

Decision No. 40364

BEFORE THE PUBLIC UTILITIES 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

WILLIAM MEINHOLD, for applicant.

FIRST SUPPLEMENTAL OPINION

Applicant, Pacific Motor Trucking Company, seeks a modification of Decision No. 39414, rendered herein September 17, 1946, so as to include authority to operate over an alternate route, inadvertently omitted from that decision, and to eliminate certain provisions of the order imposing restrictions upon the service which may be performed under the certificate granted. The matter was submitted at a public hearing, had before Examiner Justin at San Francisco on February 24 and 28, 1947. Although the carriers in the field were duly notified, no one appeared in opposition to applicant's proposal. Applicant's showing was presented through its operating officials, and through shipper-witnesses.

By Decision No. 39414 a certificate was issued to applicant authorizing the operation of a highway common carrier service "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." Operation

was authorized over specified routes, subject to certain limitations (1) which were imposed.

This decision, applicant alleges, inadvertently excluded from the alternate routes over which applicant was authorized to operate, a route extending from San Ramon to Dublin, via California Highway No. 21. A review of the record indicates that applicant did not withdraw this route from consideration, as erroneously stated in the opinion. Accordingly, the decision will be corrected in this respect.

Applicant objects to the limitation imposed by paragraph (1) (c) of the order which provides, in effect, that the operative right granted should not be used in combination with any other operative right held by applicant, so as to permit any through service to be conducted between specified points, viz., San Francisco, Oakland, Vallejo, Manteca, Tracy and Dublin (where the operative right granted connects with applicant's existing operations), on the one hand, and points reached by such connecting operative rights, on the other hand; nor to permit the transportation of shipments through such connecting points. Thus, under

(1) The order provided that the certificate therein granted should be subject to certain limitations, viz.:

- (a) The service performed hereunder by applicant shall be limited to that which may be auxiliary to or supplemental of the rail service of Southern Pacific Company.
- (b) Applicant shall not render service to or from, nor interchange traffic at, any point not a station on the rail lines of Southern Pacific Company.
- (c) The operative right granted hereunder shall not be used in combination with any other operative right held by applicant to permit the operation of through service between San Francisco and points north and south thereof; between Oakland and points south thereof; between Vallejo and points north and east thereof; between Manteca and points south and east thereof; between Tracy and points south and east thereof; and between Dublin and points east, south and west thereof; nor shall any shipments be transported by applicant through San Francisco, Oakland (excepting to and from San Francisco), Vallejo, Manteca, Tracy and Dublin, or any of said points.
- (d) No through trucks shall be operated between San Francisco, Oakland, Alameda, Emeryville and Berkeley, on the one hand, and, on the other hand, Bente Lyoth and points north, east, and south thereof.

the terms of this restriction, no through service could be provided between San Jose and Walnut Creek via San Francisco and Oakland, for example. Applicant has not objected to the other limitations imposed by the order, including paragraph (1) (d), which provides that no through trucks may be operated "between San Francisco, Oakland, Alameda, Emeryville and Berkeley, on the one hand, and, on the other hand, Santa, Lyoth and points north, east and south thereof." This restriction, it appears, was embodied in the decision pursuant to an understanding reached between applicant and the carriers in the field.

The provisions of paragraph (1) (c), if permitted to stand, it is claimed, would preclude the realization of the efficiencies and the economies which applicant desires to accomplish through the operation of the trucking service sought to be established. Only by means of through service between points in the Oakland-Tracy territory, herein involved, and those situated on connecting operations, which applicant currently may serve under its existing certificates, it is asserted, can these objectives be achieved.

At the hearing applicant offered evidence in support of these contentions. An operating official testified that applicant now holds certificates authorizing highway common carrier operations, auxiliary to the rail service of Southern Pacific Company, between San Francisco and Marin County points; between San Francisco and Oakland; between Oakland, Richmond, San Jose and intermediate points; between Crockett and Napa Valley points; and between Tracy and San Joaquin Valley points. These operations, it is proposed, would be unified with those conducted throughout the Oakland-Tracy territory
(2)
here involved.

(2) Under applicant's plan it would be free to conduct, should it be so advised, a through trucking service between Lodi, on the north, and Merced and Los Banos, (in the San Joaquin Valley) on the south, reaching points situated on its present operative rights, as well as those within the Oakland-Tracy territory. It also could perform such a service between Marin County points, San Jose, Livermore and Stockton, respectively, and the Oakland-Tracy territory, serving also all intermediate points. Traffic would continue to move by rail and truck, as at present, to and from Sacramento Valley points.

By so doing, it is claimed, applicant could effect substantial economies, through the elimination of the more expensive less-carload rail service and the substitution of a trucking service. (3)
Also the time in transit could be materially reduced.

Applicant seeks to avoid the imposition of any restriction which would prevent the transportation of less carload traffic in the most economical manner. Any limitation preventing the movement by truck of less-carload traffic now handled by rail, it is contended, would necessitate the continuance of some rail service to accommodate these shipments. The rail operating costs thus incurred, it was pointed out, would tend to offset the economies which otherwise would result were the traffic transported wholly by truck. Moreover, the shipments required to move by rail would not benefit from the reductions in in-transit time incidental to the all-trucking service.

Applicant does not contemplate the operation of through trucking service over long distances, it was stated, this being contrary to its established policy. The average truck route, it appears, is somewhat less than 40 miles. However, applicant desires complete freedom to operate between any points which it serves, wherever this would result in operating economies, such as those incidental to the through movement of full truck loads.

Another operating official submitted a statement showing in detail the shipments which had moved, during selected periods,

-
- (3) Several examples were cited indicating the greater efficiency and economy incident to through trucking operation within this territory. Typical of these is the movement from Livermore to the Oakland-Tracy territory. At present less-carload traffic, originating at Livermore and destined to Walnut Creek, moves via truck from Livermore to Oakland, thence via rail to Martinez, thence by truck to Walnut Creek. Under applicant's proposal, this would move by truck from Livermore to destination, via Oakland and the Tunnel Road. Full truck loads would move over the alternate route via Dublin and San Remon.

over the lines of both Southern Pacific and Pacific Motor through certain points referred to, in Decision No. 39,414, as "junction points", where operations within the Oakland-Tracy territory connect with applicant's existing operations. This statement covered all shipments handled through these junction points, during the months of January, April, July and October, 1946, between points in the Oakland-Tracy territory and those served under connecting operative rights. Assertedly, this showing was representative of the traffic moving throughout the year between these points. During the periods specified, 624 shipments were received at points within the Oakland-Tracy territory, and 132 shipments were forwarded from such points, resulting in a total of 756 shipments moving both inbound and outbound.

Some 17 public witnesses were called, of whom 16 represented shippers or receivers of freight situated in the Oakland-Tracy area or in adjacent territory, and one appeared as spokesman for the Stockton

-
- (4) The "junction points" referred to in the statement mentioned, and specified in Decision No. 39414, comprise San Francisco, Oakland, Vallejo, Manteca, Tracy and Dublin. At these points the operations certificated by that decision would connect with those conducted by applicant under its existing certificates.
- (5) The shipments covered by this study moved between points within the Oakland-Tracy territory (some fourteen in number) and points in southern Alameda County (including Niles, Newark, Pleasanton and Livermore); Peninsula points (extending south of San Francisco to Palo Alto); Marin County points; Vallejo and Benicia; and San Joaquin Valley points (extending north of Tracy to Stockton and Lodi; and south of Tracy to Merced, on the east side of the valley and to Los Gatos, on the west side.)
- (6) The shippers located in the Oakland-Tracy area were engaged in business at Pittsburg, Brentwood, Walnut Creek, Crockett, Rodeo and Pinole. Those situated in adjoining territory were engaged in business at Stockton, Benicia, San Rafael, South San Francisco, Furlingame, San Mateo, Redwood City, San Jose, Pleasanton, Niles and Newark.

(7)
Chamber of Commerce. They dealt in a variety of commodities. Their shipments moved between widely distributed points, situated both within and without the Oakland-Tracy territory. (8) All these shippers, it was shown, regularly have used the applicant's service for the transportation of freight moving to and from the Oakland-Tracy area. Their shipments moved frequently and in substantial volume. All have encountered delays in transit-time, ranging ordinarily from two to ten days, and even longer in some instances. As a result, some have lost business. Distributors located outside the Oakland-Tracy territory reported many complaints on the part of their customers. To insure more expeditious delivery, some have resorted to other carriers serving the territory or have employed their own trucking facilities. All asserted they would take advantage of the more expeditious service which applicant proposes to establish.

A representative of the Stockton Chamber of Commerce (appearing for the Transportation Committee, which had considered the present application) described the service provided by Southern Pacific-Pacific Motor between Stockton and the territory extending from Tracy to Pittsburg, inclusive. This service, he said, was slow and unsatisfactory; many complaints regarding it had been

-
- (7) Those located within the Oakland-Tracy area comprised dealers and distributors of automobiles and parts; Putane appliances and equipment; a department store proprietor; an electrical contractor; dealers in electrical appliances, radios, refrigerators, furniture, hardware, lumber, plumbing and sheet metal, and stoves and fixtures. Those situated outside the Oakland-Tracy area included manufacturers and distributors of clay products, such as tiles; commercial refrigeration appliances; hardware; nursery stock; oil heating equipment, including furnaces and water heaters; stoves; sweeping and cleaning compounds and welding electrodes.
- (8) Shipments moved from distributors located at Stockton, Benicia, San Rafael, Niles, Pleasanton, Newark, South San Francisco, San Mateo, Burlingame, Redwood City and San Jose to customers situated in Antioch, Pittsburg, Concord, Walnut Creek, Danville, Martinez, Crockett, Selby, Oleum, Rodeo, Pinole, Richmond and intermediate points generally. Dealers located at Brentwood, Antioch, Pittsburg, Walnut Creek, Crockett, Rodeo and Pinole received shipments from Stockton, Newark, South San Francisco, San Mateo, and Redwood City. The Civilian Transportation Agent at Camp Stoneman, near Pittsburg, described the movement of government clothing, equipment and subsistence from the supply depot at Lyoth near Tracy.

received by the chamber. In his judgment, this condition would be alleviated were applicant's proposal approved, and Stockton shippers afforded the benefit of an overnight delivery service throughout this territory.

At the original hearing in this matter, the operating officials produced by applicant referred generally to the movement between the Oakland-Tracy area and points served by applicant's connecting operative rights. Applicant, it was stated, would handle traffic moving over its lines to and from the junction points connecting the existing and the proposed operations, viz., Oakland, Martinez and Tracy. Aside from Newark, Stockton, Los Banos and San Joaquin Valley points south of Tracy no communities or territory was mentioned. No definite movement was shown between these points and the Oakland-Tracy area. Of the shipper-witnesses called, seven referred to shipments they had received from Stockton, three from Sacramento, one from San Leandro and one from Hayward.

The record, we believe, justifies the linking up of applicant's operations between the points as to which a certificate is sought in this proceeding, and those situated in adjacent territory, so as to permit through operation between the Oakland-Tracy area and certain points served by applicant under its existing certificates. To this extent, the decision previously rendered herein should be modified.

As stated, the evidence disclosed that traffic has moved regularly between the Oakland-Tracy area and certain points which applicant serves under its existing connecting certificated operations. Generally speaking, these extend southward from Oakland to Livermore, Tracy, Newark and San Jose; south along the peninsula from San Francisco to San Jose; northward from San Francisco to Marin County points; northward from Crockett to

Benicia and Vallejo; from Tracy north to Stockton and Lodi; and from Tracy southward through the San Joaquin Valley, to Merced on the east side, and to Los Banos on the west side.

In the Redding Case, the present applicant was authorized to extend its operations between Redding and Red Bluff, subject, however, to certain limitations restricting the transportation of shipments through Redding and Red Bluff, respectively. (Re Pacific Motor Trucking Company, 46 CRC 498; Decision No. 39043, in Application No. 26186). There, applicant disclaimed any intention to establish a trucking service unrelated to the rail service and directly competitive with the service supplied by the independent truck carriers. On the contrary, it declared its intention of coordinating both the truck and the rail operations by employing trucks only as a means of improving and supplementing the rail service. Notwithstanding this announcement, a limitation was imposed defining the extent to which the operations authorized could be connected up with applicant's existing operative rights. Under the present record, we believe, a similar course should be followed here. This can best be accomplished, we believe, by ~~modifying~~ modifying paragraph (1) (c) of our previous order, so as to permit through trucking operations between the points mentioned above and the Oakland-Tracy area. As to through operations to and from more distant points, currently served by applicant under its existing certificates, the record does not warrant the removal of the limitations imposed by Decision No. 39414. Accordingly, they will not be disturbed.

FIRST SUPPLEMENTAL ORDER

Applicant having sought a modification of the decision previously rendered herein; a public hearing having been had; the matter having been duly submitted; and it having been found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That subparagraph (c), paragraph (1), of the order contained in Decision No. 39414, rendered herein September 17, 1946, be and it hereby is modified and amended to read as follows:

"(c) The operative right granted hereunder shall not be used in combination with any other operative right held by applicant to permit the operation of through service between San Francisco and points north and south thereof (other than points extending north to and including San Rafael, Fairfax, Sausalito, Mill Valley and San Quentin; and south to and including San Jose); between Oakland and points south thereof (other than points extending south to San Jose, via Niles and Centerville; and south and east to and including Livermore and Pleasanton and west to San Francisco, and points that may be served through that point); between Vallejo and points north and east thereof (other than Benicia); between Dublin and points east, south and west thereof (other than points extending south and east to Livermore and Pleasanton; and south and west to San Jose, via Hayward, Niles and Centerville); and between Manteca and Tracy, respectively, and points south, east and north thereof (other than points extending south to Merced and Los Banos, respectively; and north to Stockton and Lodi). No shipments shall be transported by applicant through San Francisco, Oakland, Vallejo, Manteca, Dublin and Tracy, or any of said points, excepting to and from the points respectively, hereinabove specified."

(2) That subparagraph (c), paragraph (3), of said order insofar as it describes and defines the alternate routes over and along which applicant is authorized to conduct its operations, pursuant to the certificate granted by said order, be and it hereby is modified and amended by adding thereto the following alternate route, viz.:

"From San Ramon to Dublin, via California Highway 21."

(3) That the time within which applicant may comply with the provisions of subparagraphs (a) and (b), paragraph (3), of said order, be and it is hereby extended until and including 60 days after the effective date hereof.

In all other respects, said Decision No. 39414 shall remain in full force and effect.

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

Dated at San Francisco California, this 3rd day of June, 1947.

Harold F. Kula
Justice B. C. Cullen
W. H. Russell
A. B. Johnson
Penelope Pottel

COMMISSIONERS