

ORIGINAL

Decision No. 45714

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
 PENINSULA MOTOR EXPRESS, a corpora-)
 tion, for a Certificate of Public)
 Convenience and Necessity to Operate) Application No. 32090
 as a Highway Common Carrier of Com-)
 modities Generally Between Presently)
 Authorized Points, except San)
 Francisco, and East Bay Cities.)

Glanz & Russell, by Arthur H. Glanz,
 for applicant.
Douglas Brookman and N. R. Moon, for
 Merchants Express Corporation, protestant.
Edward M. Berol and Bertram S. Silver, for
 Highway Transport Express, protestant.
Willard S. Johnson, for J. Christenson Co.,
 protestant.

O P I N I O N

Applicant, Peninsula Motor Express, a corporation, presently operating as a highway common carrier for the transportation of general commodities between San Francisco and points and places on the peninsula to and including San Jose, Los Gatos, Saratoga, Cupertino and Permanente, requests authority to extend its operations between the points it is presently authorized to serve, except San Francisco, on the one hand, and San Pablo, Richmond, El Cerrito, Albany, Berkeley, Emeryville, Oakland, Piedmont, Alameda, San Leandro and Hayward (hereinafter referred to as the "East Bay"), on the other hand.

Public hearings were held before Examiner Daly at San Francisco, San Jose and Oakland, the matter being submitted on September 24, 1951, upon the receipt of briefs. Subsequent thereto, all parties informed the Commission by letter of their intentions to waive briefs.

Appearances in protest to the authority sought were made by Merchants Express Corporation, Highway Transport Express and J. Christenson Co.

According to the president of applicant, there is a close relationship between the East Bay area and the Peninsula area from the standpoint of the movement of freight. Many of applicant's regular customers in the Peninsula area, he stated, ship to or receive freight from the East Bay, and have requested applicant's service to and from the East Bay cities. He claims that the Peninsula-East Bay area is such that the handling of freight is not readily susceptible to interchange between carriers. The handling cost, he testified, is excessive by this method of operation, and the delay incident to interchange, according to his experience, is not acceptable to shippers and receivers generally.

The witness testified that applicant presently provides ✓ a daily overnight service between all points which it is authorized to serve on the peninsula south to and including Los Gatos. The major portion of its line-haul pickup and delivery equipment is based at San Francisco, with the balance of its equipment stationed at Redwood City and San Jose. The San Francisco terminal serves points between San Francisco, Hillsdale and Bay Meadows; the Redwood City terminal between Belmont and Los Altos; and the San Jose terminal the area generally between San Jose, Los Gatos, Mountain View and Permanente.

To provide the proposed service, the witness asserted, applicant desires to use all of its presently authorized routes as well as all available routes linking the East Bay cities with the peninsula points, including all of the approaches to the San Francisco-Oakland Bay Bridge, Dumbarton Bridge and San Mateo Bridge. The use of the routes, he stated, would depend upon the

nature of the shipments as warranted by origin and destination of the traffic, as well as convenience. As an example, he said that truckload traffic originating in East Oakland and vicinity would probably move over the San Mateo Bridge when its destination was San Mateo or Redwood City, rather than via the Oakland-San Francisco Bridge. No service is proposed between San Francisco and the East Bay.

According to the witness, the proposed service in the extended area would be daily and overnight with pickups made within the normal pickup hours, on one day, and delivered to peninsula points on the day following. Less than truckload shipments, up to 4,000 or 5,000 pounds, would be delivered by 10 a.m. regardless of the direction of movement, and the larger shipments would be delivered as requested by the consignee or the shipper. Applicant proposes to use two line-haul units from the East Bay to peninsula points and two in the opposite direction each day. A minimum of one schedule daily in each direction would be provided and additional schedules operated as the traffic warranted. No service is proposed on Saturdays, Sundays or holidays.

According to the witness, applicant has negotiated for suitable terminal facilities at Oakland. In addition thereto, applicant would station in the East Bay six pickup and delivery units and two line-haul trucks, which could be used for the picking up of heavier freight as well as for line-haul service.

It was the witness' opinion that applicant could not much longer refuse to handle shipments to or from the East Bay without that refusal having an adverse effect upon its other operations. As a result of surveys which he took, the witness testified that there were a substantial number of contract operators who serve both sides of the bay and it was his belief that applicant lost

some traffic to this type of operator. It was also his opinion that the proposed service could be justified and supported on the requests which applicant has been forced to turn down, in addition to traffic which could be diverted from permitted carriers.

Exhibits 1 and 2, applicant's Balance Sheet and Profit and Loss Statement, respectively, as of the first three months ending March 31, 1951, indicate total assets amount to \$132,003.99, total current liabilities in the amount of \$57,275.50 and a net profit of \$2,040.96.

(1)
Twenty-eight public witnesses testified on behalf of applicant. Their testimony may be briefly summarized as follows: within the recent past, their respective businesses have experienced a marked increase in growth and development; they have used applicant's service in the past and found it to be very satisfactory; applicant afforded them a highly efficient and, in many instances, a personalized service; they shipped either to or from the East Bay and peninsula points; they shipped or received traffic, on the average, from once a week to daily; they required an overnight service; they have used the existing highway common carrier between the East Bay and peninsula points, but expressed dissatisfaction with either the time in transit, handling of claims or missed pickups; that, if authorized, they would use applicant's service and that such service would meet their business needs and requirements. None of these witnesses, however, testified to a need for a refrigerated service.

Protestants, Highway Transport Express, Merchants Express Corporation and J. Christenson Co., are certificated to serve the

(1) Six from Oakland; two from Berkeley; one from Emeryville; 10 from San Jose; one from Belmont; two from Los Altos; one from Sunnyvale; three from Santa Clara; one from San Mateo; and one from Los Gatos.

points generally encompassed by the application. Merchants Express Corporation serves north as far as Redding and Healdsburg, south to San Jose, east to Stockton and Sacramento. Highway Transport Express serves from the San Francisco Territory south to Salinas and Monterey. J. Christenson is certificated to provide a specialized refrigerated service throughout a wide area within the state.

Protestants introduced oral and documentary evidence indicating their present operations, in addition to the testimony of ⁽²⁾ 11 public witnesses.

According to the general traffic manager of Merchants Express Corporation, that carrier operates between all the points covered by the above-entitled application and generally renders an overnight service between all points served. A twice-a-day service, he stated, is provided between San Jose and all points on the San Francisco peninsula. In addition to the line-haul service, which renders direct delivery on shipments of sufficient size, a twice daily pickup service in San Francisco and East Bay points is provided with a minimum of one pickup a day at all other points. He further stated that pickups are made on Saturdays, Sundays and holidays at special request.

Merchants Express Corporation owns and operates approximately 661 pieces of equipment and maintains terminal facilities at Oakland, San Francisco, Redwood City, Hayward and San Jose.

Exhibit 15, which showed the time in transit on shipments between the points served by Merchants Express Corporation for the

(2) Merchants Express Corporation called one witness from Oakland, one from Emeryville, one from Hayward and two from San Jose. Highway Transport Express called one witness from Berkeley, one from Oakland, one from San Mateo and three from San Jose. J. Christenson's showing was limited to operating evidence.

period from June 11, 1951 to June 15, 1951, indicated that of a total of 8,558 shipments 9.9% were same-day, 85.8% were overnight, 3.6% were second-day, 0.5% were third-day and 0.2% were over three days.

The present operations of Highway Transport were discussed generally by its president. He testified that his company operates four schedules out of the East Bay destined to San Jose. The first schedule, he asserted, which picks up in the East Bay before noon, affords delivery in San Jose that afternoon. All other schedules leaving the East Bay terminal between 6 p.m. and midnight provide delivery in San Jose the next morning. Nine pickup and delivery trucks are stationed in the East Bay.

Through the affiliation of Highway Transport, Inc., Robertson Drayage Co., Inc., Highway Transport Express and A.B.C. Transfer & Storage Co., Inc., 346 pieces of equipment are available for service within the San Francisco Bay area. Terminal facilities are maintained by this carrier at San Francisco, Oakland, San Mateo, Redwood City, Palo Alto and San Jose.

Exhibit 29, which covers the time in transit on shipments via Highway Transport, Inc. and Highway Transport Express between the points covered by the instant application for the period from August 1, 1951 to August 7, 1951, indicated that of a total of 3,080 shipments 39% were same-day, 56% were overnight, 3% were second-day and 1.5% were third-day or later.

J. Christenson Co., through its president, introduced evidence reflecting its operations, which are essentially those of transporting perishable commodities in insulated van equipment with mechanical refrigeration.

The public witnesses testifying on behalf of protestants asserted that they used protestants' services, found them to be

satisfactory in all respects, and stated that as far as their business needs and requirements were concerned, they had no necessity for an additional service.

The East Bay and Peninsula areas have experienced a marked growth and development in both industry and population within the past 10 years. As indicated by Exhibit 5, such points as Hayward, Belmont, Menlo Park, Redwood City, San Mateo and Sunnyvale have had over 100% increase in population. Many of applicant's customers ship and receive commodities from both San Francisco and the East Bay. They expressed great satisfaction with the service they now receive via applicant, but desire the same service made available from the East Bay cities. Although the record indicates that the protestants are apparently rendering an adequate and satisfactory service to their respective customers, this does not meet the need expressed by those witnesses who testified on behalf of applicant.

After full consideration of the facts, the Commission is of the opinion, and so finds, that public convenience and necessity require the granting of the authority sought.

O R D E R

An application having been filed, a public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises 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 Peninsula Motor Express authorizing the establishment and operation of service as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of general commodities except (1) petroleum and petroleum

products in bulk in tank trucks, (2) livestock, (3) used uncrated, unwrapped and unpacked household goods, and (4) perishable commodities when transported in insulated vans with mechanical refrigeration, between all points it is presently authorized to serve except San Francisco, on the one hand, and San Pablo, Richmond, El Cerrito, Albany, Berkeley, Emeryville, Oakland, Piedmont, Alameda, San Leandro and Hayward, on the other hand.

2. That, in providing service pursuant to the authority 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 thirty (30) days after the effective date hereof.
- (b) Within sixty (60) days after the effective date hereof, and on not less than five (5) days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, appropriate tariffs and time schedules.
- (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:

(1) Via any or all of the applicant's presently authorized routes to San Francisco; thence via the San Francisco-Oakland Bay Bridge to the East Bay cities, using all available practical routes.

(2) Unnamed highway extending in a southwesterly direction from Hayward to Mt. Eden, thence in a generally southwesterly direction across the San Mateo Bridge to the City of San Mateo.

(3) Unnumbered highway extending from Palo Alto in a generally northeasterly direction across Dumbarton Bridge to State Highway 17, including the branch of said route which proceeds through Newark and joins State Highway 17 near Centerville, the route which proceeds in a generally northerly direction to the point of Alvarado and

the route which joins State Highway 17 approximately two miles northwest of Centerville.

(4) State Highway 9 between Milpitas and Mountain View.

(5) As an alternate route for operating convenience only, State Highway 17 between San Jose and the East Bay cities.

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

Dated at San Francisco, California, this 5th day of February, 1952.

R. J. [Signature]
President

Justin F. Coe
Harold P. Hule

[Signature]
[Signature]
Commissioners