

ORIGINAL

Decision No. 40016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HIGHWAY TRANSPORT, INC., a corpora-)
tion and CANTON TRANSBAY EXPRESS,)
INC., a corporation, for authority)
to operate between Oakland and San)
Jose, via State Highway No. 17 as)
an alternate route.)

Application No. 27618

BEROL & HANDLER, by Edward M. Berol, for applicants.
R. E. WEDEKIND, for Southern Pacific Company and Pacific
Motor Trucking Co., protestants.

O P I N I O N

In this application, as amended, Highway Transport, Inc.
and Canton Transbay Express, Inc., highway common carriers, are
seeking a certificate of public convenience and necessity authorizing
the transportation of property between Oakland and other east bay
cities and San Jose, via State Highway No. 17.⁽¹⁾

A public hearing was held by Examiner Gannon in San
Francisco on December 18, 1946.

Pursuant to Decision No. 39047 in Application No. 27385
applicants were authorized to establish through routes and joint
rates, and to operate through equipment for the transportation of
freight between the East Bay cities of Alameda, Oakland, Berkeley
and Emeryville and all points served by applicant Highway Transport
Inc. with the exception of those located on State Highways Nos. 1

(1) The original application requested authorization for an alternate
route between the East Bay points and San Jose. At the hearing
the application was amended so as to embody a request for a
certificate of public convenience and necessity rather than
as an application for an alternate route.

and 5.

Canton Transbay Express Inc. operates between San Francisco and the East Bay points of Alameda, Oakland, Berkeley and Emeryville via San Francisco-Oakland Bay Bridge. Highway Transport, Inc. operates between San Francisco and San Jose via Bayshore Highway and U. S. Highway No. 101. In this application it is proposed that applicants operate between Oakland and San Jose via State Highway No. 17, which route will be used by applicants for the transportation of property carried under joint rates as authorized in said Decision No. 39047 and no points or places will be served other than those authorized therein.

The record shows that the distance between Oakland and San Jose via the San Francisco-Oakland Bay bridge and U. S. Highway No. 101 is 58 miles while the distance between Oakland and San Jose via State Highway No. 17 is 41 miles, a difference of 17 miles. It is applicants' contention that they can materially reduce the cost of operation through the use of the shorter route with the resultant saving in time, mileage, drivers' wages and bridge tolls. Operation over Highway No. 17 would effect a saving of 114 hours of drivers' time, at \$1.87½ per hour, which aggregates approximately \$215 per month, to which would be added \$115 in bridge tolls and \$350 for additional mileage. The total saving in distance will amount to 2852 miles per month. The overall monthly saving in the cost of operation would therefore approximate \$680. It is claimed further that traffic on the Bay Bridge is congested and highway accidents occur with considerable frequency.

An employee of Highway Transport testified that for the month of October 1946 the volume of freight shipped from Oakland to San Jose was 350 tons; to Watsonville and Santa Cruz 150 tons; to Gilroy 60 tons; to Salinas 63 tons and to Monterey 50 tons, a

total of 673 tons. The total tonnage moving from San Jose and points south to the East Bay cities was 160 tons for the same period. The present overnight service would still be adhered to in the event the proposed service via Highway No. 17 is established. (2)

The witness further testified that Highway Transport and Canton Transbay had operated at substantial losses during 1946, notwithstanding increases in their local rates, and that they had an application on file with the Commission for a corresponding increase in their joint rates. So far as this witness was informed the equipment and billing to be used will be exclusively that of Highway Transport. Both companies are under common management and control. (3)

Granting of the application was opposed by Southern Pacific Company and Pacific Motor Trucking Company. An operating witness representing both protestants testified, in effect, that the difference in mileage over the two routes was unimportant and that carriers frequently transport freight a considerable distance without obtaining additional operating rights or endeavoring to operate over a route less hazardous and less costly for operative purposes.

This witness, when pressed by applicant for the basis of the protest, replied that the proposed service would be "highly

(2) Applicants anticipate that they will transport daily one load each for San Jose, Watsonville and Palo Alto, including service to adjacent points in each case. The loads for San Jose and Watsonville will be routed via State Highway No. 17 and those for Palo Alto via the Bay Bridge and U. S. Highway No. 101. This diversion of tonnage, it is claimed, will affect a substantial saving.

(3) This increase was granted by Decision No. 39827, dated January 7, 1947, in Application No. 27967.

competitive" with protestants' service, even though such proposed service might be more advantageous to the shipping public. The witness further testified that the granting of a certificate to Highway Transport and Canton Express will enlarge and increase the competition in that area. In his opinion a mere operating saving is of no benefit to the public if there is no change in the service, and when the field is amply covered with transportation there is no need for any additional transportation in that area. The fact is, of course, that there is no offer of additional transportation on the part of applicants. The identical service will be rendered over a different but more expeditious, safer and more economical route which would certainly appear to be in the public interest. The application will be granted.

In view of the relationship existing between the applicants it does not appear necessary to grant a joint certificate. Both applicants, under a single certificate, will be authorized to use the alternate route in performing the service they are now performing and for which both have made applications.

O R D E R

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

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Highway Transport, 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, between San Jose and Oakland. The authority herein granted is limited to the performance of service between points which Highway Transport, Inc., and Canton Transbay Express, Inc. are currently authorized to serve, respectively, pursuant to operative rights which they now hold. Such service may be performed only under the joint rate and through route arrangement authorized by said Decision No. 39047, dated January 5, 1946, in Application No. 27385.

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

- a. Highway Transport, Inc. 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, Highway Transport, Inc. 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 it by further order, Highway Transport, Inc. shall conduct operations pursuant to said certificate over and along State Highway No. 17.

(3) That in all other respects Application No. 27618 is hereby denied.

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

Dated at San Francisco, California, this 4th day of March, 1947.

Harold J. Auld
Justice J. Cameron
Joseph H. Howell
R. J. Drummond
Herbert H. Patten
COMMISSIONERS