

Decision No. 40407

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEY MOTOR LINES, INC. to remove)
certain restrictions on its lines)
between San Francisco and Oakland,)
on the one hand, and Sacramento and)
Stockton, on the other hand.)

Application No. 27504

BEROL & HANDLER, by Marvin Handler, for applicant, Valley Motor Lines, Inc. and Valley Express Company, intervenor on behalf of applicant.

WILLIAM MEINHOLD for Southern Pacific Company, protestant
WILLIAM F. BROOKS for Atchison Topeka and Santa Fe Railway Company and Sacramento Northern Railway, protestants
REGINALD L. VAUGHAN and JOHN G. LYONS for Interurban Express Corporation, interested party.

O P I N I O N

Under certificates of public convenience and necessity which it now holds, applicant, Valley Motor Lines, Inc., is authorized to operate as a highway common carrier between Oakland and Sacramento and Stockton, respectively, via Antioch and Rio Vista, subject to certain limitations regarding the service which may be provided at intermediate points. Applicant seeks a modification of these certificates so that it would be free to operate between Piedmont and Rio Vista and intermediate points, on the one hand, and Stockton, Sacramento and points beyond, on the other hand - a service which it may not now provide.

The matter was submitted at a public hearing, had before Examiner Austin at San Francisco, on February 13, 1947. Objections were voiced by certain carriers in the field, who appeared as protestants. These comprised Southern Pacific Company; Atchison, Topeka and Santa Fe Railway Company; Western Pacific Railroad Company and Sacramento Northern Railway. Interurban Express Corporation appeared

only as an interested party, and Valley Express Company intervened on behalf of applicant⁽¹⁾.

Applicant's right to serve this territory rests upon two decisions, viz.: Decisions Nos. 35309⁽²⁾ and 38757⁽³⁾. Each restricted service at intermediate points.

By Decision No. 35309, applicant was authorized to operate as a highway common carrier between Rio Vista and Avon and intermediate points, as an extension of the service which it previously had conducted between Sacramento and Rio Vista and intermediate points (via Walnut Grove, Ryde and Isleton), and between Stockton and Rio Vista and intermediate points, including Thornton, Walnut Grove, Ryde and Grand Island. Between Walnut Grove and Rio Vista these operations coincided. Certain restrictions were imposed which, so far as material appear below.⁽⁴⁾

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- (1) For brevity, the carriers above mentioned will be designated, respectively, as Southern Pacific, Santa Fe, Western Pacific, Sacramento Northern, Interurban and Valley Express. Applicant will be referred to as Valley.
 - (2) Decision No. 35309, rendered May 5, 1942, in Application No. 24547.
 - (3) Decision No. 38757, rendered March 12, 1946, in Application No. 26459.
 - (4) Decision No. 35309 imposed the following restrictions, among others, upon the operations therein authorized:
 - "1. The authority herein granted shall include only the right to transport, or participate in the transportation of, property having its origin or destination beyond and south of Stockton or San Francisco.
 - "3. Applicant shall not transport property moving between Stockton or Sacramento, or at any point intermediate between Stockton or Sacramento and Antioch, excluding Antioch, on the one hand, and Antioch, Pittsburg, Port Chicago and Avon, and all intermediate points between Antioch and Avon, California, on the other hand. Nor shall applicant transport property moving between points north or east of Sacramento, on the one hand, and points between Rio Vista and Avon, including Avon, on the other hand."

The operation last described was extended to Oakland pursuant to Decision No. 38757, which certificated a highway common carrier service "between Oakland and Avon and intermediate points, including Piedmont, Albany, El Cerrito, Stege, Richmond, San Pablo, Pinole, Hercules, Rodeo, Oleum, Tormey, Selby, Crockett, Port Costa and Martinez." The restrictions imposed, material to this inquiry, appear in the margin.

(5) The following restrictions, among others, were imposed by Decision No. 38757 upon the operations which it authorized:

- "(b) Applicant shall transport no traffic moving locally between points on San Francisco Bay or its navigable tributaries north of and including San Francisco and Alameda, on the one hand, and any point between Rio Vista and Oakland, excluding Rio Vista, on the other hand.
- "(c) Applicant shall transport no property moving between Stockton or Sacramento, or any intermediate point between Stockton or Sacramento and Antioch, excluding Antioch, on the one hand, and Antioch, Pittsburg, Port Chicago, Avon, Martinez, Port Costa, Crockett, Selby, Tormey, Oleum, Rodeo, Hercules, Pinole, San Pablo, Richmond, Stege, El Cerrito, Albany and Piedmont, on the other hand; nor shall applicant transport property moving between points north and east of Sacramento, on the one hand, and points between Rio Vista and Piedmont, including Piedmont, on the other hand.
- "(d) Applicant never shall urge, as a result of the granting of this application, the right to render service locally between San Francisco Bay points (including San Francisco, Oakland, Berkeley, Piedmont, Emeryville and Alameda) on the one hand, and Martinez and points intermediate to Martinez, on the other hand. The service to be rendered by applicant hereunder shall be restricted to the handling of shipments for Valley Express Company only, in the territory between Piedmont, on the one hand, and Martinez on the other hand, including both Piedmont and Martinez.

Under these limitations, applicant is precluded from conducting service, as follows:

(a) Locally, between points on San Francisco Bay and its navigable tributaries north of San Francisco and Alameda, inclusive, and points between Oakland and Rio Vista, excluding the latter. As stated in Decision No. 38757, this limitation was designed to protect both Interurban and The River Lines. Applicant is limited to the transportation of freight having its origin or destination beyond and south of Stockton or San Francisco.

(b) Between Stockton or Sacramento, or any intermediate point between Stockton or Sacramento and Antioch (excluding Antioch), on the one hand, and certain points extending from Antioch to Piedmont inclusive, on the other hand.

(c) Between points north and east of Sacramento, on the one hand, and points between Rio Vista and Piedmont (including Piedmont), on the other hand. Both this and the preceding limitation were intended to safeguard other carriers in the field, such as The River Lines, Western Pacific and Sacramento Northern. Neither limitation, so Decision No. 38757 recites, applies to shipments moving to and from Oakland.

(d) Locally, between San Francisco Bay points (including San Francisco, Oakland, Berkeley, Piedmont, Emeryville and Alameda) on the one hand, and Martinez and points intermediate to Martinez, on the other hand. Applicant is restricted to handling shipments for Valley Express only, in the territory between Piedmont and Martinez, inclusive. It was the purpose of this restriction to protect the operations conducted by Interurban locally within this territory.

Applicant seeks the elimination of paragraphs 1 and 3, of the restrictions prescribed by Decision No. 35309, and paragraph (c) of those imposed by Decision No. 38757. The remaining restrictions would continue in effect.

According to this plan applicant would still be subject to the limitations affecting the movement of traffic (a) locally between bay and river points north of San Francisco and Alameda, respectively, and the Oakland-Rio Vista territory; and (b) between San Francisco-East Bay cities and Martinez. But it would then be free to engage in the transportation of freight between the Piedmont-Rio Vista territory, and points beyond Rio Vista, including Stockton, Sacramento and communities lying to the north and east.

Through its president and general manager, applicant described the nature of its present service, the delays encountered and the advantages which would accrue from the enlargement of its operations. Various shipper witnesses also were called.

Between the Oakland-Rio Vista area and points south of San Francisco, Oakland and Stockton - such as the San Joaquin Valley territory - applicant now is free to perform an unrestricted transportation service. However, between Piedmont-Rio Vista and points north and east, such as Stockton and Sacramento, applicant may furnish the service only in conjunction with other carriers in the field including Interurban and Delta Lines (as successor to The River Lines), under joint rate arrangements.

The operation last described, it was shown, involves substantial delays. Freight originating in the Avon-Rio Vista territory is carried by Delta Lines to Oakland and thence to Stockton or Sacramento, where it is turned over to Valley for transportation to

points beyond, including Marysville, Chico and Westwood. The circuitous movement, and the delays incidental to the transfer, result in second-day delivery, or later, it was stated. Applicant, assertedly, has received many requests to supply a through service between these points.

Neither Valley nor Valley Express alone may serve, in its entirety, the territory extending from Oakland to Rio Vista, it was shown. Between Piedmont and Martinez, inclusive, Valley may participate in the movement of traffic only as an underlying carrier for Valley Express, in view of the limitations prescribed by Decision No. 38757. Between Avon and Rio Vista, Valley is free to serve the public directly. However, the operative rights of Valley Express do not extend to these points. This, it is claimed, has incommoded the shippers and has caused some confusion among them, owing to the difficulty of determining which carrier should transport their freight.

Applicant, it was shown, could handle the traffic more economically than at present if the requested extension were approved. Empty space is available for additional traffic, on the trucks operating both to Stockton and to Sacramento. Its equipment and facilities are adequate to provide the service, the record shows. The tonnage involved, though not heavy, would increase if applicant were authorized to perform the through movement, it is anticipated.

The approval of applicant's proposal, it was stated, would tend to increase its revenue. At present, this must be shared with the carriers now participating in the joint rate arrangements. If the existing restrictions were removed, as sought, applicant no

(6)
longer would be required to do so. The freight-check accompanying the transfer of lading between the carriers, essential to fasten liability upon either for goods lost or damaged in transit, no longer would be necessary, it was said. As a result, the expense incidental to this operation would be avoided.

Applicant called five shipper witnesses representing firms engaged in business in the Piedmont-Martinez territory. They dealt in various products. Their shipments moved in substantial volume from this territory to Stockton, Sacramento and points north and east.

The service provided by the existing carriers has been slow, they testified. Shipments moving via Interurban and those handled by Delta Lines, have been delayed, they said, because of the interchange of traffic between them and Valley. Neither has supplied an overnight service, so one shipper testified. The service furnished by Pacific Motor Trucking Company, some stated, also has been slow. A witness representing the federal War Assets Administration, now engaged in liquidating the Kaiser shipyards at Richmond, emphasized

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- (6) Two carriers, viz., Interurban and Delta Lines, now participate with Valley in the joint rate arrangement. Interurban, though represented by counsel at the hearing, did not question applicant's assertion that the revenue derived from this traffic was not sufficient to divide between any two carriers serving the territory. Neither Delta Lines nor its affiliate, The River Lines, entered any appearance in this proceeding.
- (7) The firms represented were engaged in business at, or were shipping from Berkeley, El Cerrito, Richmond and Martinez.
- (8) These shippers were engaged in the production or distribution of packaged petroleum products, and supplies for service stations (at Richmond and Martinez); asphalt joint-sealing compounds, used for concrete highways and landing fields (at Berkeley and Martinez); dental materials (at El Cerrito); and shipyard machinery and tools (at Richmond).
- (9) Their shipments moved to Stockton, Sacramento and points north and east, including Marysville, Yuba City, Chico, Corning, Redding, Placerville and Grass Valley.

the importance of a speedy transportation service which, he said, would facilitate the consummation of this program. These shippers, so they stated, would use the expedited service which applicant plans to establish if it were freed from the limitations imposed by its existing certificates.

Certain protestants, through their operating officials, described the service which they performed between the Oakland-Rio Vista territory and Stockton, Sacramento and points north. Such a showing was offered on behalf of Southern Pacific, Santa Fe, Western Pacific and Sacramento Northern. The River Lines and Delta Lines neither appeared nor offered any evidence. In view of applicant's representation that certain restrictions imposed by paragraph (d) in Decision No. 38757, would remain in effect, Interurban did not oppose applicant's proposal.

Southern Pacific, it was shown, affords an overnight service, available daily except Sundays, between East Bay points (including Oakland, Piedmont, Albany, El Cerrito and Richmond) and Stockton, Sacramento and points north, such as Marysville and Chico. Admittedly, the service between the Richmond-Antioch territory, (including Martinez, Avon, Pittsburg and Antioch) and the points

(10) At the outset of the hearing, applicant's counsel announced that no change was contemplated in the restriction, appearing in paragraph (d) of the order, in Decision No. 38757, to the effect that applicant never would urge, as a result of the granting of the applicant therein:

" . . . the right to render service locally between San Francisco Bay points (including San Francisco, Oakland, Berkeley, Piedmont, Emeryville and Alameda) on the one hand, and Martinez and points intermediate to Martinez, on the other hand."

Applicant undertook not only to continue this limitation in effect, with respect to existing operative rights, but also to apply it to any operating authority which might be issued in the present proceeding. Counsel for Interurban expressed his satisfaction with this arrangement.

mentioned is inadequate. For example, shipments received at Stockton from Port Chicago, Pittsburg and Antioch are accorded second day delivery. To remedy this situation Pacific Motor Trucking Company, a Southern Pacific subsidiary, sought authority in Application No. 26433 to establish a trucking service, auxiliary to the rail operations, between rail-points in the Oakland-Tracy territory. A certificate authorizing this service was granted by Decision No. 39414, rendered September 17, 1946.

Between San Francisco Bay points and Stockton, Santa Fe supplies an overnight service. Freight picked up at Oakland, Piedmont, Berkeley, Alameda, Emeryville, El Cerrito, Albany and Richmond is available for delivery by 7:00 a.m. on the first morning, at Stockton. Pittsburg also is served by this train. Another train, leaving Richmond at 7:00 a.m. and reaching Stockton that afternoon at 2:00 p.m., serves the intermediate points, including Pinole, Port Chicago, Pittsburg and Antioch. At Stockton, shipments are available for delivery on the morning following their arrival. In the opposite direction, an overnight service is offered from Stockton to Richmond. Pickup and delivery service is available both at Stockton and at East Bay points. No complaints regarding the service had been brought to the attention of the operating witness called by this protestant, so he testified.

Between East Bay points, including Oakland, Piedmont, Albany and Alameda and Stockton and Sacramento, Western Pacific provides an overnight service affording first morning delivery. At Stockton, Western Pacific interchanges with Santa Fe freight originating on the latter's line at such points as Port Chicago and Pittsburg and destined to points north of Stockton, including Marysville and Westwood. Under this arrangement, second morning delivery is accorded

at Sacramento, and third day delivery at points north of that city. Pickup and delivery service is supplied at Piedmont, Albany, Stockton, Sacramento, Marysville and Westwood.

Sacramento Northern supplies a daily service between Oakland and Sacramento leaving Port Chicago and Pittsburg at 11:00 a.m. and 12:00 M, respectively, and reaching Sacramento at 6:00 p.m. Freight is available for delivery at Sacramento on the following morning at 7:00 a.m. Shipments consigned to Marysville and Chico are afforded third morning delivery. Pickup and delivery service is provided at Piedmont, Albany, Pittsburg, Sacramento, Marysville, Yuba City and Chico.

In our judgment, a public need has been shown for the removal of the restrictions which applicant seeks to eliminate. Applicant would then be able to furnish a more expeditious service between the Piedmont-Rio Vista territory and points beyond Rio Vista, including Stockton and Sacramento. Neither Delta Lines nor Interurban, the carriers now serving the territory locally, has objected. The service offered by the other carriers in the field to and from points intermediate to Pinole and Rio Vista, inclusive, is slower than that which Valley could provide. Between East Bay territory (including Piedmont, Albany, El Cerrito, Stege and Richmond) and the points in question, some of these carriers supply an overnight service; that provided by others is slower. Under the circumstances, the application will be granted.

O R D E R

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

IT IS ORDERED that:

(1) Decision No. 35309, rendered May 5, 1942, in Application No. 24547, is hereby modified and amended by striking therefrom paragraphs 1 and 3 of the restrictions imposed by the order, in said decision, upon the service which may be provided under the certificate of public convenience and necessity therein granted.

(2) Decision No. 38757, rendered March 12, 1946, in Application No. 26459 is hereby modified and amended by striking therefrom paragraph (c) of the restrictions imposed by the order, in said decision, upon the service which may be provided under the certificate of public convenience and necessity therein granted.

(3) In all other respects said decisions Nos. 35309 and 38757, and each of them, shall remain in full force and effect.

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

Dated at San Francisco, California, this 17th day of June, 1947.

Harold P. Hule
Justin Z. Gallen
W. H. Lawrence
R. J. Anderson
Penelope Cottel
COMMISSIONERS