

ORIGINALDecision No. 56947

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 VALLEY MOTOR LINES, INC., for a cer-
 tificate of Public Convenience and
 Necessity as a highway common carrier,
 and for removal of certain restrictions
 in present certificates; and of Valley
 Express Co., as an express corporation
 for a certificate of Public Convenience
 and Necessity as an express corporation.)

Application No. 39228

Crossland, Crossland & Richardson by Robert S.
 Crossland, for applicants.
 Berol & Silver by Edward M. Berol and Bertram S.
 Silver, for Highway Transport, Inc., Merchants
 Express of California, Peninsula Motor Express,
 Inc.; Norman R. Moon, for Vic Adelson Drayage
 and M & T Trucking Co., protestants.

O P I N I O N

Valley Motor Lines, Inc., and Valley Express Co., request authority to extend their services: (1) between San Francisco, San Jose and intermediate points via U. S. Highway 101 and 101 Alternate; (2) between Oakland, San Jose, Livermore and all intermediate points; (3) between the exterior boundaries of the city limits of Oakland, Pittsburg, Martinez, Dublin and intermediate points via State Highways 24 and 21. Applicants also request the removal of restrictions set forth in Decisions Nos. 38757, 39970 and 45498 to the extent that they limit Valley Motor Lines, Inc., to the transportation of express traffic of Valley Express Co. and to the extent that they limit local service.

Public hearing was held before Examiner Thomas E. Daly at San Francisco and the matter was submitted on January 14, 1958.

Valley Motor Lines, Inc., renders service as a highway common carrier throughout an extensive area of the State from Shasta Dam and Susanville in the north to the Los Angeles Area in the south. Valley Express Co. also serves an extensive portion of the State as an express corporation, using Valley Motor Lines, Inc., to a great extent as its underlying carrier. Terminals are jointly maintained and operated at Fresno, San Francisco, Los Angeles, Modesto, Oakland, Sacramento, Stockton, Merced, Tulare, Chico, San Jose, Redding, Susanville, Bakersfield and Yuba City. Applicants own and operate a fleet of approximately 1,041 pieces of equipment. With the exception of Sundays and holidays applicants provide a daily service throughout their certificated areas. For the first five months of 1957, and before taxes, Valley Motor Lines, Inc., realized a net profit of \$90,017.89 and Valley Express Co. a net profit of \$94,436.89.

Applicants contend that the tremendous population and industrial growth justify the proposed local service in the Bay Area. To support their position they introduced various exhibits and the testimony of individuals representing the San Jose, Fremont and Livermore Chambers of Commerce. Applicants are presently authorized to serve between San Francisco Bay Area points, on the one hand, and other points in their certificated areas, on the other hand. If authorized to operate locally they argue, they would be in a better position to provide a more expeditious and efficient service for their customers. With respect to the restrictions they point out that most of them were self-imposed and over the years have become meaningless.

Applicants introduced the testimony of some 18 public witnesses representing large and diversified businesses. They stated

that they would use applicants' services because of the overnight aspect and the convenience that is afforded through the use of a carrier having a wide territorial coverage. This was of particular significance to those witnesses having limited dock facilities. On shipments into the East Bay, several complained of delays. Apparently, these were occasioned because the certificated areas of applicants are not coextensive and Valley Motor Lines, Inc., interchanges with another underlying carrier.

Protestants introduced evidence both oral and documentary reflecting the nature of their operations. They expressed the opinion that there would be a diversion of traffic with a resulting adverse effect upon their financial status if applicants were authorized to render a local service within the Bay Area. It was pointed out that applicants by virtue of Decision No. 40105, dated March 25, 1947, in Applications Nos. 28154 and 28176 sold operative rights authorizing local service in the San Francisco Bay Area to Merchants Express Corporation for a consideration of \$50,000.

The main issue appears to be applicants' proposed service between points within the San Francisco Bay Area. The record shows that the communities involved and many shippers situated in these communities need additional service which applicants are not allowed to provide under the present restrictions and territorial limitations. It is true that eleven years ago applicants sold comparable rights, but during that period two of the protestants herein, i.e., Highway Transport, Inc., and Merchants Express of California, have acquired extensive operating authority competitive with applicants. The sale of the old rights should not forever preclude applicants from acquiring new rights in view of the tremendous development that has taken place in the San Francisco Bay Area.

After consideration 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

Application having been filed, a public hearing having been held thereon and the Commission being informed in the premises, IT IS ORDERED:

(1) That, as an extension and enlargement of its existing certificated authority, a certificate of public convenience and necessity is hereby granted to Valley Motor Lines, Inc., authorizing it to operate as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of property between the points and over the routes set forth in Appendix A attached hereto and made a part hereof.

(2) That, as an extension and enlargement of its existing certificated authority, a certificate of public convenience and necessity is hereby granted to Valley Express Co. authorizing it to operate as an express corporation as defined in Section 219 of the Public Utilities Code for the transportation of property between the points set forth in Appendix A attached hereto and made a part hereof.

(3) That Ordering Paragraph (1) of Decision No. 38757 dated March 12, 1946, in Application No. 26459, is hereby amended by deleting therefrom subparagraphs (b) and (d).

(4) That Ordering Paragraph (1) of Decision No. 39970 dated February 11, 1947, in Application No. 27510, is hereby amended by deleting therefrom the words, "only for the transportation of express traffic of Valley Express Co., an express corporation as defined in Section 2(b) of the Public Utilities Act", it is hereby further amended by deleting therefrom subparagraphs (b) and (c).

(5) That Ordering Paragraph (1) of Decision No. 45498, dated March 27, 1951, in Application No. 31038, is hereby amended by deleting therefrom the words, "for the transportation of express traffic of Valley Express Co.", and the words, "except that service shall not be rendered locally to, from or between San Francisco, San Jose and intermediate points."

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

(a) Within thirty days after the effective date hereof, applicants shall file a written acceptance of the certificates herein granted. By accepting the certificates of public convenience and necessity herein granted, applicants are placed on notice that they will be required, among other things, to file annual reports of their operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 99. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 99, may result in a cancellation of the operating authority granted by this decision.

(b) Within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, applicants shall establish the services herein authorized and shall file in triplicate, and concurrently make effective, amendments to its tariffs satisfactory to the Commission to reflect the authority herein granted.

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

Dated at San Francisco, California, this 8th of July, 1958.

E. Lynn Fox
President
[Signature]
[Signature]
[Signature]
Commissioners

Valley Motor Lines, Inc., and Valley Express Co., by the certificates of public convenience and necessity granted in the decision noted below, are authorized to transport general commodities, except the following:

- (a) Used household goods and personal effects not packed in accordance with the property requirements set forth in paragraph (d) of Item No. 10-C of Minimum Rate Tariff No. 4-A.
- (b) Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses, bus chassis.
- (c) Livestock, viz.: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags or swine.
- (d) Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerated equipment.
- (e) Liquids, compressed gases, commodities in semi-plastic form, and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
- (f) Commodities when transported in bulk in dump trucks or in hopper-type trucks.
- (g) Logs.
- (h) Commodities when transported in motor vehicles equipped for mechanical mixing in transit.

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Territory

- (a) Between Alameda, Berkeley, Emeryville, Oakland, San Leandro, Livermore, San Jose and intermediate points including Dublin, Pleasanton, Trevarno, Sunol, Mount Eden, Alvarado, Fremont City, Newark, Castro Valley, Decoto, Milpitas, San Lorenzo, over and along all available roads and highways.
- (b) Between the exterior boundaries of the City of Oakland, Pittsburg, Martinez and Dublin and all intermediate points on and along State Highways 24 and 21.
- (c) Between San Francisco and San Jose and all intermediate points on and along U. S. Highway 101 and 101 Alternate.

End of Appendix A

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