

Decision No. 47333

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
R. E. BISNETT, doing business as )  
BISNETT BROS., for a certificate of )  
public convenience and necessity )  
to operate as a highway common )  
carrier for the transportation of )  
property. )  
----- )

Application No. 32170

In the Matter of the Application of )  
COAST LINE TRUCK SERVICE, INC., a cor- )  
poration, for a certificate of public )  
convenience and necessity as a highway )  
common carrier between San Francisco )  
Bay points and places in Monterey and )  
Santa Cruz Counties. )  
----- )

Application No. 32086

In the Matter of the Application of )  
CALIFORNIA MOTOR TRANSPORT CO., LTD., )  
for an extension of its highway common )  
carrier certificates to include opera- )  
tions to Santa Cruz, Watsonville, )  
Monterey, Hollister and adjacent points. )  
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Application No. 32012

In the Matter of the Application of )  
MERCHANTS EXPRESS CORPORATION, a cor- )  
poration, for an extension of its )  
highway common carrier certificate to )  
include service to Santa Cruz, )  
Monterey, Salinas, Hollister and )  
intermediate points. )  
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Application No. 32332

In the Matter of the Application of )  
PACIFIC FREIGHT LINES, for a certifi- )  
cate of public convenience and necessi- )  
ty for an extension of operations as a )  
highway common carrier to the points )  
of Salinas, Monterey Peninsula, )  
San Jose. )  
----- )

Application No. 32422

Marvin Handler, appearing for Bisnett Bros., and  
protestant to all other applications; also appear-  
ing for Security Truck Lines, protestant in all  
applications except (A) 32170.  
Douglas Brookman, appearing for California Motor  
Transport Co., Ltd., and Merchants Express Corpor-  
ation, also appearing as interested parties in all  
other applications.

N. R. Moon, appearing for Merchants Express Corporation.  
Gordon, Knapp & Gill by Hugh Gordon and Wyman Knapp  
appearing for Pacific Freight Lines, interested  
party in all other applications.  
Reginald Vaughan, Varnum Paul, John G. Lyons, by  
Reginald Vaughan and John G. Lyons appearing for  
Coast Line Truck Service, Inc., also protestant  
in all other applications.  
Willard S. Johnson, appearing for J. Christenson Co.,  
protestant in Applications Nos. 32170, 32086, 32422;  
interested party in all other applications.  
Edward M. Berol, appearing for Highway Transport  
Company, Inc., protestant in all applications.  
Frederick E. Fuhrman, appearing for Southern Pacific  
Company and Pacific Motor Trucking Company, pro-  
testant in all applications.  
Grant Malquist, appearing for the Commission's Staff.

#### O P I N I O N

Applicants, California Motor Transport Co., Ltd., Coast  
Line Truck Service, Inc., (substituted for Clark Bros. Transport,  
Inc., as the result of a merger), Pacific Freight Lines, R. E. Bisnett,  
doing business as Bisnett Bros., and Merchants Express Corporation<sup>(1)</sup>  
presently rendering service as highway common carriers for the  
transportation of general commodities, seek authority to extend their  
operative rights for the most part to Santa Cruz, the Monterey  
Peninsula, Hollister and points south of San Jose on U. S. Highway  
101 to and including Salinas.

The applications were consolidated for the purpose of pub-  
lic hearings, which were held thereon before Examiner Daly at San  
Francisco, Monterey, Santa Cruz and Los Angeles. Oral and documen-  
tary evidence was adduced at said hearings and the matters were sub-  
mitted on April 10, 1952. Prior to submission the parties to the  
proceedings petitioned the Commission for an examiner's report.  
After fully considering the matter it does not appear that any use-  
ful purpose would be served by issuing a proposed report; therefore,  
the petition will be denied.

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(1) The above named applicants will hereinafter be referred to as  
CMT, Coast Line, Clark Bros., PFL, Bisnett and Merchants, re-  
spectively.

Appearances in protest thereto were filed by Highway Transport, Inc., Southern Pacific Company, Pacific Motor Trucking Company and Security Truck Lines, (hereinafter referred to as Highway, S.P., P.M.T. and Security, respectively). Applicants Bisnett and Coast Line appeared as protestants to the other applications in so far as authority was sought to serve between points which these two carriers are presently serving. Applicants C.M.T., Merchants and P.F.L. appeared as interested parties in all other applications. The appearance of J. Christenson Co., as protestant to Applications Nos. 32012 and 32532 was changed to that of an interested party upon stipulations by counsel to the effect that these concerns did not propose to render a refrigerated service.

To avoid confusion it appears advisable to treat each application separately and briefly outline applicants' existing rights and the nature of their proposed extensions.

#### C. M. T.'s Proposed Service

C. M. T. is presently operating between many points within the area encompassed by the San Francisco territory and Sacramento, on the north, and the Los Angeles territory, on the south. To a great extent it acts as the underlying carrier of California Motor Express, Ltd., an express corporation. As an extension of its existing operative rights it proposes an overnight service to Monterey Peninsula points as well as to Santa Cruz, Watsonville, Monterey and Hollister.

Applicant owns and maintains terminals at San Francisco, Oakland, San Jose, Los Angeles, Fresno, and San Luis Obispo. Additional terminals are leased at Bakersfield, Salinas, Sacramento and Stockton. Property has been acquired for construction of a terminal at Santa Barbara. It contemplates the establishment of a terminal at

Santa Cruz and others will be established as required. It owns and operates 645 units of equipment. As the underlying carrier of the express traffic of California Motor Express, Ltd., applicant transports such traffic from the Los Angeles territory through interchange with Highway at Salinas and San Jose to all points named in the proposed area. Exhibit No. 9 consisting of a summary of such interchanged traffic during the week of August 13-17, 1951, inclusive, indicated a total of 446 shipments with a total weight of 121,339 pounds. Exhibit No. 20, introduced by Highway and consisting of a summary of all interchange shipments handled by that carrier for the first week of October, 1951, showed a total of 448 shipments, the bulk of which were interchanged with C. M. T. with three shipments at San Francisco, 207 at San Jose and 193 at Salinas.

It is alleged by applicant that the extended service for this express traffic would result in a shorter time in transit, elimination of several handlings, reduction in claim hazard, elimination of duplication in billing and would expedite the payment of c.o.d. funds. It is further alleged that as between the proposed area and the San Francisco territory it would round out the service of applicant and enable it to render a complete service to those additional points both from the south and the north.

According to the testimony of a director and officer of applicant neither California Motor Express nor C. M. T. have traffic running between San Francisco territory and the Monterey Peninsula. If the authority sought is granted the witness testified that traffic moving to or from points such as Santa Cruz, Aptos, Gilroy, San Juan and Hollister would be handled through the San Jose terminal, while freight transported to or from points such as Castroville, Del Monte, Carmel and Pacific Grove would move through the Salinas terminal. Other points, he stated, would be served through agency stations

equipped with telephone facilities.

P. F. L.'s. Proposed Service

P. F. L., presently certificated to transport commodities as a highway common carrier within an area bounded by Sacramento and San Francisco, on the north, and San Diego and Calexico, on the south, seeks authority to extend its operations between all points it is presently authorized to serve, on the one hand, and points and places between San Jose, on the north, and Santa Cruz, Monterey, Salinas and Hollister, on the south, on the other hand, and between all points within said area as well as five miles laterally from the highways traversed.

Applicant owns and maintains 28 terminals and owns and operates approximately 1300 pieces of equipment. Traffic moving to or from Gilroy to Salinas, inclusive, Hollister, Watsonville, the Monterey Peninsula and Santa Cruz would be handled through a Salinas terminal, which would be acquired upon the granting of the authority sought. Freight moving to or from the territory north of Gilroy and east of Santa Cruz would be handled through applicant's San Jose terminal. With the exception of Salinas, it is applicant's intention to provide other points within the area with telephone contacts for the purpose of pickup orders. The service would be daily, Monday through Friday, with Saturday deliveries made upon request. The maximum time in transit on any shipment moving to or from any point on applicant's system would be second morning delivery; however, from the majority of points the service proposed would be overnight. Second morning service is proposed to and from such points as Fresno, Merced, Bakersfield and Modesto.

Applicant presently renders service to the area sought from points other than the San Francisco Bay Area. This is provided

through interchange with California Motor Express at San Luis Obispo, with Valley Express at Fresno and with Highway at San Jose.

Applicant admits that the proposed service would divert traffic from the existing carriers; however, it believes that there is a definite need for its services from Los Angeles, and based upon the need for that service it asserts that it should be in a position to serve the area from all the points that it now serves.

#### Coast Line's Proposed Service

Application No. 32086 was originally filed by Clark Bros. By a subsequent pleading it was alleged that Clark Bros. had been merged into Coast Line pursuant to authorization of the Interstate Commerce Commission in its Docket No. MC-F-4451. It was requested that Coast Line be substituted for Clark Bros. in this proceeding.

By virtue of rights granted to Clark Bros. applicant Coast Line is presently authorized to transport general commodities between certain San Francisco bay points, on the one hand, and Fort Ord, Watsonville, Betabel, Aptos, points east of Aptos Creek, and other points in the Pajaro Valley as well as the right to transport berries, green fruit and vegetables, northbound from Pajaro Valley points, on the one hand, to San Francisco, Oakland, Mountain View and San Jose, on the other hand. In addition thereto applicant is authorized, among other things, to transport general commodities between the Los Angeles territory, on the one hand, and Salinas, Monterey, Pacific Grove, Watsonville, Santa Cruz, Davenport and points intermediate thereto in Monterey and Santa Cruz Counties, on the other hand. By its application authority is sought to extend operations between points in the San Francisco Bay Area and Santa Cruz, Hollister, Pacific Grove, Monterey, Carmel and Camp Stephani as well as locally between Santa Cruz, Carmel, Salinas, Monterey, Hollister and Camp Stephani.

Leased terminals are maintained at Watsonville, Salinas and San Francisco. Applicant proposes to establish terminals at Monterey and Santa Cruz in addition to an office at Hollister with telephone facilities. The service proposed would be provided through the use of approximately 255 pieces of equipment and according to applicant, it would be overnight, five days a week, Monday through Friday. The pickup and delivery in San Francisco would be performed by applicant's own equipment whereas service in the East Bay would be performed by Haslett Warehouse Co.

BISNETT'S PROPOSED SERVICE

Applicant, Bisnett, presently operating as a highway common carrier for the transportation of commodities between Monterey and points and places within five miles thereof, except Fort Ord, on the one hand, and the San Francisco territory, on the other hand, subject to a specific restriction against the transportation of canned goods, can covers, fiber cartons, mustard sauce, canning machinery, tin plate, fish meal bags, chlorine tanks, empty oil drums, in shipments weighing less than 4000 pounds, or of any other commodity weighing less than 10,000 pounds, or on which the transportation charges are less than those applicable on shipments weighing 10,000 pounds, seeks authority to remove the weight restrictions and to include Fort Ord within the scope of service.

Applicant owns and operates 31 pieces of equipment and owns a large lot with an office building in Monterey. If his application is granted he proposes to erect a dock on this property of sufficient size to accommodate prospective traffic. The pickup and delivery service in San Francisco on less-than-truckload shipments would be provided by Overland Freight Transfer Company. In the event the authority here sought is granted applicant seeks the further authority to enter into joint rates with West Berkeley Express Co., whereby

that carrier could perform applicant's pickup and delivery service in the East Bay. He would operate five days a week, Monday through Friday, with a pickup and delivery service available in Monterey on Saturdays and would in addition thereto provide a same-day emergency service.

Merchant's Proposed Service

Applicant, Merchants, presently rendering service as a highway common carrier generally between the San Francisco territory and points and places north thereof on and along U. S. Highway 101 to and including Healdsburg and Calistoga, Stockton and points and places within the Sacramento Valley north to and including Redding, seeks authority to extend its operations to include service to Santa Cruz, Monterey, Salinas, Hollister and intermediate points. The service proposed would be daily and overnight five days a week, Monday through Friday.

Terminal facilities are maintained at San Francisco, Sacramento, Stockton, Santa Rosa, Vallejo, Hayward, Redwood City and San Jose. If authorized, this applicant intends to provide service to the new area through its San Jose terminal. Ultimately, it was stated, a terminal would be established at Salinas. Telephone facilities would be made available at various other proposed points for the purpose of pickup orders. For information on rates and shipments in transit it would be necessary to call the San Jose terminal until arrangements on the Salinas terminal had been completed. Initially, shipments destined to Salinas and its immediate vicinity and those destined to the Monterey Peninsula would be loaded on separate vans and by use of a double box or train operation, using one tractor, both vans would be transported to Salinas. At Salinas a locally domiciled tractor would make delivery of the



Monterey shipments.

This applicant also interchanges shipments with points of origin or destination in the area covered by its application. It also desires to provide a direct one-carrier service on these shipments.

In support of their respective applications applicants introduced the testimony of 70 public witnesses. <sup>(2)</sup> Those appearing on behalf of P.F.L. and C.M.T. testified substantially to the same effect. Witnesses from the San Francisco bay area, representing businesses engaged in the manufacture and distribution of products throughout the state including points in the area here considered, testified that they desire a single line carrier with a wide territorial coverage to effect delivery of their shipments. They stated that they receive a daily pickup from one or the other of these two applicants and that it would be a convenience to give all of their shipments to one carrier including those destined to the proposed area. On the whole, they asserted, the existing service between the San Francisco bay area and the proposed area is overnight and satisfactory.

(2) The following is a tabulation of applicants' witnesses with reference to the points where their businesses were located:

	<u>C.M.T.</u>	<u>P.F.L.</u>	<u>Merchants</u>	<u>Coast Line</u>	<u>Bisnett</u>
San Francisco	2	4	3	5	1
Berkeley	2				
Oakland					2
Monterey	2	2	1	1	3
Pacific Grove				2	
Hollister	1		1		
Watsonville	1		2		
Salinas		3			
Santa Cruz	4	3	1	5	
Soquel	1				
Capitola			1		
Los Angeles	9	3			
Pasadena		1			
San Pedro		1			
Pomona		1			
Fullerton		1			
Monrovia		1			
	<u>22</u>	<u>20</u>	<u>9</u>	<u>13</u>	<u>6</u>

Receiver witnesses, representing businesses located in the proposed area, in the main, were satisfied with the existing service from the Bay Area, except for occasional damage claims and delays in transit, which they stated could have been the fault of the supplier as well as the carrier. The service from Los Angeles, they stated was unsatisfactory due to the delays in transit. Shipper witnesses, who distribute to points in the San Francisco area, the San Joaquin Valley and the southern part of the state also testified that they would find it a convenience to use a single line carrier with a wide territorial coverage; however, here again there was little, if any, criticism of the existing service to the bay area.

As was the case with those witnesses who appeared at San Francisco, the Los Angeles witnesses also represented businesses engaged in the distribution of their products to many points within the state. They also receive a daily pickup service from one or the other of the applicants, but in contrast to the San Francisco witnesses, applicants pick up the shipments destined to the proposed area and interchange them with another carrier. On those shipments, which have been interchanged, they testified that they have received numerous complaints from their consignees with respect to delays in transit.

Witnesses appearing on behalf of Merchants from the San Francisco Bay Area wanted the convenience that would be afforded them through the use of a single line carrier to many points including the area under consideration. They too testified that the existing service to the proposed area was satisfactory. Those who testified at Santa Cruz and Monterey stated that the existing service from the San Francisco Bay Area was satisfactory; however, several said that on shipments originating at points such as Sacramento and Stockton delays in transit were experienced.

For the most part the witnesses testifying on behalf of Coast Line were either satisfied customers of that carrier or Clark Bros. Those who represented businesses and concerns located at Pacific Grove, Monterey and Santa Cruz testified that they use Coast Line on shipments to and from Los Angeles; that this service is over-  
✓night and excellent in all respects, and that as a result of the merger of Clark Bros. with Coast Line they would like to have the same service made available to them from points within the San Francisco territory. Witnesses at San Francisco asserted that they had used Clark Bros. to points in the Pajaro Valley, Watsonville and Salinas; that they have been satisfied with such service and would use the proposed service to such points as Pacific Grove, Monterey and Santa Cruz.

With the exception of two witnesses, those who appeared on behalf of the Bisnett application were either actively engaged in the fish canning industry or were suppliers of such canneries. In substance their testimony was to the effect that they use Bisnett's  
✓service within the scope of his present authority; however, there are occasions when they have shipments which could move in weights of less than 4,000 pounds. According to one witness it is customary to pool shipments destined to several canneries and ship directly to  
✓one cannery whence each cannery picks up its portion of the shipment. In view of the advantage afforded the canneries rate-wise under this arrangement the witness was unable to state whether the present procedure would be changed in the event applicants' weight restrictions were removed.

Another witness engaged in the manufacture of box con-  
✓tainers testified that he ships boxes in truckload quantities to the  
✓canneries but has occasional small clean-up shipments which could move and thus eliminate the cluttering of limited storage space.

The witness further testified that it was a decided advantage to ship in truckload quantities as far as rates are concerned.

Of the other two witnesses one was engaged in the glass business and the other in the lumber business. The one in the glass business testified that he used Bisnett on shipments over 10,000 pounds and the existing carriers on less than 10,000 pounds. The existing service on shipments of 10,000 pounds or less he stated was overnight. The witness engaged in the lumber business testified that although he was not complaining of the existing service, he had used Bisnett on shipments to the bay area, and would like to use him on shipments of fifty foot lengths of lumber moving directly to Fort Ord.

Protestants collectively serve the entire area here considered. Through their operating witnesses they disclosed the extent of their existing certificated rights as well as their terminal facilities, equipment and financial ability.

The testimony of approximately 150 public witnesses was introduced in evidence on behalf of protestants. Five public witnesses testified at San Francisco representing businesses located at San Francisco, Oakland and Emeryville. Fifty-one witnesses testified at Santa Cruz representing concerns engaged in business at points such as Live Oak, Soquel, Los Gatos and Watsonville. Ninety-five witnesses testified at Monterey in addition to the stipulated testimony of 16 witnesses. These witnesses represented businesses located at such points as Salinas, Carmel, Seaside, Hollister, Pacific Grove, Gilroy, Carmel Valley, Del Monte and Monterey.

In substance they testified that they have used and are still using the services of protestants, that the existing services are adequate to and from points in the San Francisco area, that they

have no complaints with said service; that in so far as their respective business needs and requirements are concerned they have no need for any additional service and if such were authorized they would not use it; that a proposed service without provision for local terminal facilities would not meet their business needs in that it is a decided advantage to be able to contact a local terminal for the purpose of placing pickup calls, obtaining information as to rates, expediting damage claims, tracing shipments and particularly for the purpose of picking up emergency shipments at the terminal early in the morning before the carrier's delivery truck has left on its morning delivery route. The testimony of many witnesses was equally strong in favor of the existing service of Coast Line to and from the Los Angeles territory. The only adverse testimony with respect to the Los Angeles territory was directed to the delays experienced on interchange shipments.

In an attempt to effect economies in operation the president of Highway testified that in 1947 the Santa Cruz and Monterey terminals were closed and operations were conducted through the Watsonville terminal. The experiment, he stated, was continued for seven months, but due to the poor service that resulted and the many complaints received the experiment was discontinued and the Monterey and Santa Cruz terminals reopened. To make deliveries from Watsonville, he testified, large van-type equipment was utilized; however, the practice was unsatisfactory in view of the many stops and delays that were incurred. To correct the situation, he asserted, Highway substituted smaller trucks in the hope that thereby with fewer shipments deliveries could be expedited and trucks could return to the Watsonville terminal in time to make a second trip. This also proved unworkable, he stated, for they found that the trucks could not get back in time to make a second delivery. The unsatisfactory

nature of this experiment found support in the testimony of several public witnesses. It was the opinion of Highway's president that any carrier proposing to serve the area with limited terminal facilities would not be able to render an adequate overnight service.

Exhibit No. 10 consisted of a report by the Truck Transport Section of the Commission dealing with the transportation of general freight traffic between the San Francisco Metropolitan Bay Area and certain areas located to the south thereof including the area covered by these applications. The exhibit was introduced in evidence by members of the Commission's staff.

The survey was conducted on a 24-hour basis on July 23, 24, 25, 26, 27, 30 and 31, 1951. Control or check points were established at the San Mateo Bridge, the Dumbarton Bridge, South San Francisco, Milpitas and the San Francisco-Oakland Bay Bridge. The estimated annual tonnage of general freight transported by commercial motor vehicles between the San Francisco-East Bay Area, on the one hand, and on the other hand, points south of San Jose including Salinas, Santa Cruz and Monterey bay points was as follows:

	<u>Tonnage</u>	<u>Percentage</u>
Certificated	90,100	23.8
Permitted	164,300	43.5
Proprietary	123,600	32.7
	<u>378,000</u>	<u>100.0</u>

A sample analysis to ascertain the breakdown of weight groups was made of general commodity freight transported by permitted carriers between the San Francisco-East Bay Area, on the one hand, and points south of San Jose, including Salinas and Monterey bay communities, on the other hand. The sample analysis showed that a total of 29 truckloads carrying 493,786 pounds of general commodity freight, were weighed during the period covered by the road checks. Seventeen of the above-mentioned truckloads consisted of 29 shipments

weighing 393,248 pounds or about 80 per cent of the total freight.  
The breakdown on these 29 shipments was as follows:

	<u>Number of Shipments</u>	<u>Weight in Pounds</u>
Less than 100 pounds	2	140
100 pounds to 500 pounds	6	1,849
500 pounds to 1000 pounds	4	3,248
1000 pounds to 2000 pounds	1	1,060
2000 pounds to 4000 pounds	3	7,731
4000 pounds to 10,000 pounds	2	8,985
Over 10,000 pounds	<u>11</u>	<u>370,235</u>
Total	29	393,248

The foregoing tabulation had been developed from the field investigation of permitted carriers transporting only general commodities. Other commodities transported by permitted carriers generally move in truckload lots including lumber, iron and steel, grain and grain products and beer. Based upon the above summary it appears that 45 per cent of the shipments and 96.5 per cent of the weight transported between these areas by permitted carriers fell within the bracket of 4,000 pounds and over. The average load per vehicle unit operated northbound was 32,369 pounds and southbound 17,947 pounds. The average weight per shipment was 13,560 pounds.

In support of their contention that any additional service would result in a diversion of less-than-truckload traffic from the existing certificated carriers and materially affect their ability to provide an adequate service, several of the protestants introduced evidence reflecting their operations concerning the past three years. Highway's Exhibit No. 32 consisted of profit and loss statements for the calendar years of 1949, 1950 and 1951. The year 1949 indicated a net loss of \$4,517.06, the year 1950 indicated a net profit of \$28,894.47 while 1951 indicated a net loss of \$7,229.42. It was the testimony of the president and general manager of Security Truck Line that his company showed a net profit of \$2,907 in 1950 and \$82 in 1951. According to Mr. Bisnett, who was both an applicant and

protestant, his operations showed a net profit of \$2,600 for the year 1951. He stated, however, that such profit did not reflect any compensation for himself or his wife, who works in the office. During the year, he testified, he withdrew \$5,000 from the business for living expenses.

The major industry in Monterey is sardine fishing. According to Mr. Bisnett and several witnesses, who were either directly or indirectly connected with the fishing industry, the sardine catch has been extremely small for the past two years. This they claim has resulted in a depressed business condition within the industry.

According to one witness, representing a large fish cannery, his company dropped from a high of 321,858 cases of sardines packed in 1949 to 222,949 cases in 1950 and only 92,085 in 1951. Most of the sardines in 1951 had to be transported by permitted carriers from Santa Barbara to the cannery in Monterey. The expense of trucking sardines from Santa Barbara, he stated, is almost prohibitive. An employment cut of 25 per cent was necessary during 1951. In the opinion of these witnesses the failure of the sardine catch has presented a distressing problem to the fishing industry as a whole.

The record discloses that the existing certificated service within the proposed area and between said area and the San Francisco territory is adequate in all respects. Its adequacy was established not only through protestants' witnesses, but through applicants' witnesses as well. While the record finds some support for the proposal of those applicants who seek to render a service with a wide territorial coverage, those witnesses supporting such service testified that they would divert traffic from the existing carriers even though adequate and satisfactory. The motivating factor in each instance was the convenience which would be afforded these witnesses through the wide territorial coverage aspect of the proposed services.



In view of the observations set forth in Exhibit No.10 showing that the permitted carriers are transporting, in the main, the heavier type of shipments, it is logical to conclude that the bulk of less-than-truckload shipments which applicants seek to transport must be diverted from the existing certificated carriers rather than the permitted carriers. A diversion of traffic when considered in the light of the poor financial showing made by several of the protestants within the recent past could so adversely affect their businesses as to warrant economies in operations, leading ultimately to curtailment of service or in the alternative to requests for authority to increase rates. It would appear that the harm that may result to the shipping and receiving public located in the proposed area outweighs the convenience that would result to the bay area shippers.

With the exception of local service between the San Francisco territory and the proposed area the record clearly evidences a problem on shipments which move between the proposed area and other points in the state. These shipments, which are interchanged, frequently result in delays in transit and constitute a sore spot with the shipping public. In contrast, those shippers and receivers of goods who used the direct line service of Coast Line to and from Los Angeles were highly complimentary as compared to the criticism of those who use the combined, interchange services of C.M.T., P.F.L. and Highway. The same criticism was expressed with respect to delays on interchange shipments moving to or from such points as Sacramento, Stockton and points within the San Joaquin Valley. The record is not clear as to the actual cause of the delays, but whatever the reason the fact remains that delays occur and the shipping public suffers. To remedy the situation it seems advisable to permit the originating carrier to provide a through service, particularly when the carrier is operating in the general vicinity. Since the bulk of traffic

moves northbound from the Los Angeles territory there is little likelihood that there will be diversion from Coast Lines, for in spite of the superior service that carrier is now rendering applicants still originate a substantial amount of freight moving from their regular Los Angeles customers which is destined to consignees in the proposed area. The elimination of interchange would remove a bottleneck condition and should result in an improved service.

After full consideration of the evidence the Commission is of the opinion and finds that the existing service between the San Francisco territory and the proposed area, and locally within said proposed area is adequate and that the applications here considered in so far as they seek to serve between and within said areas should be denied. The Commission further finds that public convenience and necessity require direct, single line carrier services between the proposed area, on the one hand, and those points presently authorized to be served by P.F.L., C.M.T. and Merchants, with the exception of points within the San Francisco territory as defined in Item 270-A Series of Highway Carriers' Tariff No. 2 and points on U. S. Highway 101 to and including Salinas, on the other hand.

O R D E R

Applications having been filed, public hearings held thereon, the matters submitted, the Commission being fully informed and it having been found that public convenience and necessity so require,

IT IS ORDERED:

(1) That certificates of public convenience and necessity are hereby granted to California Motor Transport Co., Ltd., Pacific Freight Lines and Merchants Express Corporation authorizing the establishment and operation of service as highway common carriers, as defined in Section 213 of the Public Utilities Code, for the transportation of general commodities, except uncrated household goods,

petroleum products in bulk, explosives 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 all points each is presently authorized to serve except any point or place located within the San Francisco territory as defined in Item 270-A Series of Highways Carriers' Tariff No. 2, or located on U. S. Highway 101 from San Jose to and including Salinas, on the one hand, and the following points and places located on and along the following named routes, on the other hand:

C. M. T.

- (1a) Between San Jose, Santa Clara and Santa Cruz via State Highway 17; also between Sunnyvale and Santa Cruz via State Highway 9, the County Road between Saratoga and Los Gatos, and State Highway 17.
- (2a) Between Santa Cruz, Watsonville, Castroville, Monterey, Pacific Grove and Carmel via State Highway 1.
- (3a) Between Salinas and Monterey via County Road passing through Del Monte.
- (4a) Between Castroville and Salinas via County Road passing through Del Monte Junction; also between Castroville and Prunedale via State Highway 156.
- (5a) Between Watsonville and U. S. Highway 101 via State Highway 152 including service to the off-route point of Freedom; also via Chittenden Pass and also via County Road connecting with U. S. Highway 101 five miles north of Prunedale.
- (6a) Between Hollister and U. S. Highway 101 via State Highways 25 and 156.
- (7a) Between all points south of San Jose to and including Salinas located on U. S. Highway 101.

P. F. L.

- (1b) Between San Jose and Santa Cruz via State Highway 17.
- (2b) Between Santa Cruz, Pacific Grove and Carmel via State Highway 1.
- (3b) Between Pacific Grove and Salinas via Monterey over unnumbered County Highway.

- (4b) From San Jose on U. S. Highway 101 to and including Salinas.
- (5b) State Highway 152 from Watsonville east to its junction with State Highway 156 near San Felipe.
- (6b) State Highway 156 from Castroville east to its junction with State Highway 152 near San Felipe.
- (7b) State Highway 25 from Hollister to its junction with U. S. Highway 101 near Gilroy.
- (8b) Unnumbered County Highway from Salinas to Castroville.
- (9b) Unnumbered County Highway from Watsonville to San Juan Bautista.
- (10b) All points and places located within five miles laterally of the highways outlined in subparagraphs (1b) through (9b).

MERCHANTS

- (1c) Between San Jose, Salinas, Monterey, Pacific Grove and Carmel via U. S. Highway 101, State Highways 156, 1, and San Jose By-Pass.
- (2c) Between Salinas and Monterey via unnumbered highway passing through Del Monte, serving the off-route points of Evergreen and Spreckels.
- (3c) Between Hollister and U. S. 101 via State Highways 25 and 156, and unnumbered highway connecting State Highway 156 and U. S. Highway 101.
- (4c) Between San Jose and Santa Cruz via State Highway 17.
- (5c) Between Santa Cruz and Monterey via State Highway 1, serving the off-route point of Freedom.
- (6c) Between Santa Cruz and Boulder Creek via State Highway 9; also between Felton and State Highway 17 via unnumbered highway passing through Mt. Hermon.
- (7c) Between Watsonville and U. S. Highway 101 via Chittenden Pass Highway.
- (8c) Between Castroville and Salinas via unnumbered highway; also between Castroville and U. S. Highway 101 via State Highway 156; serving the off-route point of Blanco.
- (9c) Via State Highway 9 between Sunnyvale and Saratoga and unnumbered highway between Saratoga and Los Gatos.

(10c) Between Cupertino and U. S. Highway 101 via unnumbered highway passing through Monte Vista and Los Altos serving the off-route point of Permanente; also between Cupertino and San Jose via unnumbered highway.

(11c) All points within one mile on either side of all said routes.

(2) Applicants shall not transport commodities requiring refrigeration when moving in insulated vans with mechanical refrigerating systems.

(3) That in providing service pursuant to the certificates granted applicants shall comply with and observe the following service regulations:

(a) Applicants shall file a written acceptance of the certificates 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, applicants 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.

(4) That in all other respects Applications Nos. 32012, 32086, 32170, 32332 and 32422 are hereby denied.

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

Dated at San Francisco California, this 24th day of June, 1952.

R. T. [Signature] President  
Arthur J. Callahan  
Harold H. Kule  
Frederick Pottier  
John E. [Signature] Commissioners