

**ORIGINAL**

Decision No. 42351

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 COAST LINE TRUCK SERVICE, INC., a )  
 corporation, for a certificate of )  
 public convenience and necessity )  
 authorizing it to enlarge and extend )  
 its operations as a highway common ) Application No. 27082  
 carrier between Los Angeles, Cali- )  
 fornia, and vicinity, on the one hand, )  
 and points and places in the Counties )  
 of Monterey and Santa Cruz, on the )  
 other. )

- REGINALD L. VAUGHAN, for applicant.
- E. P. ST. CLAIR and DOUGLAS BROOKMAN, for California Motor Express, Ltd., protestant.
- RANDOLPH C. KARR, JOSEPH C. GILL, WILLIAM MEINHOLD and E. L. H. BISSINGER, for Southern Pacific Company and Pacific Motor Trucking Company, protestants.
- GORDON & KNAPP by WYMAN C. KNAPP, for Pacific Freight Lines, Pacific Freight Lines Express, Valley Motor Lines, and Valley Express Co., interested parties.
- W. A. STEIGER, for Southern California Freight Lines and Southern California Freight Forwarders, interested parties.
- W. J. MARTINDALE, JAMES T. GREIG and ED STERN, for Railway Express Agency, Incorporated, protestant.
- PHIL JACOBSON, for Western Truck Lines, Ltd., protestant.
- R. EDWARD BURTON, for Valley Motor Lines, Inc. and Valley Express Company, protestants.
- F. E. WARD, for Highway Transport, Inc., protestant.

O P I N I O N

This is an application by Coast Line Truck Service, Inc., for a certificate of public convenience and necessity authorizing the transportation of general commodities between Los Angeles and points in the vicinity thereof, on the one hand, and Salinas, Monterey, Pacific Grove, Watsonville, Santa Cruz, and Davenport, and points intermediate thereto in Monterey and Santa Cruz Counties, on the other hand.

Public hearings on the application were held by Examiner Gannon at Los Angeles, San Francisco, Salinas, Watsonville, Santa Cruz and Monterey and the matter was submitted on concurrent opening and closing briefs.

Applicant is presently rendering a highway common carrier service for the transportation of fresh fruits and vegetables between the Los Angeles area and the points above enumerated in Monterey and Santa Cruz counties. <sup>(1)</sup> In the performance of such transportation services, applicant claims to have received numerous requests from interested shippers and receivers of freight in the territory now being served to provide overnight truck service for the transportation of general commodities, and the instant application is filed as a result of such requests.

The application is protested by California Motor Express, Ltd., Southern Pacific Company, Pacific Motor Trucking Company, Railway Express Agency, Inc., and Highway Transport, Inc. Valley Motor Lines Inc. <sup>(2)</sup> Valley Express Company, Pacific Freight Lines, Pacific Freight Lines Express, Southern California Freight Lines, and Southern California Freight Forwarders entered appearances as interested parties. <sup>(3)</sup>

#### Applicant's Present Service

The President and General Manager of the applicant company outlined the service which it is presently rendering. Fresh fruits and vegetables are transported from the producing centers in Monterey and Santa Cruz counties to the produce markets in Los Angeles, departing in the late evening and arriving in Los Angeles early the following morning. Its trucks are free in Los Angeles by 10:00 or

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(1) Such authority was granted by Decision No. 28960 in Application No. 20111; Decision No. 32456 in Application No. 22407; and Decision No. 32733 in Application No. 22856.

(2) By Decision No. 41237, dated February 17, 1948, the Commission authorized the transfer to Valley Motor Lines, Inc. of the operative rights of Reader Truck Lines, which gives Valley a through operative right between San Jose and Salinas and intermediate points, and Los Angeles.

(3) In the interest of brevity, applicant will hereinafter sometimes be referred to as Coast Line; California Motor Express, Ltd. as Cal Motor; Southern Pacific Company as Southern Pacific; and Pacific Motor Trucking Company as PMT.

11:00 o'clock in the morning. In the northern area there is time to make deliveries in the morning and assemble produce in the afternoon destined for the south. The volume of general commodities south-bound is admittedly small, most of the traffic being north-bound. Pickup of farm perishable products in the northern territory is made between 10:00 o'clock in the morning and 4:00 or 5:00 o'clock in the evening. Trucks depart for Los Angeles between 6:00 and 7:00 o'clock in the evening. The preponderance of south-bound traffic is from May to January, with the peak reached in July. An average of eight units of equipment consisting of tractors and semi-trailers are used in the south-bound movement.

During seven months of the year two or three units of available equipment return north-bound empty or partially loaded. Applicant leases some equipment to other carriers in an attempt to fill them north-bound but still has empty equipment going north.

With reference to the pick-up and delivery service which applicant proposes, he testified that it could be handled by his own equipment. South-bound shipments of general freight would be consolidated at Salinas and Watsonville for transfer to line haul equipment, completing that operation at 5:00 P.M. General freight will be transported along with perishable products southbound. North-bound freight will be consolidated for transfer to the line haul equipment at applicant's terminal in Los Angeles and will be completed at 4:00 P.M., arriving at Salinas at 5:30 A.M. and at Watsonville at 6:30 A.M. No additional employees or equipment will be necessary, and applicant estimates that he will make 90 per cent of the pick-ups and deliveries with his own equipment.

(4)

PROPOSED TIME SCHEDULE

	Southbound (Road down)	Northbound (Road up)
Watsonville	Leave 6:00 P.M.	Arrive 6:30 A.M.
Salinas	" 7:00 P.M.	" 5:30 A.M.
Los Angeles	Arrive 6:30 A.M.	Leave 6:00 P.M.

Applicant further testified that the purpose of the application was to make available an overnight service for the transportation of general commodities between the commission markets in the Los Angeles area, on the one hand, and the producing area located in the counties of Monterey and Santa Cruz, on the other.

Public Witness Testimony

Applicant called a large number of witnesses whose testimony did not vary much from a regular pattern. They needed overnight service from the Los Angeles area because of emergency shipments and believed this would increase their business were the application to be granted. Some of the complaints were more aggravated than others but there was an unmistakable unanimity of testimony to the effect that overnight service from other carriers was practically non-existent, despite the claims of protesting carriers. Over fifty witnesses testified to the need for overnight service, which they contended, was not available at present. Three or four days in transit, from Los Angeles to the Peninsula points, was not uncommon and some witnesses testified that such delays were often from three to seven days. Shipments are routed to San Francisco and then re-shipped or back-hauled to their destination. While there was testimony to the effect that some shipments received overnight delivery, it is obvious from the record that there is no regularity of such service. Some shippers had discontinued buying their commodities in Los Angeles and patronized San Francisco dealers instead.

The testimony of the traffic manager of Sears, Roebuck & Company, a large mail order house at Los Angeles, is characteristic, in many respects, of the general trend of other witness testimony differing only in the volume of business.<sup>(5)</sup> That concern, so the witness testified, makes daily shipments from Los Angeles into the northern area. It ships practically every known commodity to the Salinas-Watsonville-Santa Cruz territory, except food stuffs and bulk material. It serves 55 retail stores in California with some 3,500 customers, and ships daily up to 5,000 pounds into the Monterey-Santa Cruz territory during the heavy season. The witness testified that the present service is inadequate for his company's needs, and the method of handling the shipments results in frequent and substantial damage to merchandise. On cross examination he testified that he knew of no carrier giving overnight service between Los Angeles and the Monterey-Santa Cruz area, and expects applicant to furnish direct service with no interchange except for pick-up and delivery. With a daily overnight service into the territory the company would establish an order office as a convenience to its customers. In all points where they have established such order offices with adequate transportation facilities, so the witness testified, the company has immediately increased its business in those areas from 60 to 200 per cent. The witness stated that his company uses Pacific Freight Lines, Cal Motor, Southern Pacific and Railway Express Agency, Inc., but that the service of all these carriers is unsatisfactory.

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(5) The direct and cross examination of this witness ran over some 34 pages of the transcript.

Approximately 20 witnesses were called by applicant in the Salinas territory. All use PMT and Cal Motor but do not receive overnight service, according to their testimony. As a result, these merchants have suffered a decline in their business. Time in transit is anywhere from two to ten days, five days being a reasonable average. One witness testified that "the load goes by our own door to San Francisco and then back to Salinas". He had ordered his shipping clerk to discontinue shipping via PMT or Southern Pacific.

Watsonville, Monterey and Santa Cruz witnesses did not vary much in their testimony. They required more expeditious service regardless of the carrier. Many complained of the circuitous routing by which traffic from Los Angeles was taken to San Francisco and thence routed back to the points here involved.

#### The Chesnut Report

Fred H. Chesnut, a consulting engineer in transportation matters, made a study of certain phases of the operations of applicant, the primary purpose of which was to point out possible economies that might be affected should the application be granted. Based upon mathematical computations, the study purports to show the quantity of general commodity freight which might be transported if applicant's equipment were fully loaded. He calculated the amount of varying voidages in the equipment operated in 1946 and transformed such voidage into pounds of general commodity merchandise. He also calculated the man-hours of idle time of applicant's dock workers and pickup and delivery drivers and treated them likewise.

No study was made to ascertain whether any particular general commodity traffic would be available at any particular time. He agreed that there would have to be general merchandise traffic available at the time the particular truck moved, either partially loaded or empty. He estimated that an additional 18 million pounds of general freight per year could be added to the operation without increasing the number of trucks or the number of trips, and without utilizing subhaulers. From the period January 13 to 25, at Los Angeles, there were 165 idle hours for drivers employed by applicant, or 12 per cent of the total hours. In other words, the local men employed at the Los Angeles terminal are idle 12 per cent of the time for which they are paid. If this could be eliminated, applicant would save some \$40,000 a year in the line-haul by increasing its load factor.

The application is actively opposed by Southern Pacific, PMT and Cal Motor. It is pertinent at this point to briefly examine the type and extent of service rendered by these carriers.

Southern Pacific Company

Shipments from Los Angeles to Salinas Valley points are picked up by PMT, a subsidiary of Southern Pacific, and brought to the freight station where they are segregated as to destinations. The traffic for Salinas Valley is placed in separate cars and leaves Los Angeles at 3 P.M., arriving at Salinas at 5 A.M. daily except Saturday. The cars are set out at Salinas and unloaded and ready for placing on PMT equipment, which radiates out of Salinas and serves Watsonville, Santa Cruz, Monterey and Pacific Grove.

Billing is teletyped from Los Angeles to the Salinas freight office, and is prepared for the drivers of the trucks. Southbound shipments are handled via San Francisco with third-morning delivery to Los Angeles.

Pacific Motor Trucking Company

This carrier performs pickup and delivery service for Southern Pacific Company. At Salinas they have the equivalent of three and one-half trucks for that purpose. The drivers work the entire day handling the traffic received from Los Angeles. A tractor and two semi-trailers are used in handling the traffic to Watsonville and Santa Cruz, one trailer being dropped off at each point. Most of the deliveries are made in the morning. First-morning delivery in Monterey from Los Angeles has been rendered since February 4th of this year. Prior to that it was second-day delivery. In the reverse, traffic from Monterey to Los Angeles would move by rail car into San Francisco and then to Los Angeles while traffic from Santa Cruz would move in the same manner except that it first moves by truck to Salinas.

California Motor Express, Ltd.

This is an express corporation and is engaged in the transportation of traffic between Los Angeles on the one hand, and Salinas and Monterey County points on the other. The company operates a fleet of 75 pickup and delivery trucks in Los Angeles. It collects freight in Los Angeles and transports it over the lines of California Motor Transport to San Jose overnight where it is turned over to Highway Transport, Inc., for delivery to Salinas, Watsonville,

Santa Cruz and Monterey, with deliveries the same day. It has an additional overnight service from Los Angeles to Salinas through interchange with Pacific Freight Lines at San Luis Obispo, this traffic arriving at Salinas about 10 a.m. where delivery is made the same day by Cahoon's local delivery service.

Railway Express Agency

The Agency has an overnight service from Los Angeles to Salinas and Monterey Peninsula points.

Highway Transport Co.

This company is a highway common carrier operating trucks to points served on the Monterey Peninsula, with terminals at Salinas, Monterey, Watsonville and Santa Cruz. Daily service is rendered to these points except Saturday.

Protestants in their brief raise two main objections to the granting of the application which they characterize as "insurmountable". They contend there is no necessity or demand requiring an additional service for the transportation of general commodities, and that even if such necessity and demand did exist, the proposal of service advanced by applicant is too illusory and impracticable. They further contend that overnight service is presently available for shippers who desire to use it.

The protestants called some 86 public witnesses. Their testimony is largely cumulative. With few exceptions they were satisfied with the present service. Watsonville and Santa Cruz witnesses, to the number of 27, testified that they received shipments of various commodities from Los Angeles via Cal Motor, PMT and Highway Transport. Such service was entirely satisfactory and shipments were usually delivered the day after shipping, though overnight service was apparently of no interest to them. Traffic was brought from Los Angeles to San Jose via Cal Motor

and thence to Santa Cruz and other points via Highway Transport. These witnesses had no need for additional service.

Approximately 30 witnesses at Salinas offered testimony on behalf of protestants. All testified that the service was satisfactory, but no reference was made to overnight delivery. A like number of witnesses testified at Los Angeles with reference to the three carriers above named and found their service to be satisfactory and sufficient. As evidence of a lack of interest in overnight service, it appears from the record that a number of Los Angeles dealers send their salesmen through the northern territory and solicit orders which are taken or sent to Los Angeles to be filled, which would indicate that the orders are not of an urgent nature.

A number of these witnesses were unable to state whether they were receiving overnight service or not, but they did testify that such shipments were sometimes five or six days in transit. Most of them were dealers in farm implements and hardware.

Watsonville witnesses testified that they would accept the advantages of an overnight service, regardless of which particular carrier supplied it.

Protestants assert that the operations of applicant under existing certificates, authorizing a specialized produce hauling service, are incompatible with an undertaking to transport general commodities as a common carrier. We do not view the matter in that light. It is true that Decision No. 32733, granting applicant an extension of its then existing rights, contained a restriction to the effect that Coast Line

"shall not, on the same piece of equipment, commingle with any shipment of produce transported under the certificate granted herein, any shipment of general merchandise transported as a highway contract carrier or as a radial highway common carrier". (Emphasis supplied)

It is clear that the restriction applies only to the certificate granted by Decision No. 32733 and was not intended to operate as a permanent inhibition.

Applicant alleges, and the record bears out the allegation, that Cal Motor took no steps to improve its service from Los Angeles to Salinas and Monterey points involved herein until a considerable time after the filing of the instant application. (6) It is a well established rule of the Commission that an application for a certificate of public convenience and necessity shall be judged and decided upon the conditions existent at the time the application is filed. (7)

The record in this proceeding unquestionably establishes a need for the service which applicant proposes to render, and which it is fully capable of performing. For a long period of time

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(6) The application under consideration was filed on November 9, 1945, while California Motor Express filed Application No. 28679 on August 26, 1947. Decision No. 40904, rendered pursuant to this latter application, was dated November 12, 1947, and authorized California Motor Transport, Inc., underlying carrier for California Motor Express, Ltd., to deliver to, and receive from, California Motor Express, Ltd., at San Jose, express traffic of California Motor Express, Ltd. and to interchange with other common carriers at that point.

By Decision No. 41825, pursuant to Application No. 29080, filed on February 11, 1948, California Motor Transit Co., Ltd. was granted a certificate authorizing the transportation of express traffic of California Motor Express, Ltd. to Salinas and to interchange traffic with other common carriers at that point.

(7) In Re Oro Electric Corporation, 1 CRC, 256, 257.

the public in the Monterey-Santa Cruz area has been compelled to rely on either a combination of rail and truck service, or a truck service involving interchange between line-haul carriers. A sufficient showing has been made by applicant to demonstrate the need for a dependable overnight service by a large number of shippers and receivers of freight. That protestants' witnesses are apparently satisfied with present service should not foreclose those who would use the proposed service from enjoying its advantages.

Upon full consideration of the evidence in this proceeding it is found as a fact that public convenience and necessity require the establishment and operation of the highway common carrier service proposed herein. The application, therefore, will be granted.

O R D E R

Public hearings having been held in the above entitled application, evidence having been received, the matter having been submitted, the Commission being fully advised, and it having been found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Coast Line Truck Service, Inc. authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, for the transportation of property between Los Angeles and points in the vicinity thereof, and described in Item 270-A, Highway Carriers' Tariff No. 2, as follows:

Los Angeles Territory:

Beginning at the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northeasterly along Sunset Boulevard to State Highway No. 7; northerly along State Highway No. 7 to State Highway No. 118; northeasterly along State Highway No. 118 through and including the City of San Fernando; continuing northeasterly and southeasterly along State Highway No. 118 to and including the City of Pasadena; easterly along U. S. Highway No. 66 to State Highway No. 19; southerly along State Highway No. 19 to its intersection with U. S. Highway No. 101, Alternate, at Ximeno Street; southerly along Ximeno Street and its prolongation to the Pacific Ocean; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northerly along an imaginary line to point of beginning,

on the one hand, and Salinas, Monterey, Pacific Grove, Watsonville, Santa Cruz and Davenport and points intermediate thereto in Monterey and Santa Cruz Counties, on the other, over and along the following described routes:

Over and along streets and highways required to be traversed in said "Los Angeles Territory", thence via Highway U. S. No. 101 or Highway U. S. No. 101-Alternate to its intersection with Highway U. S. 101 near Montalvo, California, thence over and along Highway U. S. 101 to Salinas, California, thence;

- a. Between Salinas and Pacific Grove over and along unnumbered highways through Del Monte and Monterey, California,
- b. Between Pacific Grove and Castroville through Monterey over and along State Route No. 1,
- c. Between Salinas and Davenport over and along unnumbered highways between Salinas and Castroville thence State Route No. 1 through Watsonville, Aptos and Santa Cruz to Davenport,

and return over and along the same routes.

(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 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.

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 December, 1948.

R. Z. Johnson  
Justus J. Warner  
Robert Keall  
Harold P. Hills  
Samuel P. Potter  
 COMMISSIONERS