

ORIGINAL

Decision No. 40904

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA MOTOR TRANSPORT CO., LTD., )  
 for authority at San Jose to deliver )  
 to and receive from CALIFORNIA MOTOR )  
 EXPRESS, LTD., and interchange with ) Application No. 28679  
 other carriers express traffic of )  
 CALIFORNIA MOTOR EXPRESS, LTD., )  
 originating at or destined to Los )  
 Angeles or points beyond Los Angeles.)

DOUGLAS BROOKMAN, for California Motor Transport Co., Ltd.,  
 applicant, and for California Motor Express, Ltd.,  
 intervenor on behalf of applicant.  
 WILLIAM MEINHOLD, for Southern Pacific Company and Pacific  
 Motor Trucking Company, interested parties.  
 SCOTT ELDER, for Western Transport Co., interested party.

O P I N I O N

In this proceeding California Motor Transport Co., Ltd.,  
 (a highway common carrier), seeks authority to deliver to and  
 receive from California Motor Express, Ltd., <sup>(1)</sup> (an express corporation),  
 at San Jose, and also to interchange with other common carriers at  
 that point, express traffic of California Express originating at or  
 destined to Los Angeles or points beyond Los Angeles. The matter  
 was submitted at a public hearing, had before Examiner Austin at San  
 Francisco, on October 23, 1947. Appearances as interested parties  
 were entered by Southern Pacific Company and Pacific Motor Trucking  
 Company and also by Western Transport Co., which operates both as a  
 radial highway common carrier and as a highway contract carrier.

In support of its proposal, applicant called its Secretary  
 and General Auditor, who described the nature of its operations,

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(1) For convenience, applicant California Motor Transport Co., Ltd.,  
 and its affiliate California Motor Express, Ltd., (both of which  
 are California corporations) will be referred to, respectively,  
 as California Motor and as California Express.

the economies to be effected, and the characteristics of the traffic moving between the points involved. None of the other parties offered any affirmative showing.

Under certificates of public convenience and necessity previously issued by this Commission, applicant California Motor is authorized to conduct a highway common carrier operation between Los Angeles, on the one hand, and San Francisco and Oakland, on the other hand, serving no intermediate points and limited to the transportation of express traffic for California Express. It also operates between other points not material here.

The route of such operative rights passes through the City of San Jose. Applicant cannot operate locally between San Francisco, San Jose and intermediate points, and seeks no such authority herein. It may, however, conduct a local service, including the transportation of express traffic for California Express, between designated East Bay points including Oakland, on the one hand, and San Jose, on the other hand.

Because of the limitations imposed by the certificates,

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- (2) California Motor conducts the service described, pursuant to the following decisions, viz.: Decision No. 22509, rendered June 5, 1930, in Application No. 16544; Decision No. 27063, rendered May 21, 1934, in Application No. 19436; Decisions Nos. 28401 and 29292, rendered December 2, 1935, and November 23, 1936, respectively, in Application No. 20093; and Decision No. 31548, rendered December 12, 1938, in Application No. 22385.
- (3) The certificate authorizing operation locally between Oakland and San Jose, among other points, originally was issued to Valley & Coast Transit Company by Decisions Nos. 31978 and 33993, rendered May 2, 1939, and March 11, 1941, respectively, in Application No. 20706. Subsequently, this operative right was acquired by applicant conformably to Decision No. 37472, rendered November 9, 1944, in Application No. 24371.

under which applicant performs this service, express traffic which it transports for California Express, as an underlying carrier, from Los Angeles to San Jose is required to move through San Jose to Oakland, from which point it is back-hauled to San Jose. Southbound traffic, likewise, must move through Oakland. Applicant seeks a modification of these restrictions so that it may deliver to and receive from California Express, at San Jose, and interchange with other common carriers at that point, express traffic of California Motor originating at or destined to Los Angeles or points beyond<sup>(4)</sup>. Thus, the additional round-trip movement between Oakland and San Jose, aggregating approximately 100 miles, would be eliminated.

The approval of this proposal, it is stated, would enable applicant to operate more efficiently and to effect substantial economies. The elimination of the round-trip movement between San Jose and Oakland would shorten the trip between Los Angeles and San Jose by as much as 100 miles. If this were accomplished, a more expeditious service could be provided<sup>(5)</sup>. The resulting saving in operating costs, it was estimated, would average \$550 per month or

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- (4) Applicant's requested modification is limited to the transportation of express traffic, handled as an underlying carrier for California Motor, and moving between Los Angeles, or points beyond, and San Jose. This traffic either would be destined to or originate at San Jose, or it would be interchanged there with other common carriers for movement to or from points beyond. Authority to perform an unlimited service between these points is not sought in this proceeding.
- (5) The total saving in time would range from three to four hours, it was estimated. This includes the time consumed between San Jose and Oakland averaging one and one-half hours in each direction as well as the time devoted to transferring the lading at the Oakland terminal. Efficient loading of equipment has minimized this delay, it was stated.

(6)  
\$6,600 annually. The shippers have expressed the need for an improved and more direct service, it was stated.

Between Los Angeles, and points beyond, and San Jose, the volume of the movement has been substantial. The details appear below. (7) Since August, 1947, this traffic has moved over applicant's line, via Oakland, as described. Previously, it had been handled by applicant between Los Angeles and San Francisco, where it was interchanged with Highway Transport, Inc., for the back-haul between San Francisco and San Jose.

Certain carriers in the field have advised the Commission, the record shows, that they have no objection to applicant's proposal.

(6) Applicant submitted an estimate of the direct operating costs incurred in performing a single round trip daily, between San Jose and Oakland. A summary of this showing appears in the following tabulation, viz.:

Drivers' wages, taxes and insurance	\$ 13.66
Depreciation,	2.66
Equipment, repairs, labor and material (including fuel, oil, tires and tubes)	8.70
Total daily direct operating costs	\$ 25.02
Costs per month (22 average monthly operating days @ \$25.02),	\$ 550.44
Costs per year (12 months @ \$550.44),	\$6,605.28

(7) During the periods indicated, the record shows, the traffic movement was as follows:

Traffic moving from Los Angeles, and points beyond, to San Jose, where it either was distributed locally or interchanged with connecting carriers for movements beyond that point:

	<u>1945</u>	<u>1946</u>	<u>1947</u> (Jan.-Sept.incl)
No. of Shipments	18,245	27,072	22,276
Tons	3,409	4,821	4,107

Traffic moving from Los Angeles, and points beyond, to San Jose proper, for local distribution:

	<u>March</u> <u>1945</u>	<u>May</u> <u>1946</u>	<u>Sept.</u> <u>1947</u>
No. of Shipments	450	804	882
Tons	91	147	177

Applicant could not estimate the volume of tonnage moving from San Jose to Los Angeles and points beyond. However, it was substantial, the record shows.

Waivers of this character have been received from Valley Motor Lines, Inc., Valley Express Co., Railway Express Agency, Inc., Highway Transport, Inc., and Merchants Express Corporation. (8)

In our judgment, a public need has been shown for the establishment of the service described. An unnecessary and wasteful operation would thus be eliminated, and the service could be provided more economically and efficiently. The application, accordingly, will be granted.

### O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the matter having been duly submitted, the Commission being fully advised in the premises and hereby finding 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 California Motor Transport, Ltd., a corporation, authorizing the latter to deliver to and receive from California Motor Express, Ltd., a corporation, at San Jose, and to interchange with other common carriers at that point, express traffic of California Motor Express, Ltd., confined and restricted to that originating at or destined to Los Angeles or points beyond Los Angeles.

(2) 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

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(8) Valley Motor Lines, Inc., and Valley Express Co. advised they would not oppose authorization for interchanging at San Jose traffic moving from or to Los Angeles or points south; Highway Transport, Inc., consented to such interchange of traffic moving from or to Los Angeles or points south and east.

of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.

- b. Applicant shall, within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, 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.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of November, 1947.

Harold P. Kule  
Justus F. Casseus  
J. A. Howell  
R. F. [unclear]

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COMMISSIONERS