southern Pacific Company, North-
western Pacific Railroad Company, Pacific Motor
Trucking Company and Petaluma and Santa Rosa
Railroad Company; Protestants.

O P I N I O N :

By this application, Marin-Sonoma Fast Freight, Inc.,
Merchants Express Corporation, and Vallejo Express Company, highway
common carriers, seek authority to establish through routes and
joint rates and to operate through equipment for the transportation
of property..

Marin-Sonoma operates between San Francisco and Healdsburg
and intermediate points. Merchants is engaged in operations be-
tween San Francisco, South San Francisco, Oakland, San Leandro,
Hayward, Richmond and other points in Alameda and Contra Costa
Counties. Vallejo Express is in operation between San Francisco,
Oakland and Vallejo, Napa, Calistoga and intermediate points in
Solano and Napa Counties. It is proposed to establish joint class
rates between points served by Marin-Sonoma and those served by
Merchants and Vallejo Express. Traffic will be interchanged between
these carriers at San Francisco..

A public hearing was held before Examiner Bradshaw at San Francisco on September 17, 1946.

Joint rates are now maintained by Marin-Sonoma with Haslett Warehouse Company on traffic moving between the East Bay cities and points in Marin and Sonoma Counties. Merchants is also a party to joint rates with Sonoma Express Company, serving the territory between Petaluma and Healdsburg but not south of Petaluma.

Applicants are controlled by the same stockholders. Their witnesses testified that the proposed joint rates are necessary to develop additional tonnage, reduce handling costs by operating through equipment when the volume of traffic justifies, and effect improved load and use factors of equipment now in operation. They were of the belief that Merchants could obtain considerable freight from shippers it now serves in the East Bay destined to points in Marin and Sonoma Counties not reached by the Sonoma Express Company. This traffic, it was stated, now moves via Haslett under the joint rates to which Marin-Sonoma is a party. If handled by Merchants, instead of Haslett, it is anticipated that a more efficient use could be made of Merchants' equipment operating from the East Bay to San Francisco. Trans-bay traffic is much lighter westbound than in the opposite direction and it is sometimes necessary to move empty equipment from Oakland to San Francisco.

The use of through equipment is contemplated whenever the volume of freight tendered for transportation amounts to 10,000 pounds or over. While applicants expect to receive a substantial amount of traffic for movement from the East Bay to Marin-Sonoma destinations, most of which is now handled by Haslett between the East Bay and San Francisco, no estimates were given of the approximate daily tonnage they anticipate obtaining. It is stated that at present 8 to 10 tons per day move via the Haslett and Marin-Sonoma route and

that one and one-half van loads of miscellaneous freight, exclusive of large lots, are transported daily by Merchants destined to points reached by the Sonoma Express Company.

To the extent that through equipment is operated, applicants assert, a more expeditious service will be available than can be performed under present conditions. Delays are said to occur by rehandling shipments at San Francisco terminals -- a practice which would be eliminated by operating through equipment. The probable saving in transit time would appear to be as much as one day. It is claimed that the use of through equipment is not feasible in connection with the present arrangement between Haslett and Marin-Sonoma, because the vehicles of the former are of a type which cannot be attached to the latter's tractor units. On the other hand, the equipment operated by each of the applicants is said to be of the same type and can be used interchangeably.

The showing concerning available traffic between points served by Marin-Sonoma and Vallejo Express was somewhat general in nature. Although Pacific Motor Trucking Company, Southern Pacific, Northwestern Pacific and several contract carriers operate in the territory, applicants claim that they have received requests to establish service between these points.

The proposed rates between points served by Merchants and Marin-Sonoma are the same as now maintained by the latter in connection with Haslett, and are the minimum rates established by Decision No. 31606, as amended, in Case No. 4246. Between points served by Vallejo Express and Marin-Sonoma, however, it is proposed to publish rates approximately 110 per cent of the minimum rates between such points, except that no rates are proposed for weight brackets higher than 4,000 pounds. According to the witnesses, a lower level of rates would not be compensatory, considering the

longer haul via applicants' route and the fact that it entails the crossing of two toll bridges. On the other hand, they were of the opinion that a higher basis of rates would not attract traffic to the proposed route. Applicants' witnesses also stated that rates for weight brackets over 4,000 pounds were not believed to be necessary between these points, but that they were willing to establish them if a demand therefor should arise. In order to effect the desired publication, relief from the long-and-short-haul provisions of Section 21 of Article XII of the State Constitution and Section 24(a) of the Public Utilities Act is sought.

The proposed route between most of the points served by Vallejo Express and Marin-Sonoma is considerably longer than the highway distances over direct routes.¹ The volume of traffic on both of these carriers is heavier from San Francisco than in the opposite direction. While on the line of the originating carrier, shipments between Vallejo Express and Marin-Sonoma points would move in the direction in which traffic is the lightest. However, the movement on the line of the destination carrier would be in the direction in which the preponderance of the traffic is handled.

Representatives of two industries, which make daily shipments from Oakland to the Marin-Sonoma area, were called as witnesses for applicants. They testified that shipments were forwarded via Merchants to points it is able to serve in connection with Sonoma Express Company, but Haslett was used to the balance of the territory. Each of these witnesses complained of the pickup service rendered by Haslett, expressed satisfaction with that performed by Merchants, and stated that in the event the proposed joint rates were established

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For example: The constructive highway mileage between Calistoga and Healdsburg, published in the Commission's Distance Table No. 3, is 26.5 miles; the proposed rates between these points are the equivalent of the minimum rates applicable for 35 constructive miles; and the constructive mileage via applicants' proposed route through San Francisco is 189 miles.

the traffic now handled by Haslett would be diverted to Merchants. The reason for doing so, they said, was the more satisfactory pickup service of Merchants and the prospects of receiving faster service than presently available. One of these witnesses stated that three days are now required to move shipments via the Haslett and Marin-Sonoma route, while the other characterized the proposed service as necessary because quicker deliveries would be afforded. A third public witness, engaged in distributing lubricating oil from San Rafael to various points served by Vallejo Express, testified that shipments transported by Pacific Motor Trucking Company were frequently delayed -- sometimes from 7 to 28 days -- and that he would use the proposed service of Marin-Sonoma and Vallejo Express in order to obtain faster service.

Southern Pacific Company, Northwestern Pacific Railroad Company, Pacific Motor Trucking Company and Petaluma and Santa Rosa Railroad Company appeared at the hearing and protested the granting of the application. They took no further part in the proceedings than to cross-examine applicants' witnesses. No evidence was offered concerning the service of these carriers in the territory covered by the application.

The prospects of improving the service to the public, as a result of establishing the proposed through routes and joint rates, will necessarily depend upon the frequency with which traffic is offered in quantities to justify the operation of through equipment. This is a matter which cannot be determined with certainty from the facts presented. The record is also somewhat indefinite concerning the extent to which shipments will be expedited by operating through equipment when it is convenient or economical to do so. Nevertheless, it appears that the showing is sufficient

to justify the conclusion that, so far as the proposed through route and joint rates between Merchants and Marin-Sonoma are concerned, a substantial daily volume of traffic can be attracted to the new route, and that the public will benefit by a more expeditious highway common carrier service than now available.

As has been stated, the evidence as to prospective traffic between points served by Marin-Sonoma and Vallejo Express is confined to generalities. Moreover, no showing was presented in support of applicants' contention that the proposed rates to and from points reached by Vallejo Express will be compensatory. In view of the extremely circuitous route applicants propose to use in transporting shipments between Marin-Sonoma and Vallejo Express points, and the general conditions under which highway common carrier operations are at present conducted, approval of the proposed rates must be withheld, in the absence of a showing that they will be reasonably compensatory for the service rendered. The authorization of a through route between these points apparently would not serve any purpose if contingent upon the establishment of higher rates than proposed. As applicants concede, such a rate level would be too high for competitive purposes.

Upon consideration of all the facts and circumstances of record in this proceeding, the Commission is of the opinion and finds that the establishment of through routes and joint rates, including the operation of through equipment, between points served by Merchants and Marin-Sonoma is justified and should be approved. We further find that the establishment of through routes and joint rates between points served by Marin-Sonoma and Vallejo Express has not been shown to be in the public interest and should be disapproved. An appropriate order will be entered.

O R D E R

A public hearing having been held in the above entitled application and based upon the evidence received at the hearing and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Marin-Sonoma Fast Freight, Inc., a corporation, and Merchants Express Corporation, a corporation, be and they are hereby authorized to establish joint through routes, rates, rules and regulations, and to operate through equipment, for the transportation of freight between points on the line of Marin-Sonoma Fast Freight, Inc. and points on the lines of Merchants Express Corporation.

IT IS HEREBY FURTHER ORDERED that applicants be and they are hereby authorized to depart from the provisions of Section 21 of Article XII of the California Constitution and Section 24(a) of the Public Utilities Act, to the extent necessary to carry out the effect of this order; and that the rates, rules and regulations herein authorized may be published and filed on not less than five (5) days' notice to the Commission and the public.

IT IS HEREBY FURTHER ORDERED that, in all other respects, the application in this proceeding be and it is hereby denied.

The authority herein granted shall be void unless the rates, rules and regulations authorized in this order are published, filed and made effective within sixty (60) days from the effective date hereof.

This order shall become effective twenty (20) days from the date hereof,

Dated at San Francisco, California, this 15th day of October, 1946.

Harold P. Huls

Justus Z. Gallen

Samuel Powell

R. F. Johnson

Commissioners