

ORIGINAL

Decision No. 41710

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CALIFORNIA MOTOR TRANSPORT CO., LTD.)	
for authority to transport the express)	
traffic of CALIFORNIA MOTOR EXPRESS,)	Application No. 28974
LTD., between East Bay points (Richmond))	
to Hayward inclusive) and San Joaquin)	
Valley points served by applicant,)	
including Fresno.)	

DOUGLAS BROOKMAN, for California Motor Transport Co., Ltd., applicant, and for California Motor Express, Ltd., interested party.
 R. EDWARD BURTON, for Valley Motor Lines, Inc. and Valley Express Company, protestants.
 BEROL & HANDLER, for Fortier Transportation Company, interested party.

O P I N I O N

California Motor Transport Co., Ltd seeks the modification of limitations upon its existing operative rights, as a highway common carrier, so that it may be free to transport the express traffic of California Motor Express, Ltd. directly between East Bay and San Joaquin Valley points which applicant presently serves. The application was opposed by Valley Motor Lines, Inc. and Valley Express Company, which appeared as protestants. Fortier Transportation Company appeared as an interested party.

(1) For brevity, the parties appearing at the hearing will be designated as follows, viz.: California Motor Transport Co., Ltd. and California Motor Express, Ltd., as California Motor and as California Express, respectively; Valley Motor Lines, Inc. and Valley Express Company, collectively, as Valley; and Fortier Transportation Company, as Fortier. Likewise, interurban Express Corporation will be referred to as Interurban.

Public hearings were held on March 19 and 29, 1948, before Commissioner Potter and Examiner Austin at San Francisco, when the matter was submitted on briefs. Since the hearing, all objections to the authority sought were withdrawn by the carriers mentioned.

The operations of applicant, California Motor, extend from San Francisco and East Bay points, on the north, to Los Angeles, on the south. Between these points, it is authorized to operate over the Coast Route (U. S. Highway No. 101); and also, over that route from San Francisco and East Bay points to Gilroy, and thence via the Pacheco Pass Route (State Highway No. 152) and the Valley Route (U. S. Highway No. 99) to Los Angeles. Throughout the system, applicant's service is limited to the transportation of express traffic as an underlying highway common carrier for California Express. The latter, in turn, serves this territory as an express corporation (as defined by Section 2(k), Public Utilities Act).

Applicant is authorized to operate, as a highway common carrier, between San Francisco and San Joaquin Valley points, including Fresno. This service is conducted over the Coast Route to Paso Robles, and thence via State Highway No. 41; and also (as an alternative and additional route) over the Coast Route to Gilroy,

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- (2) The East Bay points, which California Motor is authorized to serve, include the communities extending from Richmond to Hayward, inclusive. (Decisions Nos. 28401, 29292, 31978, 33993 and 37472).
- (3) By Decision No. 31548, California Motor was authorized, in connection with its existing operations between San Francisco, East Bay points and Los Angeles, to operate between San Jose and Oakland as an alternate route, using U. S. Alternate Highway No. 101 and State Highways Nos. 17 and 21.

(4)
and thence via Pacheco Pass. However, because of the limitations
(5)
imposed by Decision No. 37472, it is precluded from performing any
service between East Bay points and Valley territory.

Public convenience and necessity, it is claimed, require the removal of this limitation. Allegedly, it imposes an unnecessary and unreasonable burden upon the operations of California Express, and upon the business activities of patrons located both in the East Bay area and at San Joaquin Valley points. Furthermore, it assertedly prevents the free, expeditious and economical flow of that carrier's traffic between the points mentioned.

An operating official described the method currently employed by California Express in the transportation of express traffic between East Bay and Valley points. To provide the service, the latter employs, as underlying carriers, both the Interurban Express Corporation (a highway common carrier), which operates
(6)
between Oakland and San Francisco, and California Motor, which

(4) By Decision No. 37472, dated November 9, 1944 (45 C.R.C. 502), California Motor was authorized to acquire from Valley & Coast Transit Company, certain operative rights under which, it was held, highway common carrier service could be provided between San Francisco and San Joaquin Valley points, via Paso Robles. Subsequently, by Decision No. 40473, dated June 28, 1947, (47 Cal. P.U.C. 319), California Motor was authorized to operate between these points via Pacheco Pass and U. S. Highway No. 99.

(5) Decision No. 37472 authorized the acquisition of certain operative rights, mentioned above, and operation thereunder by California Motor, subject to the following limitation:

"California Motor Transport Co., Ltd. shall transport no freight between any point or points upon its lines in the San Joaquin Valley, on the one hand, and between King City and East Bay points, and intermediate points, on the other hand." (45 C.R.C. 502, 513)

(6) Throughout the East Bay territory, pickup and delivery service is performed for California Express by Red Line Transfer Company.

operates between San Francisco and the Valley. The equipment used between East Bay and the Valley is owned by California Motor, which leases it, on an hourly basis, to Interurban for the transbay movement. Between Oakland and San Francisco, Interurban handles the traffic for California Express at its published tariff rates.

A service conducted directly between Oakland and the Valley by California Motor, as an underlying carrier, could be provided more economically and efficiently than under the present arrangement, it was shown. The volume of traffic moving from East Bay points to the San Joaquin Valley territory averages $2\frac{1}{2}$ tons daily, it appears. Between June and November, 1947, inclusive, the charges paid by California Express to Interurban for performing the transbay underlying carrier service amounted to \$9,669.14. During the same period, the rental charges paid by Interurban to California Motor for the equipment used in this service aggregated \$8,217.50. Under the arrangement existing between these carriers, the rental charges were offset against the transportation charges, leaving a net balance of \$1,451.64, which Interurban received. It was pointed out, however, that the hourly charge of five dollars, upon which the equipment rental was based, does not represent in its entirety a profit realized on the transaction by California Motor; the cost incurred by that carrier in conducting this service should also be considered.

The record indicates that the saving in mileage would be material. Between Oakland and Fresno, for example, the distance traversed via San Francisco Bay Bridge, the Coast Route and Pacheco Pass is 205 miles. Over the more direct route from Oakland to San Jose, via State Highway No. 17, and thence via the Coast Route and Pacheco Pass, the total distance is 192 miles. Thus, under appli-

cant's proposal there would be a saving of 13 miles for each one-way trip. In the course of a year, it was stated, this would be substantial.

Under this plan, shipments might reach Fresno one-half hour earlier than at present. As they now arrive at the Fresno terminal during the early morning hours, the time of delivery to the consignees would not be affected by this change in operation. Thus, the competition between applicant and the other carriers in the field would not be intensified.

In view of the withdrawal, by the carriers appearing at the hearing, of their objections to the application, their grounds of opposition need not be further considered.

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 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 applicant, California Motor Transport Co., Ltd. (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), for the transportation of express traffic of California Motor Express, Ltd., (a corporation,

operating as an express corporation, as defined by Section 2(k), Public Utilities Act), between East Bay points, extending from Richmond to Hayward, inclusive (which applicant is presently authorized to serve), on the one hand, and Fresno and other San Joaquin Valley points (which applicant acquired the right to serve pursuant to Decision No. 37472, in Application No. 24371), on the other hand.

(2) That the limitation set forth in the third ordering paragraph of the order contained in said Decision No. 37472 be, and it hereby is modified and amended to read as follows:

"California Motor Transport Co., Ltd., shall transport no freight between any point on its lines situated in the San Joaquin Valley, on the one hand, and any point on its lines situated between King City and the southern municipal boundary of Hayward, inclusive, on the other hand."

In all other respects, said decision shall remain in full force and effect.

(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 the Commission to change or modify them by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over any and all routes upon or along which applicant is presently authorized to operate, to or from said East Bay points or Fresno or said San Joaquin Valley points, under any operating authority which it may now hold.

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

Dated at Los Angeles, California, this 15th day of June, 1948.

R. Z. Underwood
Justice J. Cassese

Harold H. Hule

Samuel P. Potter
COMMISSIONERS