

ORIGINAL

Decision No. 43280

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 operate via U. S. )  
 Highway 99 for the transportation of )  
 express traffic of CALIFORNIA MOTOR ) Application No. 30008  
 EXPRESS LTD. between Los Angeles, )  
 Bakersfield and other San Joaquin )  
 Valley points which applicant is )  
 authorized to serve. )

Douglas Brookman for applicant; Gordon, Knapp & Hennessy,  
 by Hugh Gordon, for Pacific Freight Lines and Pacific Freight  
 Express, S. L. H. Bissinger for Southern Pacific Company and Pacific  
 Motor Trucking Company, H. W. Walker and J. B. Kramer, for Santa  
 Fe Transportation Company and The Atchison, Topeka & Santa Fe  
 Railway Company, protestants; Glanz & Russell, by Arthur Glanz,  
 for Desert Express, and W. A. Steiger for Southern California  
 Freight Lines and Southern California Freight Forwarders, inter-  
 ested parties.

O P I N I O N

California Motor Transport Co. Ltd. requests a certifi-  
 cate of public convenience and necessity to operate as a highway  
 common carrier for the transportation of express traffic of  
 California Motor Express, Ltd. via U. S. Highway No. 99 between  
 Los Angeles, on the one hand, and Bakersfield, Fresno, and other  
 San Joaquin Valley points, on the other hand.

Public hearings were held in Los Angeles on April 8  
 and 26, and May 16, 1949. Evidence was adduced and briefs were  
 filed. The matter is now ready for decision.

Applicant is a highway common carrier. Its certificates  
 of public convenience and necessity grant, among other operating  
 rights, the right to transport express traffic of California

Motor Express, Ltd. between Los Angeles and Fresno, Bakersfield, and other San Joaquin Valley points, via Paso Robles (U. S. Highway No. 101)<sup>(1)</sup>.

The mileage via its present coast route is Los Angeles to Paso Robles, 232 miles; Paso Robles to Fresno, 116 miles; Fresno to Bakersfield, 112 miles; or a total of 460 miles (Exhibit No. 4). The mileage along the proposed inland route is Los Angeles to Bakersfield, 112 miles; and Bakersfield to Fresno, 112 miles; a total of 224 miles.

Applicant now transports the express traffic of California Motor Express, Ltd. via the coast to Fresno where it unloads and reloads said express, together with similar express arriving from San Francisco, and delivers same to consignees at any or all San Joaquin Valley points, usually the following morning. The evidence shows, and we find, that from one to four "trains" (each train consisting of a tractor and two semitrailers) leave Los Angeles, via coast route, between 5 p.m. and 8:30 p.m., and arrive in Fresno between 3:30 a.m. and 7 a.m.; that, upon arrival in Fresno, trucks are immediately unloaded and reloaded, either on delivery trucks for Fresno and vicinity delivery, or in four to six semitrailers which leave Fresno between 4 a.m. and 7:30 a.m., the same morning, for Bakersfield and other nearby points, arriving at Bakersfield between 7 a.m. and 10:30 a.m.; that, except in cases of unforeseeable delays, applicant now is making, and can make, deliveries from

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(1) The route now used is U. S. Highway 101 to Paso Robles, thence State Highways 41, 33, and unnamed county roads to Fresno, thence southerly along U. S. Highway No. 99 to Bakersfield. Various U. S. and state highways and county roads are used to serve other valley points. This is referred to as the coast route.

Los Angeles to Bakersfield the morning following shipment from Los Angeles via said coast route.

Exhibits Nos. 6 and 7 show the number of shipments and pounds of freight transported for California Motor Express, Ltd. between Los Angeles and San Joaquin Valley points, via Paso Robles, for the months of November and December, 1948, and March, 1949, to be as follows:

		NORTHBOUND					
Origin	Dest'n	Shipments			Pounds		
		Nov.	Dec.	Mar.	Nov.	Dec.	Mar.
LA	Baksfld.	440	455	810	154,440	140,880	217,530
LA	Fresno	1014	920	1435	416,478	342,353	397,518
LA	All other SJV Pts.	1366	1021	2088	338,118	252,806	441,711
Totals (3 Mos.)		2820	2396	4333	909,044	742,039	1,056,759

The most favorable month was March, 1949, which had 27 operating days or a daily average of 161 shipments and 39,139 pounds.

		SOUTHBOUND					
Origin	Dest'n	Shipments			Pounds		
		Nov.	Dec.	Mar.	Nov.	Dec.	Mar.
Baksfld.	LA	5	6	13	5,742	1,713	6,449
Fresno	LA	68	73	126	38,638	33,744	72,417
All other	LA SJV Pts.	15	15	40	3,690	10,268	16,215
Totals (3 Mos.)		88	94	179	48,070	45,725	95,081

Again, the March results were the best and the daily average was 6.6 shipments and 3,522 pounds.

Applicant contends that, as it now serves the San Joaquin Valley to this extent, by the indirect coast route, it should be permitted to effect economies by operating via the shorter inland route, serving the same valley points.

Applicant made no showing that its present operation is being conducted on a profitable basis. There is testimony to the effect that the cost of operation over the long route, 348 miles to Fresno and 460 miles to Bakersfield, considering the character of

some of the terrain traversed, is prohibitive in the light of the lower cost to competitors operating via the inland route; and, that said route is not a usual or normal one for the transportation of freight between Los Angeles and the San Joaquin Valley points.

If applicant is permitted to serve the San Joaquin Valley points via the direct inland route, it proposes to continue to use its Fresno terminal or dock facilities for all traffic excepting that full truckloads of Bakersfield traffic would be left at the yard or terminal in that city on the northbound trip. All other shipments excepting those consigned to Fresno and vicinity would be back-hauled to all valley points, including Bakersfield.

Exhibits Nos. 1 and 4 show that it costs applicant \$53.90 more to operate one round trip to Fresno, and \$134.66 more to operate one round trip to Bakersfield, via its present route than the cost of one round trip to the same points via the proposed inland route.

Applicant's position is that, upon such a showing of operating savings, the alternate route operation should be authorized. It relies principally on Decision No. 40473 (47 CRC 319), the so-called Pacheco Pass case, and on Decision No. 42385, the Desert Express case.

The principal protestants are Pacific Freight Lines, a highway common carrier, operating between Los Angeles and Fresno, Bakersfield, and other San Joaquin Valley points, via U. S. Highway No. 99; Desert Express, a highway common carrier operating between Los Angeles and Bakersfield via Mojave, with restricted alternate route rights via U. S. Highway No. 99; and, the Southern Pacific Company and Pacific Motor Trucking Company operating an integrated rail and truck service between said points.

The protest of Desert Express cannot be taken too seriously as this carrier is not interested in transporting the express traffic of California Motor Express, Ltd. between Los Angeles and Bakersfield (T. pp. 188-192).

We believe, however, that the protests of Pacific Freight Lines and Southern Pacific Company have merit. These two carriers perform a frequent, direct, and expeditious overnight transportation service between Los Angeles and all San Joaquin Valley points, and their services as underlying carriers have been, and are, available to the California Motor Express, Ltd.

The General Manager of Pacific Freight Lines testified that his company now operates as underlying carrier for express traffic of California Motor Express, Ltd. between Los Angeles and points east and south thereof; that it is willing to perform a similar service between Los Angeles and Bakersfield; that Pacific Freight Lines operates many daily schedules in both directions between Los Angeles and San Joaquin Valley points (via inland route No. 99) six to ten of which schedules operate between Los Angeles and Bakersfield; that said northbound and southbound schedules provide an early evening and nighttime departure with same-night or early-morning arrival; that additional equipment is available to handle in excess of 200 tons daily between any points authorized to be served; that tonnage carried by Pacific Freight Lines has dropped 25 per cent since the latter part of 1948; that the granting of a certificate, as requested by applicant, would adversely affect his company's revenues appreciably.

A representative of the Southern Pacific Company testified concerning the transportation service performed by said railroad,

in conjunction with Pacific Motor Trucking Company, between the same points proposed to be served by applicant. The evidence shows an evening departure and delivery early the following morning.

Southern Pacific Company daily sets out 3 rail cars of Los Angeles freight at Bakersfield, 2 cars at Tulare, and 3 cars at Fresno. Pacific Motor Trucking Company, a highway common carrier, delivers this freight throughout the valley the following morning and afternoon. This carrier maintains 7 trucks and 1 trailer at Bakersfield, 1 truck, 7 tractors, 11 semitrailers, and 4 dollies at Tulare, and 24 trucks, 13 tractors, 18 semitrailers and 8 dollies at Fresno.

For the purpose of the summary which follows, we shall consider a point in San Joaquin Valley midway between Fresno and Bakersfield and compare the mileages traveled by applicant over its present and proposed routes. The record indicates a distance of 112 miles between Fresno and Bakersfield. The midway distance of 56 miles will result in distances to said midway point of 404 miles via Paso Robles and Fresno, and of 168 miles via Bakersfield along proposed route. It is obvious that a highway common carrier operating via the long route would not be on an equal competitive basis with a similar carrier using the shorter route. The record in this proceeding shows that applicant is not now seriously competing with protestants for the valley traffic. If applicant is authorized to operate via the inland route it would be placed on a more favorable competitive basis than it presently enjoys. The result is obvious-- a material loss of traffic to the protestants.

There is nothing in this record to show that applicant is now transporting a substantial part of the traffic that moves between Los Angeles and the San Joaquin Valley points, nor that, if it were required to continue its present operations, it could eventually divert a material amount of such traffic. The economics of

the situation are against such a contingency. The service now conducted is of such a character that permission to substitute the proposed service would materially alter the competitive situation to the injury of the existing carriers.

We are not impressed with applicant's comparison of the facts in this case with those prevailing in the Pacheco Pass and Desert Express cases, supra. The cases can be distinguished on at least two important counts, (1) applicant here has not established a material competitive position, and (2) there is a greater variance in distance between present and proposed routes<sup>(2)</sup>.

In our opinion, the granting of this application would place applicant in a substantially more advantageous competitive position for the San Joaquin Valley traffic at the expense of carriers now serving said territory. The record is bare of any public need for such additional competition.

The fact that applicant and California Motor Express, Ltd. are affiliated companies is of little importance. The facilities of the two principal protestants are at the disposal of applicant's affiliate, should it desire to route its shipments more directly.

We have carefully considered the evidence in this proceeding and, being cognizant of our prior rulings in somewhat similar applications, we are of the opinion and find the facts to be as hereinabove set forth, and, thereon, we conclude that the application should be denied. It will be so ordered.

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(2) Via Pacheco Pass, the distance is 197 miles from San Francisco to Fresno, the northernmost point served by applicant; and via Highway 99, it is 112 miles between Los Angeles and Bakersfield, the southernmost point served. The distances between the same points, via Paso Robles, are 324 and 460 miles, respectively. Desert Express was granted the more direct route which was 56 miles shorter, but only for the transportation of consolidated truckloads of not less than 16,000 pounds for each truck or unit used, and without authority to serve any intermediate points.

O R D E R

A public hearing having been held in the above-entitled proceeding, the Commission being fully advised in the premises and being unable to find that public convenience and necessity so require,

IT IS ORDERED that Application No. 30008 be, and it hereby is, denied.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 1st day of September, 1949.

R. F. [Signature]  
James P. [Signature]  
[Signature]

COMMISSIONERS