

Decision No. 40365

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Walter J. Johnson and Rose A. Johnson,
doing business as JOHNSON TRUCK LINES
for a certificate to operate as a highway
common carrier between the Oakland-East
Bay area, on the one hand, and Yuba City,
Marysville, Oroville, Chico and points
intermediate between Yuba City, Oroville
and Chico, on the other hand, as an ex-
tension and enlargement of applicant's
existing service.

ORIGINAL

Application No. 27239

- AARON H. GLICKMAN and W. F. RICH for applicant
- R. E. WEDEKIND for Southern Pacific Company and Pacific Motor Trucking Co., protestants.
- JOHN E. HENNESSY and JOHN L. AMOS, JR. for Western Pacific Railroad Company and Sacramento Northern Railway Co., protestants.
- EDWARD STERN for Railway Express Agency, Inc., protestant.
- HAROLD FRASHER and E. J. MUZIO for Valley Express Company and Valley Motor Lines, Inc., protestants.
- J. H. ANDERSON for The River Lines, protestant.
- DOYLE R. SORENSON, doing business as Sorenson Draying Company, in propria persona, protestant.

O P I N I O N

In this proceeding, Walter J. Johnson and Rose A. Johnson, partners, doing business as Johnson Truck Lines (hereafter referred to as the applicant), seek a certificate of public convenience and necessity, pursuant to Section 50-3/4 of the Public Utilities Act, authorizing the operation of a highway common carrier service for the transportation of general commodities between Oakland, Alameda, Albany, Berkeley, Emeryville and San Leandro, on the one hand, and Yuba City, Marysville, Oroville and Chico, as well as the off-route points of East Gridley and East Biggs. The matter was submitted at a public hearing, had before Examiner Austin at Marysville, Chico and

(1) At the hearing it developed that applicant sought to route its operations via Oroville for operating convenience only. No showing was made regarding any enlargement of applicant's present operations to and from Oroville.

San Francisco. Certain carriers appeared as protestants, viz.: Southern Pacific Company, Pacific Motor Trucking Company, Western Pacific Railroad Company, Sacramento Northern Railway Company, Valley Express Company, Valley Motor Lines, Inc., The River Lines, Railway Express Agency, Inc. and Doyle R. Sorenson, doing business (2) as Sorenson Draying Company.

Applicant's showing was presented through Walter J. Johnson a member of the firm, through certain employees, and through various shippers. Protestants called their operating officials, as well as certain shippers.

Since 1934 applicant has operated as a highway common carrier between San Francisco, East Bay points and Richmond, on the one hand, and Oroville and Chico, on the other hand, and certain intermediate points, under certificates issued by this Commission. This operation, however, is subject to certain limitations, both as to the territory which may be served and the commodities which may

- (2) For brevity, Southern Pacific Company will be referred to as Southern Pacific; Pacific Motor Trucking Company, as Pacific Motor; Western Pacific Railroad Company, as Western Pacific; Sacramento Northern Railway Company, as Sacramento Northern; Valley Express Company, as Valley Express; Valley Motor Lines, Inc., as Valley Motor; and Railway Express Agency, Inc., as Railway Express.

(3)
 be transported. Under applicant's proposal, applicant would be free to engage in the transportation of general commodities northbound from San Francisco and East Bay points to all of the points which it now serves, and southbound, from all such points to East Bay points.

Applicant also holds permits, issued by the Commission, authorizing operation both as a radial highway common carrier and as a highway contract carrier. In general, its contract operations extend northward to Yreka, among other points. Neither its contract nor its radial operations conflict with its certificated operations, it was shown:

The record indicates that applicant has been operating at a loss. During the first quarter of 1946, this amounted approximately to \$7,500. However, in common with other highway carriers, it has sought an increase in its rates.

(3) By Decision No. 27380, rendered September 17, 1934, in Application No. 19108, a certificate was issued to applicant under which it was authorized to engage in "the transportation of freight (a) between San Francisco and Richmond on the one hand, and Live Oak, Gridley, East Gridley, Biggs, East Biggs, Oroville, Richvale, Nelson, Durham and Chico, and all points intermediate to Live Oak and Oroville and Chico on the other hand; (b) from Chico, Durham, Nelson, Richvale, Oroville, East Biggs, Biggs, East Gridley, Gridley, Live Oak and Marysville-Yuba City for the transportation, southbound only, of grain, olives, beans and products of field and orchard, whether in their natural state or processed, to San Francisco, Oakland, Emeryville, Berkeley, Richmond, Alameda and San Leandro : . . provided that no service of any kind shall be rendered to or from points between Richmond and Yuba City-Marysville : : ."

Thus, applicant may transport general commodities northbound from San Francisco and Richmond to designated points, (including Chico), all of which are situated north of Marysville and Yuba City. Southbound, specified commodities only may be transported from these points, and from Marysville and Yuba City as well, to San Francisco, Richmond, and also to East Bay points. Pursuant to these limitations, specified commodities only may move south from Marysville and Yuba City; they may not be served northbound. And specified commodities only may move south to East Bay points; no northbound traffic may originate there. Points intermediate to Live Oak, Oroville and Chico may be served. But the service does not extend to points between Richmond and Marysville-Yuba City.

Applicant maintains terminals at Richmond, San Francisco, Chico, Gridley, Live Oak and Oroville. Should this application be granted, it proposes to establish terminals at Oakland and at either Marysville or Yuba City. Its headquarters are located at Richmond.

To provide the service which it now conducts, applicant has available some 65 units of equipment, comprising 42 powered vehicles and 23 trailers and semi-trailers. Pickup and delivery trucks are stationed at San Francisco, Chico and Richmond; similar equipment would also be allotted to Oakland and Marysville (or Yuba City). Applicant has assigned to its highway common carrier operations six truck and trailer combinations, (each being rated at ten tons), four of which operate between San Francisco and Chico, and two between Richmond and Chico. Should this application be approved, three similar combinations would be used to provide the service between East Bay points and Chico. If necessary, equipment may be withdrawn from the fleet used in the contract-carrier operations, to supplement the common carrier service.

Applicant proposes to establish at East Bay points a pickup and delivery service similar to that maintained at San Francisco. At San Francisco, freight picked up before 5:15 p.m. is brought to the terminal in pickup trucks and transferred to line-haul trucks. Traffic accepted at a later hour is brought by pickup trucks to the Richmond terminal, where it is transferred to the line-haul trucks. Freight destined to San Francisco breaks bulk at Richmond, from which point it is distributed by pickup trucks. Throughout the East Bay a similar service would be provided. Freight picked up at San Leandro before 4:30 p.m. and at other points before 5:00 p.m. would be concentrated at the Oakland terminal, where it would be loaded into line-haul trucks. This traffic must reach the Oakland terminal before 5:30 p.m.

An overnight delivery service would be provided at all Sacramento Valley points served. Freight consigned locally to Marysville and Yuba City, as well as that destined to points extending northward to Biggs would be unloaded at the Marysville terminal. At Marysville and Yuba City, shipments would be available for distribution at 7:00 a.m., and delivery would be completed by noon. The other points mentioned would be accorded first morning delivery. At Chico, both local freight and that consigned to Durham, Nelson and Rivervale would be unloaded at the terminal. Freight would be available for delivery, locally at Chico, at 7:00 a.m. At the other points mentioned, delivery would be accomplished during the morning. Freight moving southbound would be picked up during the afternoon and loaded into line-haul trucks scheduled to leave that evening.

A substantial increase in the volume of traffic is anticipated. At present the freight moving from Richmond averages 60 tons daily. Substantially the same volume, applicant estimates, would move from East Bay points if the service were extended to that territory. The traffic southbound, on the average, equals in volume the northbound tonnage, being somewhat heavier at times. The southbound movement consists largely of canned fruits and vegetables, originating at Oroville and Gridley.

Applicant called some 42 shipper witnesses, all of whom were engaged in business at Marysville, Yuba City and Chico. They

(4) Of the shippers called, 14 were engaged in business in Marysville, seven at Yuba City, and 21 at Chico.

(5)
dealt in a variety of commodities. All of them regularly received from East Bay points shipments of the products which they handle. Some occasionally make shipments to East Bay points, but the volume of this traffic is light.

Many of the Chico witnesses, it was shown, have used applicant's facilities for the transportation of shipments originating at San Francisco. This service, they stated, has been satisfactory and dependable. As a rule, early first morning delivery has been provided. Claims for loss or damage to freight have been promptly adjusted and paid.

Generally, they expressed a need for the service which applicant proposes to establish, stating that it would be desirable and necessary. They emphasized the need for early first morning delivery, particularly with respect to shipments of perishables, emergency repair parts and goods ordered to replenish stocks or to fill specific commitments.

They also dealt with the service provided by the carriers in the field. Some touched upon the service supplied prior to the war. Others discussed the delays and difficulties encountered during the war period; this testimony, however, as we have previously

(5) The shippers produced by applicant comprised distributors of automobiles, trucks, parts, supplies and accessories; dealers in candy, bakery goods, tobacco and fountain supplies; a manufacturer of concrete pipe; a general contractor; retail druggists; retail dealers in dry goods and electrical appliances and supplies; dealers in electric motors and repair supplies; a distributor of farm implements, machinery and tractors; a wholesale food distributor; a fruit packer and canner; a distributor of gas appliances, including heaters, tanks and refrigerators; retail grocers; a distributor of household appliances; proprietors of retail meat, poultry and fish markets; a processor and distributor of walnuts and almonds; a distributor of oil burners and boilers; a retail dealer in paints and wall paper; the proprietor of a plumbing and sheet metal works; a dealer and fabricator of steel products; a distributor of water pumps, motors and irrigation equipment; and the proprietor of a welding and blacksmith shop.

(6)
ruled, will be disregarded. All of them described the service which had been accorded since the termination of the war.

Since the war, many of these shippers testified, the service provided by the protesting carriers has been slow and subject to delays. The time in transit from East Bay points to Marysville and Chico, they stated, has ranged from 2 to 4 days, and on occasion has consumed even longer periods. Where overnight service was supplied, first afternoon delivery frequently was accorded, many testified. Some shippers have received first morning delivery. A few characterized the service as satisfactory. Valley Motor, some of them testified, has unreasonably delayed the adjustment and payment of freight damage claims.

Of the shippers who referred to the pre-war service, some had found it satisfactory; others were of the contrary view. The preponderance of this testimony, however, indicates that the service had met their needs. Some asserted, and others denied, that this service, if reinstated, would be adequate.

Many shippers testified that an expeditious transportation service affording early, first morning delivery would satisfy their requirements, no matter by whom it was provided. Only a few testified they would discontinue patronizing the existing carriers, were a certificate issued to applicant, as sought.

Through their operating officials, certain protestants described the service which they had provided. Such a showing was submitted on behalf of Southern Pacific, Pacific Motor, Western Pacific, Valley Motor and Valley Express.

Southern Pacific offers an overnight service between East Bay points and Marysville and Chico, available daily except Sundays

(6) Re Reader Truck Lines, 45 C.R.C. 752; 47 C.R.C. 11, 30, 31.

and holidays. This is supplied by a merchandise train leaving San Francisco during the early evening and reaching Marysville and Chico (7) the next morning. This service is substantially similar to that afforded before the war.

Pickup and delivery service is furnished by Pacific Motor throughout the East Bay and at Marysville and Chico. At East Bay points, this is supplied through Merchants Express Corporation, under an arrangement with Pacific Motor. At both Marysville and Chico, shipments are unloaded from freight cars, upon arrival, and transferred to both pickup and line-haul trucks. Distribution commences immediately. Admittedly, the equipment available at these points is insufficient to permit the performance of an adequate service. Efforts to obtain additional equipment have proved unavailing because of repeated delays, beyond the control of these protestants.

During the war the service deteriorated substantially. Responsive to wartime regulations, the overnight merchandise trains were withdrawn and a slower service substituted. Evidence was received indicating the impact of war conditions upon the operations both of Southern Pacific and of Pacific Motor.

To indicate the performance of the overnight merchandise train service between Oakland, Marysville and Chico, a study was offered covering the traffic moving during a selected period, following the reinstatement of the prewar service. Freight was available

(7) This train, known as the Central California Merchandise, leaves San Francisco at 7:20 p.m.; leaves Oakland at 10:45 p.m.; arrives at Marysville at 4:20 a.m. and reaches Chico at 6:00 a.m. At both Marysville and Chico, cars containing local traffic and freight destined to nearby points are set out. Freight consigned to Marysville and Chico is distributed locally by Pacific Motor. That carrier also distributes from Marysville traffic consigned to rail points intermediate to but not including Chico, such as Gridley and Durham. From Chico, it distributes traffic destined to points north and west of that city.

for local distribution, it appears, during a period extending from early morning until 11:00 a.m. at Chico, and until noon at Marysville. As a measure of the improvement in service which has occurred since the war period, statements were submitted disclosing the time consumed in transit from Oakland to Roseville, and from Roseville to Gerber. The average combined trip time between these points, it was shown, has decreased from 18 hours, 9 minutes, to 10 hours, 41 minutes.

Any attempt to complete the delivery of less-carload freight either at Marysville or at Chico by 9 a.m. would be impracticable, an operating witness testified. This, he stated, would require the use of additional equipment and the employment of more employees at each of these points. The additional cost thus entailed, he estimated, would aggregate some \$223 daily at Marysville, and \$194 at Chico.

Prior to the war, both Western Pacific and Sacramento Northern provided an overnight service, available Monday through Friday, affording early first morning delivery both at Marysville and at Chico. To supply this service at Sacramento Valley points, 15 especially equipped steel freight cars were used. These moved in passenger trains leaving San Francisco at 7 p.m.; Oakland at

(8) During this period, freight cars arrived at Marysville not later than 5:15 a.m.; they were spotted not later than 5:15 a.m., except on one day when they were spotted at 10:45 a.m. and the time of unloading ranged from 5:30 a.m. to 12:11 p.m., varying even as to cars arriving on the same day. At Chico, freight cars arrived not later than 7:15 a.m.; they were spotted not later than 7:20 a.m. and the time of unloading extended from 7:30 to 11:00 a.m.

(9) During a selected weekly period in August, 1945, the trip time from Oakland to Roseville ranged from 5 hours, 55 minutes to 16 hours, 25 minutes - an average of 10 hours, 37 minutes; and from Roseville to Gerber it ranged from 5 hours, 15 minutes to 10 hours, 25 minutes, an average of 7 hours, 32 minutes. The combined trip time from Oakland to Gerber was 18 hours, 9 minutes. During a similar period in April, 1946, the time in transit had been substantially reduced. From Oakland to Roseville it ranged from 3 hours, 5 minutes to 13 hours, 15 minutes, an average of 5 hours, 49 minutes; and from Roseville to Gerber it ranged from 3 hours, 10 minutes to 9 hours and 50 minutes - an average of 4 hours, 52 minutes. The combined trip time from Oakland to Gerber was 10 hours, 41 minutes. Thus the average combined trip time had been expedited by as much as 7 hours, 28 minutes.

10:50 p.m. and reaching Marysville at 3:30 a.m. Cars destined to Chico moved via Sacramento Northern, arriving there at 8 a.m.

This service was withdrawn in October, 1942, because of war conditions. Ever since, Western Pacific has offered a service providing overnight first morning delivery at Marysville. At Chico, however, second morning delivery only is afforded, the traffic moving via Sacramento Northern. The restoration of prewar service, it was said, awaits the establishment by Western Pacific of its California Zephyr service. The delivery of equipment, previously ordered, has been delayed by causes beyond the carrier's control, it was stated.

Both Western Pacific and Sacramento Northern provide a pickup and delivery service at San Francisco, which is supplied through the facilities of Federated Terminals, an organization representing a group of local draymen. At Oakland such a service is provided by Merchants Express Corporation. Pickup and delivery service is furnished through a contract drayman at Marysville, Yuba City and Chico.

Valley Motor offers an overnight service leaving Oakland between 7 and 8:30 p.m., reaching Marysville at 6 a.m., and arriving at Chico at 8:30 a.m. All shipments break bulk at Sacramento, where they are reloaded into van-trailers for distribution to the consignees. Ordinarily, shipments are delivered direct from the

(10) Freight leaving Oakland at 9:30 p.m. via Western Pacific reaches Marysville the next morning at 7:30 a.m. A service is available leaving Oakland at 5:30 a.m. and arriving at Marysville at 2:27 p.m.

(11) Freight destined to Chico leaves Oakland, via Sacramento Northern at 8:30 a.m., reaching Sacramento that evening at 6 p.m. It leaves Sacramento that morning at 3 a.m., reaches Marysville at 6 a.m., and arrives that morning at 11:30 a.m. at Chico. Thus shipments leaving Oakland on Tuesday at 8:30 a.m. would not reach Chico until Thursday at 11:30 a.m.

line-haul vans, which are supplemented, if necessary by pickup trucks. At Marysville the local distribution of freight commences at 8 a.m., and at Chico, at 8:30 a.m.

A pickup and delivery service is provided in San Francisco and throughout the East Bay territory. At some points, such as San Leandro, vans are set out at certain industries to receive their shipments.

To indicate the performance of the service offered, a tabulation was submitted indicating the time consumed in transit by shipments moving during a selected weekly period. This included all traffic originating in the San Francisco Bay Area during this period which was consigned to Marysville, Yuba City and Chico. Excepting only some 13 shipments (included in a total of 156 shipments), which were received on a Friday and delivered the following Monday, overnight delivery was provided in all instances.

To complete the distribution of freight locally at Chico or Marysville within the space of one hour and one-half would entail a prohibitive cost, it was said. At each of these points, it was estimated, four additional pickup trucks would be required for this purpose. Moreover, it would be necessary to unload and distribute the freight through the terminals at both Chico and Marysville in addition to the transfer at Sacramento.

During the war this protestant experienced considerable difficulty in securing additional equipment, it was shown. Frequently, equipment was laid up because of the inability to obtain replacement parts. Because of these delays, protestant was unable to handle promptly all of the traffic offered. These conditions, assertedly, have not disappeared.

Two shipper witnesses were called by protestants, Southern Pacific and Pacific Motor. One of them, a dealer in serums, toxins and anti-toxins, which move regularly from Berkeley to hospitals at Marysville, Yuba City and Chico has used for that purpose the facilities of these protestants, which have been found satisfactory. The other ships candies of various types, including chocolates, from San Francisco to Sacramento Valley points, including both Chico and Marysville. The Southern Pacific-Pacific Motor service, it was said, has been satisfactory. No customers have complained of any deterioration of candy received during the summer months. These protestants, the shipper stated, have provided an overnight service between these points.

In our judgment a public need has been shown for the establishment of the proposed operation. From the testimony of the shippers, it appears that the service furnished by applicant, within the limitations of its present operative right, has been expeditious, satisfactory and dependable. Applicant, we believe, should now be permitted to expand its operations so that it may be enabled to render a more adequate and complete service.

From the record, we are convinced that the service provided by the carriers in the field is not in all respects adequate to meet the shippers' needs. The evidence discloses that frequently shipments have been subjected to delays in transit, ranging from 2 to 4 days, and even longer in some instances. This testimony, in our opinion, is not outweighed by the showing presented by certain protestants dealing with their performance during selected periods.

Accordingly, a certificate will be issued, authorizing applicant to engage in the transportation of general commodities

between East Bay points, on the one hand, and Marysville, Yuba City, and Chico, on the other hand, including also the intermediate and off-route points which it is now authorized to serve. No showing, as we have stated, was made with respect to Oroville. Consequently, the operating authority herein granted will not extend to that community.

O R D E R

A public hearing having been had in the above-entitled proceeding, the matter having been duly submitted; the Commission having fully considered the matter; and it having been found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be and it hereby is granted to Walter J. Johnson and Rose A. Johnson, partners, authorizing the establishment and operation of a service as a highway common carrier, as defined by Section 2-3/4 of the Public Utilities Act, for the transportation of general commodities between Oakland, Alameda, Albany, Berkeley, Emeryville and San Leandro, on the one hand, and Yuba City, Marysville and Chico, on the other hand, including all intermediate points between Yuba City and Chico, as well as the off-route points of East Gridley and East Biggs.

(2) That in all other respects said application is hereby denied.

(3) 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 such routes by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following routes:
 - 1. Between Oakland, Alameda, Albany, Berkeley, Emeryville and San Leandro, respectively, on the one hand, and Richmond, on the other hand, over any and all available and suitable public streets and highways.
 - 2. Between Richmond and Yuba City, Marysville and Chico, including all intermediate points between Yuba City and Chico, as well as the off-route points of East Gridley and East Biggs, over the routes along which applicant is now authorized to operate.

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

Dated at San Francisco California, June 3, 1947:

Harold P. Hule
Frank Powell
A. Z. ...
Francis ...
COMMISSIONERS