

**ORIGINAL**

DECISION NO. 22746

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of MOTOR SERVICE EXPRESS for a  
certificate of public convenience  
and necessity extending its ser-  
vice at Los Angeles to points be-  
tween Los Angeles and Huntington  
Park.

Application No. 16,300

H. J. Bischoff, for Applicant.

D. T. Brown, for Los Angeles and  
Huntington Park Express, Interest-  
ed Party.

BY THE COMMISSION:

O P I N I O N

Motor Service Express, a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the extension of motor freight service now operated by applicant between Los Angeles on the one hand and San Bernardino, Beaumont, Banning, Coachella Valley points, Riverside, San Jacinto, and points intermediate Riverside to San Jacinto, on the other hand, to Huntington Park via the Truck Boulevard through Vernon, and for a distance of three miles on each side of said Truck Boulevard. Applicant does not desire authority to transport freight locally between Los Angeles and Huntington Park, and the intermediate community of Vernon.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge the same rates on the extension to Vernon and Huntington Park as now exist on classes and commodities to Los Angeles and as shown in applicant's present tariff, C.R.C. No. 6, issued January 9, 1930 and covering rates to the portion of Los Angeles therein designated as Zone 1 and to adopt the same rules and regulations governing such rates, as are shown in the tariff above mentioned; to pick up and deliver shipments in the additional territory herein sought in the same manner as it now performs service at its Los Angeles terminal; and to perform the proposed service by using equipment now available and in use on its lines, no additional equipment being necessary to serve the additional territory herein sought to be authorized.

Applicant relies as justification for the granting of this application upon the following alleged facts: that the town of Vernon is contiguous to the south city limits of Los Angeles, and the city of Huntington Park is likewise contiguous to the south city limits of Vernon; that the additional territory herein proposed to be served is much nearer to the center of the business district of Los Angeles than many other points now served by applicant within said city of Los Angeles; that the number of shippers in Vernon and Huntington Park to points on applicant's lines is gradually increasing; and that such shippers are entitled to the same transportation facilities now enjoyed by shippers located within the city limits of the City of Los Angeles.

H. B. Merry, manager for applicant, testified that many new industries are locating outside of Los Angeles in the territory proposed to be served and that frequent inquiries had

been received by him for service to and from such industries for the handling of shipments to points on applicant's authorized lines.

H. D. Johnston, employed by the Hercules Foundry at Vernon, manufacturers of iron castings and pipe fittings, testified that his company shipped their products to all points in Southern California, and would use the proposed extension of service in making shipments to Riverside, San Bernardino and other points on applicant's lines in the event that applicant was authorized to extend service.

C. O. Simpson, a witness employed by the Western Warehouses located in the Central Manufacturing District in Vernon, testified that his place of business was located just beyond the southern boundary of the City of Los Angeles; that there were about forty manufacturing and other plants in the Vernon area; that his concern averaged from 8 to 10 shipments daily to Riverside, San Bernardino and Coachella Valley points; and that the service proposed by applicant would be used by his company.

Herbert D. Newcomb, employed by the Vernon Market Bureau, an organization furnishing credit and industrial information to its members, testified regarding the volume of the business done by the meat packing industry at Vernon and the need of the packing plants for the service proposed by applicant. Meat and packing house products are forwarded daily from Vernon to San Bernardino, Riverside and other points served by applicant and the service proposed would be generally used.

T. J. Owens, employed by Bradley, Wise & Co., wholesale merchants at Vernon, testified that his concern shipped approximately twice weekly to Riverside and San Bernardino; that the proposed service would be of advantage to his company and would be used.

R. O. Heling, employed by the Calavo Growers Association, a co-operative organization of growers for the marketing of avacadoes, testified regarding shipments now made to San Bernardino, such shipments averaging a weight of 500 pounds each. This concern is rapidly developing its business and anticipates a large volume of business incidental to the distribution of its product.

M. Notkin, employed by Coldfaud Manufacturing Company of Vernon, manufacturers of salad dressing, testified that his company shipped its products to San Bernardino and Riverside, from two to four shipments being forwarded weekly of average weights from 300 to 500 pounds. The service proposed by applicant is needed by witness and will be used if authorized.

R. S. Hall, employed by Gaffers & Stattler Stove Manufacturing Co. of Vernon, testified that his company made three to five shipments weekly to Riverside and San Bernardino, and that the proposed pick-up service would be of advantage and would be used, his customers preferring truck delivery.

Henry A. Cohen, employed by the Parrafine Company, dealers in paint, prepared roofing and floor coverings, testified that his company made frequent shipments to Riverside, San Bernardino and Hemet, shipments varying in weight from 100 pounds to two or three tons. The service proposed by applicant is desired by this shipper and would be regularly used, if authorized.

R. Ristrom, employed by Fiber Board Products Company, distributors of paper and boxes, testified that his concern conducted a wholesale and retail distribution of its products and had accounts in both Riverside and San Bernardino. Shipments vary in weight from 100 pounds to two tons, and move on the

average about twice weekly. The proposed service would be a convenience for his company and would be regularly used, if authorized.

A. W. Pattee, employed by E. K. Wood Lumber Company, testified that his company handled lumber, building supplies and hardware, having branch yards at Indio and Thermal. In addition to material forwarded to these branch yards, shipments are made to Riverside and San Bernardino at frequent intervals. The pick-up service proposed is necessary and will be advantageous to witness, less handling of finished products being necessary by truck movement. Service proposed will be used by this witness if authorized.

M. L. Jontz, employed by the American Encaustic Tile Company at Vernon, testified that his company sold its products in the territory now served by applicant, shipping approximately three times weekly to Riverside and San Bernardino. Witness prefers to use truck service for the transportation of his products, and desires the proposed pick-up service of applicant.

E. F. Brown, employed by the General Electric Company at its warehouse in Vernon, testified that his warehouse was the principal distributing point for his company in the Los Angeles territory. Shipments are made to customers at all points, those to Riverside and San Bernardino averaging from three to five times weekly and ranging in weight from 30 pounds to three tons. The service proposed is desired by his company and will be used.

W. A. Graves, employed by the Vernon Potteries, manufacturers of tables and dental ware, testified that the products of his company were sold in Riverside, San Bernardino, Hemet and Banning, averaging about four shipments per month of

weights varying from 300 pounds to three tons. The service proposed is desirable for his company and would be used.

T. G. Diahe, employed by George Belsey Company, distributors of General Electric Company, refrigerators, testified that his company maintained a branch at Riverside to which it made shipments and also shipped to Indio, San Jacinto and Hemet. Shipments are made practically daily and vary in weight from 150 pounds to 1000 or 1500 pounds. The service proposed will be used, if authorized.

As the service proposed will not include any local hauling between Los Angeles and Huntington Park or Vernon, there was no protest against the granting of the application.

The record shows that the proposed extension of service will be advantageous to the many shippers, particularly the rapidly growing industrial area in Vernon, by furnishing a pick-up and delivery service comparable to that now enjoyed by Los Angeles concerns.

Since the submission of this matter counsel for applicant has advised the Commission that it will be satisfactory to applicant to omit the granting of the application as requested for an extension of service within a radius of three miles on each side of Truck Boulevard to Huntington Park and restrict the additional service to the Town of Vernon.

The extension of service as herein sought covers separate operative rights, consolidation of which has not heretofore been applied for or authorized by this Commission. Applicant, through its counsel, has notified the Commission that it will be satisfactory to extend the pick-up and delivery service to the routes specified in the Commission's Decisions Nos. 6966, 8403, 15952 and 21934, and that later it is the intention of applicant

to apply for a consolidation of all its operating rights, now held under separate certificates into one unified and consolidated system. An order will therefore be issued, not as a new and separate certificate, but as an extension of certain operative rights as herein more fully set forth and permitting the extension of pick-up and delivery service in connection with such operative rights to enable service to be given to the industrial section at Vernon.

Motor Service Express, 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 granted.

#### O R D E R

A public hearing having been held on the above-entitled application, the matter having been duly submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Motor Service Express, a corporation, of extensions of automobile truck lines now operated by applicant and serving Los Angeles to serve shippers and receivers of freight in the City of Vernon, County of Los Angeles, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and the same is hereby granted to Motor Service Express, a corporation, for the operation of an automobile freight line as a common carrier of property between Los Angeles and Vernon, not as a new and separate operative right but as an extension of existing authorized operative rights of said applicant as hereinafter more particularly described, thereby permitting pick-up and delivery service to be available for shippers and receivers of freight in the City of Vernon for shipments destined to or originating on authorized lines of the applicant at points beyond Los Angeles.

The operative rights, extension of which are hereby authorized between Los Angeles and Vernon, are as follows:

"Between Los Angeles and San Bernardino, covering through service between such terminals, no local business to be handled between intermediate points." (Decision No. 6966 on Application No. 4712, decided December 19, 1919).

"Between Los Angeles and Riverside and between Riverside and San Bernardino, but not locally along said route between any other points." (Decision No. 8405 on Application No. 5887, decided November 30, 1920).

"Between Los Angeles and Riverside, Colton, Banning and Mecca, with interlocal service between Banning and Mecca, and between Colton and Banning via San Timeteo Canyon and between Riverside and Beaumont via Moreno and Box Springs Grade." (Decision No. 15952 on Application No. 12244, decided February 8, 1926).

"Between Los Angeles, San Jacinto and Temecula, provided, however, that this certificate does not authorize the handling of local shipments between Los Angeles and Riverside, including the City of Riverside, nor the receipt or delivery of any freight at points intermediate between the City of Riverside and the City of Los Angeles. (Decision No. 21934 on Application No. 16127, decided December 20, 1929).



The authority hereby conveyed is not to be construed as in any manner authorizing the merger, consolidation or unification of the several certificates, or any of them, as hereinabove specifically referred to, nor the transportation of freight or other property locally between the City of Los Angeles and the City of Vernon.

The granting of this certificate is subject to the following conditions:

- I. Applicant shall file its written acceptance of the extension of certificates as herein granted within a period of not to exceed ten (10) days from the date hereof.
- II. Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be those attached to the application, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.
- III. The rights and privileges herein authorized may not be sold, leased, transferred, assigned nor service thereunder discontinued unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance of service has first been secured.
- IV. No vehicle may be operated by applicant herein unless such vehicle is owned by the applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all purposes, not hereinabove specified, the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 5<sup>th</sup> day of August, 1930.

C. J. ...  
S. J. ...  
...  
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...  
Commissioners.