

ORIGINAL

Decision No. 40820

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 Chico, California, )  
and Stirling City, California, serving )  
all intermediate and off-route points )  
which are rail stations on Southern )  
Pacific Company's Stirling City Branch )  
Line. )

Application No. 28487

WILLIAM MEINEHOLD, for applicant.  
A. V. PANATTONI, for Nor-Cal Freight Lines, protestant.  
JAMES E. HARRIS, for Sacramento Chamber of Commerce, in  
support of the application.

O P I N I O N

This is an application by Pacific Motor Trucking Company, a wholly-owned subsidiary of Southern Pacific Company, for a certificate of public convenience and necessity, under Section 50-3/4 of the Public Utilities Act, to conduct a highway common carrier service between Chico, Stirling City and intermediate rail points on the Southern Pacific Company's Stirling City Branch, in Butte County, and to render store-door pickup and delivery service at those points. The service is designed to be auxiliary to or supplemental of the present rail operation, and contemplates the substitution of trucks for box cars in the transportation of less-than-carload merchandise moving from, to and through Chico to and from points on the Stirling City Branch, which extends approximately 36 miles northeasterly from Chico.

The application was submitted at a public hearing held at

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 Sacramento on October 8, 1947, before Examiner Gregory. Evidence on behalf of applicant was presented by its operating officials and by public witnesses engaged in business in the territory affected. Prior to the hearing, a protest was received from Anthony Espinosa, doing business as Chico-Paradise-Stirling City Stage Line, (a passenger and express operator) but no one appeared at the hearing on behalf of that carrier. Opposition to the application by Nor-Cal Freight Lines, a highway contract carrier, was withdrawn at the hearing.

At various points throughout the state, Pacific Motor Trucking Company provides a highway common carrier service co-ordinated with the rail operations of its parent company. It now serves numerous points in the Sacramento Valley under authority of this Commission, (2) as well as under certificates of public convenience and necessity granted by the Interstate Commerce Commission.

Less-than-carload Stirling City branch line traffic, other than that originating at Chico, now moves to Chico in rail box cars, or in applicant's trucks. After unloading West Side and local Chico loadings, one of the box cars loads branch line merchandise and is then attached to a freight train which does not start out over the

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(1) This was a joint hearing with the Interstate Commerce Commission (Examiner Parker) on applicant's request for similar authority from that body. (I.C.C. Docket No. MC-78786, Sub. 162.)

(2) See the following decisions:

<u>Decision No.</u>	<u>Date</u>	<u>Appl. No.</u>	<u>Between</u>
26619	12/11/33	18880, 18882	Marysville-Oroville-
			Williams-Colusa
28099	7/8/35	20046	Marysville-Colusa
34676	10/20/41	24142	Marysville-Chico
34805)	12/2/41 )		
35148)	3/24/42)	24548	Marysville-Camp Beale
35544	7/7/42	24647 (44CRC273)	Sacramento-Red Bluff
39043	6/5/46	26186 (46CRC498)	Redding-Red Bluff

branch until completion of local industrial switching at Chico. Freight for Paradise, 18 miles out along the line, is deposited in the freight house at that point. The key to the freight house is kept by a local druggist who turns it over to anyone who asks for it. At Stirling City, 18 miles beyond Paradise, the Diamond Match Company, under an informal accommodation arrangement, unloads the less-than-carload merchandise in its truck and deposits loadings other than its own in a small building, to await pickups by consignees. The box car then sits overnight at Stirling City. No agencies, other than the one at Chico, are maintained on the branch. Hence, many shippers and receivers must go to Chico to conduct their transportation business, or risk loss or pilferage of unattended freight left at branch line points. Although branch line traffic originating at San Francisco, Oakland and Sacramento arrives at Chico early the next morning, the delay incident to handling such shipments by rail beyond Chico results in second-day delivery, with the inconveniences to shippers above described and with consequent increased per diem charges on foreign box cars. The proposed substitution of trucks for box cars, it was shown, will afford next-day delivery for branch line less-than-carload traffic originating at the points just named.

Applicant proposes to operate a two and one-half ton 16-foot van truck, leaving Chico at 8 a.m. and arriving at Paradise at 8:50 a.m., five days per week. On the return trip, the truck will leave Paradise at 4 p.m. Mondays, Wednesdays and Fridays, after rendering on-call service to Stirling City and intermediate points beyond Paradise on those days, and will arrive at Chico at 4:40 p.m. On Tuesdays and Thursdays, on-call service will be rendered from Chico to Paradise on the outbound trip only, and the truck will

leave Paradise for the return trip at 1 p.m., arriving at Chico at 1:40 p.m. Store-door pickup and delivery service will be afforded at all points en route.

The main route proposed closely parallels the rail line between Chico and Stirling City, and passes through Paradise, the chief intermediate point on the line. From Magalia, five miles northeast of Paradise, the highway route diverges north from the rail line, passing through De Sabla (site of a Pacific Gas and Electric Company installation), and Lovelock, located halfway between De Sabla and Stirling City. Alternate routes are also proposed between (a) Lovelock and Magalia, (b) De Sabla and Chico and (c) Paradise and Chico, principally for operating convenience in shortening truck runs when no loadings are carried for points on the main route. Service would be afforded, however, to those points on the alternate routes which lie within the limits of pickup and delivery zones surrounding rail stations.

Although De Sabla lies on the main highway route, it is not within any existing or proposed pickup and delivery zone. At the hearing, however, applicant requested authority, by a motion to amend the application, to serve that point. In support of the request, testimony was produced from the traffic manager of the Pacific Gas & Electric Company showing a need for and willingness to use the service for shipments averaging three or four tons per week of possibly daily frequency, now handled by the Company's own trucks from Chico. No opposition to the amendment was voiced, and as the request appears to be a reasonable one under the circumstances of this case, and is supported by evidence of public convenience and necessity, it will be granted.

Applicant presented exhibits showing the estimated net

annual out-of-pocket cost of the proposed truck operation as \$4,999, and rail operating economies of \$4,526. The added truck costs of \$473 over the rail savings were considered by the Southern Pacific Company's research analyst who testified to be justified by the increased convenience of the store-door pickup and delivery service, and by the greater facility to be afforded the handling of claims and other transportation business, now necessitating travel by patrons to Chico. Moreover, if a resident agent were to be placed at Paradise, the witness said, his salary alone would be in excess of \$3,000 per annum.

Applicant introduced an exhibit designed to show the number of patrons using the present rail merchandise service and the number of shipments handled in an average month (April, 1947). The exhibit shows that 132 consignees at Paradise received 331 intrastate shipments and ten consignees at Stirling City received 72 intrastate shipments in the average month studied. Interstate less-than-carload movements inbound and outbound, as well as intrastate merchandise traffic at intermediate points on both sides of Paradise, are shown by the exhibit to be negligible for the rail operation.

A number of public witnesses testified in support of the application. In addition to the witnesses mentioned in the margin, the manager of the Chico Chamber of Commerce, which has a membership

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- (3) Applicant presented three exhibits containing proposed class rates between San Francisco, Sacramento and Chico and points on the projected route, including Stirling City. It is intended to concur in existing rail tariffs which will set forth rates that are no lower than the minimum rates prescribed by the Commission in Case No. 4246. The rates named in the exhibits are designed to yield something more than the out-of-pocket costs estimated for the truck operation.
  - (4) The witnesses included: a 5- and 10-cent store proprietor, a druggist and a grocer, at Paradise; a resort owner at Lovelock; a representative of the Diamond Match Company, which has a saw-mill at Stirling City and a plant at Chico; the traffic manager of the Pacific Gas & Electric Company (previously herein referred to); representatives of wholesale food, drug, plumbing, hardware and flour milling concerns, located at Sacramento and San Francisco.

of 500 business men and farmers, testified that to his knowledge there were from six to ten members of his organization who are either present or prospective shippers of freight moving locally from Chico to points on the Stirling City branch. This witness introduced a resolution of the Board of Directors of the Chamber of Commerce endorsing the application. A representative of the Sacramento Chamber of Commerce also testified in support of the proposal.

The evidence of the public witnesses, in sum, establishes a general dissatisfaction with the delays and inconveniences experienced by shippers and receivers of merchandise freight under the present method of rail box car operations; loss and pilferage of shipments at non-agency branch line points; necessity of using proprietary trucks to transport shipments to branch line points after arrival by rail at Chico; lack of store-door pickup and delivery service; need for overnight merchandise service from San Francisco, Oakland and Sacramento to destinations on the branch line, and need for local merchandise service between Chico and branch line points. All shipper witnesses stated that not only would they use applicant's truck service, if it were authorized by the Commission, but that the operation would fill a growing need for expedited movement of merchandise into the Paradise Valley from Chico and points beyond.

Upon full consideration of the application and of the evidence of record, we are of the opinion and find as a fact that public convenience and necessity will be subserved by the establishment and operation of a highway common carrier service by applicant between Chico and Stirling City, and intermediate points, including De Sabla, as auxiliary to and supplemental of the rail service of

Southern Pacific Company on the latter's Stirling City branch line. In view of the need shown on this record for local highway service between Chico, on the one hand, and points intermediate to and including Stirling City, on the other, we do not deem it necessary to require that the proposed truck service be limited to the transportation of shipments having either a prior or subsequent movement by rail. The application, as amended to include De Sabla as a point to be served, will accordingly be granted.

O R D E R

A public hearing having been had upon the application herein, the matter having been submitted for decision, the Commission being now fully advised, and having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be and it is hereby granted to Pacific Motor Trucking Company, a corporation, authorizing the establishment and operation of a service as a highway common carrier, as defined by Section 2-3/4, Public Utilities Act, between Chico and Stirling City, serving all rail intermediate points situated on the line of Southern Pacific Company extending from Chico to Stirling City and serving, in addition, the off-rail point of De Sabla.

(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 1 day's 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:

Between Chico and Stirling City

1. From Chico to Junction U. S. Highway 99-E and California State Highway 87 via U. S. Highway 99-E;
2. Thence from Junction U. S. Highway 99-E and California State Highway 87 via California State Highway 87 in a southeasterly direction for approximately three miles to junction with unnumbered highway;
3. Thence from Junction California State Highway 87 and unnumbered highway to Stirling City via unnumbered highway; return over the same route.

Alternate Routes

1. From Lovelock to Magalia via unnumbered highway;
2. From De Sable to Junction U. S. Highway 99-E and unnumbered highway via unnumbered highway;
3. From Paradise in a southwesterly direction for approximately four miles to Junction unnumbered highway via unnumbered highway; return routes the same.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of October, 1947.

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James F. Calver  
R. E. Dunning  
Frederick Lott  
COMMISSIONERS