

Decision No. 39970

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
VALLEY EXPRESS CO. and VALLEY MOTOR )  
LINES, INC., for an order authorizing )  
Valley Motor Lines, Inc. to extend )  
its service from San Jose to Salinas, )  
for the transportation of express )  
matter of Valley Express Co., and for )  
Valley Express Co. to abandon service )  
to certain off-line points. )

Application No. 27510

BEROL & HANDLER, by MARVIN HANDLER, for applicants,  
Valley Motor Lines, Inc. and Valley Express  
Co., and on behalf of Highway Transport Inc.,  
as interested party.

REGINALD L. VAUGHAN, for A. B. and Kenneth Clark, doing  
business as Clark Bros. Motor Transport System,  
protestants.

AARON H. GLICKMAN, for Security Truck Line, protestant.

DOUGLAS BROOKMAN and EDWARD P. ST. CLAIR, for California  
Motor Transport Co. Ltd., protestant.

O P I N I O N

(1)

Valley Express Co. is an express corporation as defined  
in Section 2 (k) of the Public Utilities Act, and as such serves,  
among other points, the area between San Jose and Gilroy and Salinas  
and intermediate points on U. S. Highway No. 101, which points,  
as well as several off-line coastal points including Monterey and  
Santa Cruz and points intermediate, are involved in this application.

Valley Motor, as part of its highway common carrier  
operations, provides a service between San Francisco and East Bay  
points, on the one hand, and San Jose, on the other hand. Service

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(1) For brevity, Valley Express Co. will hereafter sometimes be  
referred to as Valley Express, Valley Motor Lines, Inc. as  
Valley Motor and Highway Transport Inc., as Highway.

to and from points south of San Jose is rendered by Valley Express through use of Valley Motor between San Francisco Bay points and certain points south of San Jose. Valley Motor has operative rights between San Jose and San Luis Obispo with restrictions against serving intermediate points. The operations of both applicants are conducted under one ownership and management.

In this application authority is sought as follows:

1. Valley Motor to act as underlying carrier between San Jose and Salinas and intermediate points for Valley Express.
2. Valley Express to abandon service as an express corporation to the points indicated in Exhibit "A" attached to the application, which are located along the highway between San Jose and Pacific Grove via Los Gatos, Capitola, Watsonville, Castroville and Del Monte, as well as Aromas and Chittenden located east of Watsonville.
3. Valley Motor to extend its highway common carrier service over U. S. Highway No. 101 between San Jose and Salinas; over State Highway No. 25 between Gilroy and Hollister, and over State Highway No. 156 between San Felipe and San Juan Bautista.

We will consider these proposals in the order stated.

The Valley Express service between San Jose and Salinas is presently performed through the underlying carrier, Highway Transport, Inc. Difficulties in arranging schedules in hauling this tonnage involving a division of revenues on a rate prorate basis, makes it desirable, from applicants' point of view, to transfer this traffic from Highway to Valley Motor.

Valley Express presently serves all points involved herein as an express corporation, both from the San Francisco Bay and Los Angeles metropolitan areas and also from the Fresno and other San Joaquin Valley points. Valley Motor has a terminal at San Jose with equipment available for the proposed service. Terminals

are also maintained in the San Francisco-East Bay area. An operating witness testified as to the actual handling of shipments. The facilities of both applicants would be used in connection with traffic moving to the area proposed to be served. In addition there would be the advantage of single management with operations conducted through one terminal instead of two which would avoid delays in transit caused by interchange of traffic at San Jose between the facilities of Valley Motor and Highway under the present arrangement.

The method of handling shipments under the proposed service was described by witness Frasher. (Tr. 27 to 31) It would appear that the proposed arrangement would aid in providing better service than obtains under the arrangement with Highway, due to the fact that equipment could be scheduled without the present interchange at San Jose which is both complicated and expensive.

The second phase of the application deals with the proposal of Valley Express to discontinue service to certain points by employing Highway as its underlying carrier. It is alleged that there is not sufficient tonnage to said points to justify Valley Motor operating a direct service, and that such traffic as exists can be satisfactorily handled by Highway in connection with its own operation from the San Francisco Bay area, and that there will be at least one remaining service to all the points involved from each of the main origin or destination areas. Abandonment of

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(2) Applicants' Exhibit No. 2 shows an average of 129.1 tons per month handled to points to be abandoned for the months of May, June and July, 1946.

(3) Exhibit No. 3 shows tariff references of other carriers serving the territory proposed to be abandoned.

service to the twenty points enumerated will not result in any detriment to the shipping public, according to the testimony of a witness for Highway, who stated that his company was now rendering that service at a loss under its arrangement with Valley Express, and that by direct handling the operations will better serve the public and at the same time relieve Valley Express of an unnecessary burden of expense.

In the third phase of the application Valley Motor requests authority to extend its highway common carrier service from San Felipe over State Highway No. 156 to the point where it joins U. S. Highway No. 101 via Hollister and San Juan Bautista; also to extend its operations via State Highway No. 25 between its junctions with U. S. Highway No. 101, near Gilroy, and State Highway No. 156 near Hollister. It is the contention of this applicant that where it has enough tonnage to warrant direct delivery to Hollister, or San Juan Bautista, or Salinas, which originated in Los Angeles or San Joaquin Valley points, that it should be permitted to use Highway No. 156, which would shorten the length of haul by about 80 miles. Under present routing, the operation is over Highway No. 152 to a junction with Highway No. 101 at Gilroy and then proceeding to San Jose, where the freight for points south of San Jose is turned over to Highway and moved over Highway No. 101 to Gilroy, Salinas and intermediate points. As to operations over Highway No. 25, that route would be used when there is sufficient tonnage to warrant a direct operation to Hollister from East Bay territory, as Highway No. 25 offers a shorter route. The record shows the use of these highways would permit more economical and efficient handling in serving points already served by Valley Express.

The granting of the application was protested by A. B. and Kenneth Clark, doing business as Clark Bros. Transport System; California Motor Transport Co., Ltd., and J. H. Wythe, W. G. Wahl and R. E. Hoerler, doing business as Security Truck Lines. A stipulation was arrived at by applicants and Clark Bros. by which no fresh fruits or vegetables shall be transported northbound from Salinas and San Jose, to San Jose, or San Francisco, or East Bay points. Clark Bros. thereupon withdrew its protest.

California Motor Transport, through its president, did not protest the granting of the application as to any points over which Valley Express now operates a service south of San Jose, through Gilroy over Highway No. 152, but it did protest as to points south of Gilroy along Highway No. 101 to and including Salinas. The witness, however, was unable to state the volume of the tonnage destined to Salinas and in fact had no knowledge regarding tonnage into Salinas.

Upon due consideration of all the facts of record in this proceeding we are of the opinion, and so find, that the application should be granted, subject to certain restrictions which appear in the order following.

O R D E R

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

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Valley Motor Lines, Inc. authorizing the establishment and operation of service as a highway common carrier as defined in Section 2-3/4 of the Public Utilities Act, only for the transportation of express traffic of Valley Express Co., an express corporation as defined in Section 2 (k) of the Public Utilities Act, between San Jose and Salinas and intermediate points via Morgan Hill and Gilroy and serving the off-route points of San Felipe, Hollister and San Juan Bautista, subject to the following condition and restrictions:

- a. That the restrictions and limitations set forth in Decision No. 34294, as ratified and confirmed by Decision No. 35270, both in Application No. 19266, shall have no force or effect upon the authority herein granted.
- b. That no service will be rendered between San Francisco, on the one hand, and points between the southerly city limits of San Jose and Salinas, including Salinas, on the other hand.
- c. No perishable fresh fruits or vegetables may be transported from Salinas and points intermediate between Salinas and San Jose, to San Jose or San Francisco, or East Bay points; this restriction to apply only northbound and shall include all points within a radius of 6 miles from the main Post Office of Salinas.

(2) That in providing service pursuant to the certificate herein granted, Valley Motor Lines, Inc. shall comply with and observe the following service regulations:

- a. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, applicant shall establish the service herein authorized and 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 tables.

c. Subject to the authority of this Commission to change or modify them by further order, applicant shall conduct operations pursuant to the certificate herein granted over and along U. S. Highway No. 101 between San Jose and Salinas. Over and along California State Highway No. 25 between its junctions with U. S. Highway No. 101 near Gilroy and California State Highway No. 156 near Hollister. Over and along California State Highway No. 156 between its junction with California State Highway No. 152 at or near San Felipe and its junction with U. S. Highway No. 101 near San Juan Bautista.

(3) That Valley Express Co. may discontinue and abandon express service to, from or between the following points:

Campbell, Alma, Holy City, Glenwood, Santa Cruz, Seabright, Del Mar (Santa Cruz Co.), Capitola, Soquel, Sea Cliff, Aptos, Freedom, Watsonville, Pajaro, Aromas, Chittendon, Betabel, Del Monte, Monterey and Pacific Grove and the operative right therefor is hereby revoked and annulled.

(4) That Valley Express Co. shall within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public and under the provisions of Tariff Circular No. 2, file appropriate supplements to its tariffs to reflect the authority herein granted.

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

Dated at San Francisco, California, this 11th day of February, 1947.

Harold Kula  
Justice F. Brewer  
Joseph Powell  
R. J. ...  
Penelope ...  
COMMISSIONERS