

Decision No. 40103

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)  
HOOD TRUCKING CO., a corporation, )  
for a certificate of public conven- )  
ience and necessity to operate as a )  
highway common carrier. )

Application No. 27389

- FRANK LOUGHRAN and GERSFORD P. WRIGHT, for applicant.
- E. L. VAN DELLAN, for Northwestern Pacific Railroad Company, Pacific Motor Trucking Company and Southern Pacific Company, protestants.
- WILLIAM J. CUMMINGS, for Northwestern Pacific Railroad Company, protestant.
- LOUIS MENZIO, for Louis Menzio and E. J. Fields doing business as Resort Freight Lines, protestant.
- A. M. AKINS doing business as Akins Freight Lines, in propria persona, protestant.

O P I N I O N

By the above entitled application, as amended, Hood Trucking Co., a corporation, requests a certificate authorizing the establishment and operation of a highway common carrier service for the transportation of general commodities between San Francisco, South San Francisco, Oakland, Alameda, Emeryville, Albany, Berkeley, El Cerrito and Richmond, on the one hand, and, on the other hand, Blue Lake and Middletown and points intermediate to Blue Lake and Middletown located along State Highways Nos. 20 and 53, and Upper Lake and Lower Lake and intermediate points along State Highway No. 29 and the county road between Hughes Ranch Junction and Lower Lake. A public hearing thereon was had before Examiner Paul at Lakeport on November 6, 7 and 8, and December 4, 5 and 6, 1946, the proceeding being submitted on the latter date.

Applicant's plan of operation involves the use of two

routes between San Francisco Bay points and the Lake County points proposed to be served. One route is via the San Francisco Bay Bridge thence through Napa and Calistoga to Middletown, and the other route is via the Golden Gate Bridge and through Santa Rosa and Ukiah to Blue Lake. According to the record, applicant would use in this service three tractors, four semi-trailers and three pick up trucks, two of these trailers having insulated bodies. Schedules would be operated five days a week Sundays through Thursdays from San Francisco Bay points for deliveries at destinations in Lake County the following day. On three days each week operations would be conducted over the route through Ukiah to Blue Lake and on two days a week through Calistoga to Middletown. At Blue Lake and Middletown loaded trailers would be set out and bulk broken and distributed to various Lake County points by the use of local pick up trucks which would be stationed at applicant's Lakeport terminal where a local agent would be maintained. Return movements would be picked up at Lake County points by the local pick up trucks and loaded into line haul equipment at either Blue Lake or Middletown.

A financial statement introduced in the record shows that applicant has a net worth of approximately \$15,000 and adequate equipment to establish the operation. It appears he is qualified both financially and by experience to establish and conduct the proposed operation.

According to the record, applicant presently provides a highway contract carrier service for a limited number of shippers between the points involved. In support of the authority sought, testimony was produced through approximately 50 public witnesses.

These consisted of merchants, contractors, builders, plumbing supply dealers and representatives of local Chambers of Commerce in Lake County. In general, the testimony of receivers of shipments of freight at points in Lake County, which applicant proposes to serve, was to the effect that they are in need of a more rapid, adequate and efficient transportation service than that presently available. Many witnesses located at Lake County points testified that it requires from one day to one week, and in some cases a longer time, to receive shipments from San Francisco Bay points over the facilities of the existing carriers. A number of these witnesses emphasized that they had suffered numerous losses of and damage to shipments and delays in settlement of claims which constitute a very serious disadvantage in the conduct of their businesses. Witnesses pointed out that some commodities are difficult to obtain and then only upon a priority basis and if such commodities are lost or rendered useless they have been unable to replace them until the next allotment period. A few of the witnesses testified that they had been using applicant's service on a contract basis and that the applicant has been providing a satisfactory over night service thereunder. There was testimony from witnesses that on many occasions sales have been lost because of serious losses or damages to shipments or their inability to obtain prompt deliveries from points of origin. Others asserted they have been compelled to use their own equipment to obviate delays and losses of shipments particularly on contract construction jobs involving the employment of skilled labor. Receivers almost universally asserted they would use applicant's service if it were authorized and established. Many expressed a preference for a single through truck service from origin to destination without transfer en route,

except between line haul and pick up trucks which would avoid delays and reduce the chances for damage to shipments and would be an improvement over the service provided by the existing carriers. Shippers stated that they have a need for and would use applicant's proposed refrigerated service for perishable goods which would be operated two days each week.

Evidence in opposition to the service proposed by applicant was produced by Southern Pacific Company, Northwestern Pacific Company, Pacific Motor Trucking Company, Akins Freight Lines and Resort Freight Lines. Their services were described by operating officials.

Less carload traffic originating in San Francisco and destined to Kelseyville, Blue Lake and other points, on the westerly and northerly sides of Clear Lake move over the facilities of Pacific Motor Trucking Company from San Francisco to San Rafael. At San Rafael this traffic is loaded into steel wheeled box cars which form a part of the Northwestern Pacific passenger train No. 4. This train leaves San Rafael at 8 p.m. and arrives at Ukiah about midnight daily except Sundays. At Ukiah, traffic destined to Lake County points is transferred to Pacific Motor Trucking Company for first morning delivery to the Lake County points. Less carload traffic originating at Oakland and destined to the above named points is loaded into box cars and barged to Tiburon where the cars are placed in a Northwestern Pacific freight train which leaves Tiburon about 11 p.m. and arrives at Ukiah the next morning about 9:30 or 10 o'clock. This traffic is likewise transferred to Pacific Motor Trucking for second day delivery at destinations.

Less carload traffic originating at San Francisco and Oakland and destined to Lake County points of Middletown, Lower Lake, Clear Lake Highlands and other points on the southerly and easterly sides of Clear Lake are loaded into a Southern Pacific box car which moves in a freight train from San Francisco through Oakland to Suisun-Fairfield. At Suisun-Fairfield this traffic is transferred to a local Southern Pacific freight train which moves the traffic to Napa arriving there about 4 a.m. At Napa this traffic is transferred to Pacific Motor Trucking for transportation to Calistoga where it is delivered to Southern Pacific's connecting carriers Akins Freight Lines and Resort Freight Lines. Under joint rate arrangements with Southern Pacific the latter carriers transport this traffic from Calistoga to the above named Lake County points for second day delivery. Operative witnesses for the latter carriers stated that shipments were picked up at Calistoga around noon for deliveries at destination during the afternoon of the same day.

Approximately 25 public witnesses testified in regard to the service received by them at Lake County points through the facilities of Pacific Motor Trucking Company and its connecting carriers. This testimony was substantially to the effect that such service was generally satisfactory, although some indicated that they desired faster service. The claim agent of the Northwestern Pacific stated that claims are usually settled within 30 days on the average although in many cases more time is necessary when they are not properly presented. If claims are properly presented they should be settled within 15 days, so he asserted. However, so he testified, the majority of claims were paid within 60 to 90 days.

Documentary evidence was introduced by the rail carriers and its subsidiary truck line to show the time in transit of less carload traffic between origin and destination points. It was also shown that delays of deliveries of shipments in many cases occurred because the consignees were established outside Pacific Motor Trucking's pick-up and delivery limits. The shipments were held at the carriers' depot at Lakeport and a notice of arrival thereof was mailed to the consignees.

One of the outstanding features of the testimony of the public witnesses was an expressed need for less time in transit of shipments from San Francisco Bay origin points to Lake County destinations. This record shows that a considerable portion of the shipments transported by the existing carriers requires more than two days' time in transit between such points. Some of this delay appears to be a result of the fact that transfers are necessary between different types of transportation. Shipments moving from San Francisco via Ukiah move over a combination of truck, rail and truck line haul services. Shipments moving from San Francisco Bay points to points in Lake County southerly and easterly of Clear Lake move by rail to Napa thence by a rail subsidiary truck line to Calistoga thence by connecting truck carriers from Calistoga to such points. An operative official of one of the latter connecting carriers stated that consideration had been given to a plan of operation under which connections would be made with Southern Pacific Company at Napa instead of Calistoga which would eliminate the transfer of shipments at Calistoga. However, it was not explained why such plan had not been put into effect. He also expressed the opinion that if applicant's proposed operation were authorized it would jeopardize his ability to continue his truck

operations between Calistoga and Lake County points.

From a review of the record it appears that under applicant's proposal, receivers of freight at Lake County points would receive next day deliveries of most shipments. It was also shown that there is a public need for a service to transport shipments with less damage and loss thereto in transit than is now available. Applicant's plan to provide a through terminal to terminal service without intermediate transfers would reduce opportunities for losses of and damages to shipments-in transit which are present under the existing operations. Such plan would also tend to speed up the service.

The record shows there has been a considerable increase in the population of the Lake County area under consideration, with a consequent increase in commercial activity. This has resulted in a greater tonnage of freight moving into the area. Therefore, we do not believe that establishment of applicant's proposed service will have a materially adverse effect upon the business of the existing carriers.

Upon consideration of the entire record, the Commission concludes that public convenience and necessity require the granting of a certificate as sought by applicant. It will be expected to render the expeditious service with minimum delays, losses and damages which this record shows is needed.

Hood Trucking Co. is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing for any amount of money in excess of that originally paid

to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

O R D E R

An application therefor having been filed, a public hearing held, 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 Hood Trucking Co., a corporation, authorizing establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of property between San Francisco, South San Francisco, Oakland, Alameda, Emeryville, Albany, Berkeley, El Cerrito and Richmond, on the one hand, and, on the other hand, Blue Lake and Middletown and points intermediate to Blue Lake and Middletown located on State Highways Nos. 20 and 53, and Upper Lake and Lower Lake and intermediate points along State Highway No. 29, between Upper Lake and Hughes Ranch Junction, and the county road between Hughes Ranch Junction and Lower Lake.

(2) That in providing service pursuant to the certificate herein granted, applicant 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 the following routes:

Over and along U. S. Highways Nos. 101 and 101-A between South San Francisco and San Francisco; over and along U. S. Highway No. 101 between San Francisco and Ukiah; over and along State Highway No. 20 between Ukiah, Upper Lake, Clear Lake Oaks to the junction of State Highway No. 53; over and along State Highway No. 29 between Upper Lake and Hughes Ranch Junction, thence over the county road to Lower Lake; over and along county roads between State Highways Nos. 29 and 20.

Beginning at San Francisco thence over U. S. Highway No. 40 to Vallejo, thence over State Highways Nos. 29 and 53 through Napa, Calistoga and Clear Lake Park to the junction of State Highways Nos. 53 and 20 near Clear Lake Oaks.

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

Dated at Los Angeles, California, this 25<sup>th</sup> day of March, 1947.

Harold P. Hule  
Justin F. Callicott  
A. F. [unclear]  
[unclear]

COMMISSIONERS