

Decision No. 20533

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of  
Coast Truck Line, a corporation, for  
a certificate of public convenience  
and necessity extending its service at  
Los Angeles to points between Los  
Angeles and Compton. } Application No. 15152.

**ORIGINAL**

- H. J. Bischoff, for Applicant.  
L. B. Young, for Pacific Electric Transport  
Company, Protestant.  
A. F. Zimmerman, for Zimmerman Brothers Trucking  
Company, Protestant.  
F. H. Asbury, for Asbury Trucking Service,  
Protestant.

BY THE COMMISSION:

O P I N I O N

Applicant possesses an operative right (Decision No. 12357, Application No. 7534) for the transportation of property by motor truck between Los Angeles and San Diego, and to points intermediate Oceanside and San Diego. Its certificate does not expressly define the area in or near Los Angeles with which shipments may be picked up or delivered. The designation of Los Angeles as one terminus, we believe, permits applicant to render a pick-up and delivery service anywhere within the limits of the city. This, in fact, has been its practice.

In this application permission is sought to extend the limits of the area within which it may pick up shipments consigned from Los Angeles to San Diego. It desires to extend such service area to include particularly the cities of Vernon and Huntington Park. These two cities, though distinct political subdivisions, are industrial centers which in every other respect are a part of the City of Los

Angeles. Pick-up service by applicant to any part of these cities would be less extensive than that now rendered in other directions wholly within the limits of Los Angeles. No local service between these points and Los Angeles is contemplated.

A number of manufacturers located in Vernon and Huntington Park use the applicant's truck service for shipments to San Diego. They now either employ a local carrier or themselves deliver such shipments to applicant's depot in Los Angeles. That expense would be eliminated if applicant itself were permitted to render the same pick-up service within these cities as it renders generally throughout Los Angeles. There is no doubt that such an extension of applicant's operative right is a necessity to such shippers.

Applicant's written application as filed was somewhat broader than outlined above. At the public hearing held in Los Angeles December 17, 1928, applicant asked leave to amend, and with such amendments, other interested carriers withdrew their protests to the granting of the application. As amended, we are of the opinion it should be granted.

Coast Truck Line, a corporation, is hereby placed upon notice that "Operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

#### ORDER

A public hearing having been held on the above en-

titled application, the matter submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require that Coast Truck Line conduct an automobile truck service for the transportation of property between the cities of Huntington Park and Vernon and the city of Los Angeles, such service to be conducted as an extension of and in conjunction with that service now conducted by said Coast Truck Line between Los Angeles and San Diego under certificate granted by Decision No. 12357 on Application No. 7534; provided, however, that said service shall not include the right to accept local shipments between either Huntington Park or Vernon and Los Angeles, but shall be limited to such shipments as Coast Truck Line is authorized to accept for transportation between Los Angeles and San Diego and certain intermediate points under said operative right heretofore granted; the certificate herein granted to be subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.
- 2... Applicant shall immediately file supplement to tariffs on file in its name with the Railroad Commission showing the additional pick-up and delivery service authorized herein, and that said service shall be performed in accordance with the rules and regulations covering pick-up and delivery service shown in said tariffs.
3. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease transfer or assignment has first been secured.
4. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a

basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of December, 1928.

Leon Whitely

O. S. Sweeney

Thos. S. Loutch

M. J. Cain  
Commissioners.