

ORIGINAL

Decision No. 46874

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC FREIGHT LINES, a California)
corporation, for a certificate to) Application No. 31338
operate as a highway common carrier)
between various points in California,)
Earlimart and north thereof.)

Gordon, Knapp and Gill, by Hugh Gordon, Joseph C. Gill
and Sanford A. Waugh, for applicant.

Douglas Brookman, for California Motor Express, Ltd.,
California Motor Transport Co. Ltd. and Merchants
Express Corporation; R. Edward Burton, for Valley
Express Co. and Valley Motor Lines, Inc., and Delta
Lines, Inc.; Orville A. Schulenberg, for Clyde Sturges
dba Huntington Stage Lines and Moser Frozen Food
Freight Line; Frederick E. Fuhrman, for Southern
Pacific Company, Pacific Motor Trucking Company and
Pacific Electric Railway Company; Robert W. Walker,
John B. Kraemer, F. G. Pfrommer and Frederick A.
Jacobus, for The Atchison, Topeka & Santa Fe Railway
Company and Santa Fe Transportation Company; Crossland
& Crossland, by Robert S. Crossland, for Harold McBride;
Frederick W. Mielke, for Delta Lines, Inc.; Marvin
Handler, for Stockton Motor Express; Clair W. MacLeod,
for M. A. Gillardy dba G & H Motor Express and G & H
Freight Lines; and M. J. Kiep, for Railway Express
Agency, Inc., protestants.

Willard S. Johnson and R. Edward Burton, for J. Christensen
Co. and Theo Peters dba Ted Peters, interested parties.

O P I N I O N

Applicant, Pacific Freight Lines, now operates an
extensive certificated highway common carrier operation for the
transportation of general commodities between the San Francisco
Bay territory and Sacramento, on the north, and National City and
Calexico, on the south, serving many intermediate points on U. S.
Highways 99, 101 and 66. By its application, as amended, applicant
seeks authority to extend its operation and proposes a daily over-
night service for the transportation of general commodities between

the San Francisco territory (as described in Appendix "A" and attached hereto), on the one hand, and points and places within the San Joaquin Valley from the southern city limits of Stockton, on the north, to Coalinga, Kettleman City, Earlimart and Lemon Cove, on the south, on the other hand; between Fresno and points and places on and along applicant's certificate or certificated routes, on the one hand, and points and places in the proposed San Joaquin Valley area, on the other hand. Applicant also requests authority to serve five miles laterally of the routes over which it proposes to operate.

Applicant was originally authorized to operate to points south of Fresno and San Luis Obispo, with the exception of local service between Fresno and Tulare. Service on the west side was provided to such points as Wasco, Shafter, Taft, McKittrick and Coalinga. However, no service was authorized to Corcoran, Hanford, nor by direct route between Fresno and Coalinga. Service on the east side was provided to the Porterville Loop, which included such points as Famoso, Ducor, Porterville, Exeter, Visalia and Goshen Junction.

By Decision No. 42980, dated June 14, 1949, in Application No. 29657, applicant was authorized to acquire the General Transfer Company rights, created by Decision No. 40485, dated June 28, 1947, in Application No. 24202. The acquisition of these operative rights authorized service between Selma and Fresno, on the one hand, and Stockton, San Francisco and Oakland, on the other hand. By Decision No. 43003, dated June 14, 1949, in Application No. 27573, applicant was authorized to operate between all points it was then authorized to serve, on the one hand, and points and places located on and along U. S. Highway 99 north of Fresno to and

including Sacramento; and between all points it was then authorized to serve south of Tulare and San Luis Obispo, on the one hand, and San Francisco territory, on the other hand. Decision No. 43003 restricted applicant from providing service between Fresno and Tulare, inclusive, on the one hand, and points and places located on and along U. S. Highway 99, including Sacramento, on the other hand.

Applicant's existing operative rights do not provide for local service to intermediate points between Sacramento and Fresno nor between Fresno and Tulare. According to applicant, the purpose of the above-entitled application is to fill in the gaps and round out its service.

Hearings were held before Examiner Daly in Fresno, Modesto, Los Banos, Dinuba, Hanford, San Jose, Los Angeles, Oakland and San Francisco. Concurrent with the showing of applicant in this matter, hearings were being held before Examiner Austin on Application No. 30475, wherein California Motor Transport and California Motor Express were seeking authority to extend their operative rights in substantially the same area sought to be served by applicant, Pacific Freight Lines. Practically the same parties appeared as protestants in both applications. In the interest of saving time and minimizing expense, the applications were consolidated for hearing of protestants' case. The matter was submitted on February 20, 1951, subject to the filing of briefs, since received and considered.

Appearing in protest to granting of the authority sought were the following carriers: Valley Express Co., Valley Motor Lines, Inc., Clyde Sturges, doing business as Huntington Stage Lines, Moser Frozen Foods Freight Line, Harold McBride, Reedley-

Selma-Kingsburg Truck Lines, Triangle Transfer, Southern Pacific Company, Pacific Motor Trucking Company, Railway Express Agency, Inc., J. Christensen Company, The Atchison, Topeka & Santa Fe Railway Company, Santa Fe Transportation Company, California Motor Transport Co. Ltd. and California Motor Express, Ltd. Appearances were also made by Merchants Express Corporation, Delta Lines, Stockton Motor Express, G & H Freight Lines and G & H Motor Express. In view of Section 1066 of the Public Utilities Code, the latter appearances were made in protest to any possible linking up of operative rights between the San Francisco territory, Stockton and Sacramento, which they assert would result if the authority herein sought were granted. The showing of these carriers was in the main restricted to their respective operations between the aforementioned points. The protest of California Motor Express, Ltd. and California Motor Transport Co., Ltd. was withdrawn during the course of the hearing. As the result of a stipulation by counsel to the effect that applicant would not transport fresh dairy products between Los Banos, Gustine, Newman and Patterson, on the one hand, and the San Francisco Bay territory (as defined in Appendix "A"), on the other hand, the appearance of Theo Peters doing business as Ted Peters as an interested party was also withdrawn.

Applicant maintains its principal terminal and general offices in Los Angeles. The terminal covers an area of approximately 19 acres, which includes a large freight shed and dock. The dock can accommodate about 172 trucks or trailers at a time. Here also is maintained a garage and machine shop for the repair and maintenance of equipment. In addition to this terminal, applicant maintains terminals at 27 other cities throughout the area it serves. Pickup

and delivery equipment is maintained at each terminal, and additional equipment is dispatched from the main terminal in Los Angeles to other terminals as needed. Complete telephone and teletype facilities are provided to expedite the transportation of freight. Applicant's total investment in terminals amounts to \$1,381,710.80.

To provide the service herein proposed, applicant would utilize the terminals it presently maintains at San Francisco, Oakland, Sacramento, Modesto, Fresno, Tulare and Los Angeles. According to applicant's general manager, additional pickup and delivery equipment would be stationed in the proposed area and if traffic warranted, a new terminal would be established at Los Banos. Applicant presently owns and operates approximately 1,312 pieces of equipment. This includes trucks, tractors, trailers open and van, and pickup and delivery trucks.

For the first six months of 1950 applicant's financial statement indicates assets of approximately three and one-half million dollars. For the same period, applicant's operating revenues amounted to \$4,004,255.60 with a net income of \$69,651.01

Applicant introduced evidence by way of exhibits and public witness' testimony to indicate the growth and development of the proposed area both as to population and industrial growth and development.
(1)

(1) The increase in population of the various counties as taken from the U. S. Census is as follows:

<u>County</u>	<u>1940</u>	<u>Preliminary 1950</u>
Fresno	178,565	274,344
Merced	46,988	67,636
Kings	35,168	46,295

Manufacturing industries in Fresno County increased from 244 in 1939 to 307 in 1947.

One hundred thirteen witnesses testified in support of the proposed service. Their testimony was similar in many respects and may be summarized as follows: They have used the applicant in the past to other points and have found it satisfactory; they have substantial shipments to various points within the proposed area; their respective businesses have grown and developed; they would use the proposed service because of limited dock space and/or a preference to use a single carrier with a wide territorial coverage; they desire to have a carrier that can transport steel pipe in excess of 20 feet in length; the existing service was not consistently overnight; in many cases time in transit is important and delays are occasioned as a result of interchange with various carriers; the proposed service would meet their business needs and requirements and if authorized, they would use it.

Many of applicant's witnesses testified that they have frequent occasion to ship to points which applicant is not now authorized to serve. To accommodate these customers, applicant is required to interchange with other carriers. The record indicates that the most serious complaints with respect to the time in transit are attributable to the time lost as the result of interchange. This type of delay is felt more acutely at points situated on the west side of the San Joaquin Valley.

Many shipper witnesses situated in the San Francisco and Los Angeles areas testified to the advantage the proposed service would afford them in being able to ship throughout the valley via a single integrated carrier. Witnesses testifying at Fresno, Merced, Hanford and Dinuba stated that they use applicant to or from the San Francisco and Los Angeles areas. Many of these witnesses asserted that they also had shipments to or from points within the

valley and desired to use applicant to those points as well.

Hearings for protestants' consolidated showing were held at substantially the same places at which hearings were held for applicant.

According to the record, the protestants serve generally throughout the area involved. However, no single protestant serves the entire area sought by applicant.

Southern Pacific Company operates trains from San Francisco and Oakland, which are consolidated at Turlock. Cars are set out along the way for various valley points. A train is also operated out of Los Angeles at night with freight destined to valley points.

Pacific Motor Transport Company operates extensive trucking equipment within the state. To many of the valley points a combination truck and rail operation is provided in conjunction with the parent, Southern Pacific Company. However, through truck operations are conducted between the San Francisco Bay area and Tracy and between Tracy and Fresno. Pickup and delivery calls are received up to 3 p.m. five days a week.

Railway Express Agency, Inc. provides a coordinated service via Southern Pacific Company and Pacific Motor Company. Express freight is taken by train to Tracy on the Southern Pacific Owl and transported by truck to points south thereof. A comparable schedule is operated from Los Angeles.

Valley Motor Lines and Valley Express own and maintain extensive facilities in a major portion of the state. Within the proposed area they maintain terminals at Modesto, Merced, Fresno, Tulare, Oakland, San Francisco, San Jose, Stockton and Los Angeles. Agency depots are maintained at many points throughout the valley.

Pickup calls are received at the various terminals anywhere from 3 p.m. to 5 p.m. with pickups made as late as 7 p.m. A daily pickup and delivery service is provided five days a week and on Saturdays upon request.

Santa Fe Transportation Company, a wholly owned subsidiary of The Atchison, Topeka & Santa Fe Railway Company, is presently authorized to render an all truck service between San Francisco and Richmond, on the north, to San Diego and National City, on the south. This operation serves the rail points of the parent company. A daily service is provided between the San Francisco Bay area and Los Angeles, on the one hand, and points and places within the San Joaquin Valley with the exception of Tracy and Manteca. No service is provided on the west side of the valley along State Highway 33.

McBride Delivery Service is authorized to serve between Fresno, on the one hand, and, on the other hand, Kingsburg, Dinuba, Monson, Yettam, Orosi, Orange Cove and intermediate points. Pickup calls are received up to 3:30 p.m. Same day service is usually provided between the points served by this protestant. According to the record, this operation is highly satisfactory.

Protestant Reedley-Selma-Kingsburg Truck Lines is authorized to operate between Fresno, Kingsburg and Reedley and intermediate points. This operation is also a specialized same day service.

The operating evidence produced by these protestants discloses that they offer a daily overnight service between the points they are authorized to serve. According to the record, it is their contention that they are not operating their equipment to full capacity and are seeking additional tonnage.

Protestants collectively introduced the testimony of one hundred sixty-seven public witnesses. For the most part, these

witnesses were satisfied customers of the protestant on whose behalf they appeared. Their testimony was to the effect that they had used the existing service and found it to be satisfactory; that in most cases the service was overnight; that it adequately met their business needs and requirements; and that as far as their own businesses were concerned they had no need for an additional service.

Exhibit 32 introduced by the Southern Pacific Company constituted a study of freight bills covering less-than-truck load shipments originating at San Francisco and Oakland and received at Fresno, Merced and Modesto for selected days during the month of April, 1950. Out of a total of 1,119 shipments, 1,023 shipments indicated an overnight service; 59 shipments two days; eight shipments three days; nine shipments four days; three shipments 11 days; one shipment 12 days; and one shipment 25 days.

The record indicates that the San Joaquin Valley has experienced a marked growth both in population and economic development within the past 10 years. It also indicates that applicant is presently serving customers who ship or receive a substantial amount of freight to or from points within the valley. It further indicates that these customers desire to use applicant's service to as many points as possible and thus avoid the necessity of shipping via many carriers and the delays which result from interchange.

By the same token, the record indicates that protestants are collectively serving the proposed area generally. It discloses that protestants are providing a satisfactory service to those witnesses who testified that they are now using protestants' services and have no need for an additional service.

The granting of the authority here sought appears to be in the public interest. Applicant presently possesses rights which authorize operations between the San Francisco and the Los Angeles areas, on the one hand, and points on and adjacent to U. S. Highway 99 north of Fresno. Terminal facilities and equipment are now maintained and operated in the proposed area, but due to the nature of applicant's operative rights it cannot provide the most efficient and economic service. This leads to an undesirable result both from the point of view of the carrier and from the point of view of that portion of the public which it serves. It is not as though this were the certification of a completely new service, for applicant is already in the field. The authority here sought would permit applicant to give a more complete service to an area within which it is now operating.

There is no reason to believe that an additional service would divert the satisfied customers of protestants, who testified that they would not use an additional service, nor would it divert the business of those very satisfied witnesses who receive a specialized same day local service via smaller carriers.

Applicant failed, however, to make any showing with respect to the transportation of frozen commodities in insulated van equipment with mechanical refrigeration. An appropriate restriction will be placed in the certificate to be hereinafter granted. By the same token an appropriate restriction will be imposed against any possible linking up of operations between the San Francisco Bay area, Stockton and Sacramento by virtue of Section 1066 of the Public Utilities Code. ⁽²⁾ The record discloses that applicant seeks no rights between the aforementioned points in the instant application; however, it refused to waive any right that might result from the granting of the authority sought. Such

(2) For a more detailed interpretation of this section, see decision signed this date in Application No. 30475.

restriction will be subject to the Commission's findings and
(3)
determination in Case No. 5309.

After careful consideration of the record, the Commission finds that public convenience and necessity require the establishment and operation of service by applicant as a highway common carrier for the transportation of general commodities between those points described in the ensuing order.

O R D E R

Public hearing having been held and the Commission having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Pacific Freight Lines authorizing the establishment and operation of a service as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of general commodities except uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4 between the following points:

(a) Between points in the San Francisco territory (as described in Appendix "A"), on the one hand, and, on the other hand, points and places located on and along the following described highways:

- (1) U. S. Highway 50 from the southern city limits of the City of Stockton, to and including its junction with California State Highway 120 near Lathrop;
- (2) California State Highway 120 from its junction with U. S. Highway 50 near Lathrop, to and including its junction with U. S. Highway 99 at Manteca;

(3) Case No. 5309 is an investigation on the Commission's own motion to determine the basis for claimed tariff points by Pacific Freight Lines between the San Francisco territory, Stockton and Sacramento. The matter is presently set for hearing.

- (3) U. S. Highway 99 from Manteca to Tulare, inclusive;
 - (4) U. S. Highway 33 from its junction with U. S. Highway 50 near Banta, to and including Coalinga;
 - (5) California State Highways 132, 140, 152, 180 and 198 from their respective junctions with California State Highway 33 to their respective junctions with U. S. Highway 99;
 - (6) California State Highway 41 from a point approximately five miles north of Fresno, to and including Kettleman City;
 - (7) California State Highway 180 from its junction with U. S. Highway 99 easterly to Centerville and thence northeasterly along an unnumbered county road, to and including Pine Flat Dam in the vicinity of Delpiedra;
 - (8) California State Highway 198 from its junction with U. S. Highway 99 easterly to Lemon Cove;
 - (9) California State Highway 120 from its junction with U. S. Highway 99 easterly to Oakdale; thence southerly along an unnumbered county highway through Waterford to Montpelier; thence westerly along an unnumbered county highway via Denair to Turlock;
 - (10) An unnumbered county highway from Salida to Oakdale via Riverbank;
 - (11) California State Highway 132 from Modesto to Waterford;
 - (12) All unnumbered county highways located between U. S. Highway 50 and California State Highway 120, on the north, California State Highway 33 on the west, U. S. Highway 99 and California State Highway 41 on the east, and California State Highway 198 on the south;
 - (13) All unnumbered county highways located between Fresno and Clovis, on the north, California State Highway 41 on the west, Pine Flat Dam, Orosi, and Lemon Cove on the east, and Earlimart on the south;
 - (14) All points and places located five miles laterally of the highways outlined in subparagraphs (1) to (13), inclusive.
- (b) Between Fresno, on the one hand, and, on the other hand, points and places located on and along the highways and territory described in subparagraphs (1) to (14), inclusive.

(c) Between points and places located on and along the highways and territory outlined in subparagraphs (1) to (14), inclusive, on the one hand, and, on the other hand, points and places within applicant's existing certificated operative rights.

(2) That the certificate herein granted is subject to the following conditions and limitations:

- (a) Applicant shall transport no fresh dairy products between Los Banos, Gustine, Newman and Patterson, on the one hand, and the San Francisco territory as described in Appendix "A", on the other hand.
- (b) Applicant shall transport no perishable commodities in insulated van equipment with mechanical refrigeration.
- (c) No freight may be transported between the San Francisco territory (as described in Appendix "A") or any points between the latter and Manteca, inclusive, on the one hand, and, on the other hand, any point or points extending from Manteca to Stockton and Sacramento, inclusive.

(3) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty (30) days after the effective date of this order, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within sixty (60) days after the effective date hereof, applicant shall file in triplicate and concurrently make effective, appropriate tariffs and time schedules on not less than five (5) days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 17th day of March, 1952.

R. I. [Signature]
 President
Julien F. [Signature]
Harold F. [Signature]
John E. [Signature]

Commissioners

APPENDIX "A"

The San Francisco territory referred to covers the following described area:

"The area embraced by the following boundary: Beginning at the point where the San Francisco-San Mateo County Boundard Line meets the Pacific Ocean; thence easterly along said boundary line to a point one mile west of U. S. Highway 101; southerly along an imaginary line one mile west of and paralleling U. S. Highway No. 101 to its intersection with the corporate boundary of the City of San Jose; southerly, easterly and northerly along said corporate boundary to its intersection with State Highway 17; northerly along State Highway No. 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbor Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U. S. Highway No. 40 (San Pablo Avenue); northerly along U. S. Highway No. 40 to and including the City of Richmond; southwesterly along the highway extending from the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco water front at the foot of Market Street; westerly along said water front and shore line to the Pacific Ocean; southerly along the shore line of the Pacific Ocean to point of beginning."