

Decision No. 23643

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VALLEY AND COAST TRANSIT COMPANY)
for an extension of existing motor) Application
freight operative rights to San) No. 16704
Francisco.)

Sanborn, Roehl, Smith & Brookman, by)
Douglas Brookman, for Applicant.)

W. S. Johnson, for Southern Pacific Company and
Pacific Motor Transport Company, Protestants.

J. E. Cain and Edw. Stern, for Railway Express
Agency, Inc., Protestant.

Harry A. Encell, for Salinas Valley Freight Lines,
Protestant.

Hal. Remington, for San Francisco Chamber of
Commerce, Interested party, in behalf of applicant.

Reed J. Bekins, for Bekins Van Lines, Protestant.
Dr. D. H. Craig, for Atascadero Business Men's Association,
Interested party in favor of applicant.

BY THE COMMISSION -

O P I N I O N

Valley and Coast Transit Company, a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the extension of service of its presently operated lines northerly from San Miguel to San Francisco via the Coast Highway through King City, Salinas and San Jose, serving all intermediate points, and to consolidate such proposed extended rights with the operative rights now owned by the aforesaid applicant. Applicant does not seek authority or propose to operate a local service between San Francisco and Salinas, nor between San Francisco, Salinas, and any point intermediate thereto, nor between any points intermediate between San Francisco and Salinas.

Public hearings on this application were conducted by Examiner Handford at San Francisco and San Luis Obispo, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge rates in accordance with a schedule marked "Amended Exhibit A", as filed at one of the hearings, to operate on a schedule of one round trip, daily except Sundays and holidays, using equipment as now in service on its presently operated lines, supplementing same with any additional which may be required by the traffic demand.

Applicant relies as justification for the granting of the desired certificate upon the following alleged facts: that there is at present no authorized transportation by auto truck between the points proposed to be served; that wholesale houses at San Francisco and San Jose, and the shipping public generally, are in need of a service such as is proposed by applicant in order to transport freight and merchandise to the points covered by the application; that the merchants of San Luis Obispo and other points covered by the application are in need of a service such as is herein proposed; and that there is at present no adequate transportation service by auto truck between the points proposed to be served by the applicant and that there is a public demand on the part of the shipping public that a service such as proposed by the applicant be established. Applicant further alleges that the present rail service is too slow and in other respects is inadequate to meet the public needs at the points proposed to be served; that the rates for express service are too high to move the traffic proposed to be transported by applicant, and that the service is in other respects inadequate to meet the requirements of the shipping public; and that there is no existing transportation service adequate to meet the demands of the shipping public as that of the applicant and as herein proposed.

E. L. Mc Connell, President and Manager of applicant, testified as to the present territory served by applicant and that proposed to be served in the event of the granting of the instant application. This witness, as manager for applicant, proposes to give pick-up and delivery service in all cities and towns proposed to be served by the extension of line, and to operate six wheel trucks, equipped with pneumatic balloon tires, such trucks to have a capacity of approximately $7\frac{1}{2}$ tons. The pick-up and delivery service proposed by applicant covers a zone comprising the wholesale and business district in San Francisco, within a radius of one mile from the intersection of First and Santa Clara Streets in San Jose, and at all points within the corporate limits of the intermediate communities proposed to be served. This witness testified that the applicant company was financially able to undertake the operation of the proposed extension and to furnish ample equipment to meet the demands of traffic.

F. J. Salter, employed as traffic manager for Mc Kesson, Langley and Michaels Co., wholesale druggists of San Francisco, testified that he was familiar with the application and the points proposed to be served. Witness now ships for his company an average of from 12 to 15 tons monthly into the territory proposed to be served. Although witness does not control the routing of his shipments he prefers the use of truck lines and would use the service, if established. Witness has no complaint regarding the service heretofore rendered on shipments forwarded by Railway Express, Inc.

J. W. Redpath, employed by Westinghouse Electric Supply Co., dealers in wholesale electric supplies at San Francisco, testified that his company now ships approximately $1\frac{1}{2}$ tons per month to the points proposed to be served by the applicant. Witness has received complaint from customers regarding the time now necessary to accomplish delivery, and his salesman working in the territory proposed to be served anticipates a 30% increase in the amount

of business if the proposed service is authorized. The customers of witness company pay transportation charges and control the routing of shipments. Witness has used the service of Railway Express Agency, Inc. for the transportation of some of his shipments and has had no complaint, nor does he recall any from his customers.

E. F. Kern, Secretary of Tay-Kolbrook, Inc., of San Francisco, dealers in pipe, plumbing supplies, sheet metal, etc., testified that he was familiar with the application and made shipments into the territory proposed to be served. Witness has shipped during the months of October, November and December, 1930, a total of 57,000 pounds by rail and truck and 3800 pounds by boat to the proposed territory. There is need in the witness' business for the character of truck service proposed and witness would use the service if it were authorized. His customers pay the transportation charges, except for prepaid shipments (amounting to approximately 5% of the total movement) and control the routing. The preference of customers for routing of their shipments is respected by his company. Only a small percentage of witness' shipments are forwarded by Railway Express, Inc. and such service has been satisfactory and without complaint.

Paul Schubert, employed by the Walworth-California Company, dealers in plumbing supplies at San Francisco, testified that the shipments forwarded by his concern into the territory proposed amounted to 53,000 pounds during the months of July and August, 1930. By stipulation it was agreed that the testimony of this witness would be the same as that of the previous witness.

G. E. Schoville of Waterhouse-Lester-Schoville Co., located in San Francisco, and dealers in automobile, blacksmith and machine shop supplies, testified that he knew of application and was familiar with the territory proposed to be served.

During the last twelve months witness has shipped 52 tons into the territory proposed to be served. Witness has need for an overnight truck service and would use that proposed by applicant if same were to be authorized. Witness has been personally over the territory proposed to be served and was the first to urge applicant to establish a regular service.

M. W. Hahn, a member of the firm of Hahn & Co., Inc., dealers in wholesale calves in San Francisco, testified that he was generally familiar with the application and that the service proposed would be of advantage to his company, the service being overnight and requiring less handling of his commodity. Witness receives from 500 to 600 calves per month, during the season from October to the end of May, with an average weight of 6000 pounds per month. The majority of shipments are now received by witness by truck, but most of those from the territory proposed are received by Railway Express Agency, Inc., said service having been satisfactory.

J. E. Mc Donough, of the American Biscuit Company of San Francisco is familiar with the service proposed by applicant. This witness makes average shipments of from 10 to 15 tons per month to the district proposed to be served, and prepays charges on all shipments weighing 65 pounds, or over, or which have a value of \$10.00, or over. The service proposed by applicant is very much needed and his company would use it if authorized. Witness has no complaint regarding the service heretofore rendered by Railway Express Agency, Inc., such service having been satisfactory.

Geo. A. Cuthbert, a witness employed by the General Electric Supply Corporation, at San Francisco, as Traffic Manager, testified that his company shipped all kinds of electrical supplies and devices, prepaying transportation charges on a number of commodities, such as Mazda lamps, conduit pipe,

batteries and high tension insulators, such items being about one-third of the products shipped. Witness finds a decided need for the service proposed, which would be used by his company if the service were to be authorized. Witness estimates 100 tons per annum as the annual volume of the shipments which would be forwarded by his company. Witness has had complaint regarding slow delivery by carriers now serving the proposed territory of applicant but does not recall any complaint as to the service of Railway Express Agency, Inc.

T. E. Losee, a witness employed in San Francisco by Coffin-Redington Company, dealers in wholesale drugs, testified that his company shipped from 6 to 8 tons monthly into the territory proposed to be served by applicant. Witness would use the proposed service, if authorized, believing it to be a necessity for his company and its patrons.

Lloyd I. Charlton, a witness employed by the Coxon Corporation, wholesale candy manufacturers of San Francisco, testified that his company shipped about 1 ton of its products monthly into the territory proposed to be served by applicant. The company prepays freight charges, needs the proposed service and would use it in the event of its establishment. Witness has used the service of Southern Pacific Company and that offered by Pacific Motor Transport Company, having used the service of the latter company on two shipments from San Francisco to San Luis Obispo.

P. J. Bailey, traffic manager for the M. J. Brandenstein Company, wholesalers of tea, coffee and rice in San Francisco, testified that his company shipped about 10 tons per month to the territory proposed to be served by applicant, transportation charges being paid by his company. Witness has used the service of Pacific Motor Transport Company for shipments from San Francisco to San Luis Obispo.

E. S. Newman, Vice President of Greenbaum, Weil and Michaels, dealers in men's furnishings and bedding supplies in San Francisco, testified that he believed there was a need for the proposed service, especially as to the more southerly points now served by applicant. Witness has used the service of Pacific Motor Transport Company for recent shipments from San Francisco to San Luis Obispo.

S. E. Davis, a witness employed by Neustader Bros., dealers in wholesale men's furnishings at San Francisco, testified that he knew of application and that his concern shipped from 12 to 20 tons per year into the territory proposed to be served by applicant. Witness needs the proposed service and would use it, if inaugurated, and his customers specified such routing.

B. Mc Donald, a witness employed as Traffic Manager for a wholesaler of men's furnishings and bedding supplies at San Francisco, testified that his company shipped about 2 tons per month into the territory proposed to be served by applicant. This witness believes that there is a need for the character of truck service as proposed, and would use such service, if same were authorized.

Mr. Label, -employed by Baker-Hamilton-Pacific Company, a San Francisco dealer in general hardware, household and sporting goods, testified that he knew of the application and the territory proposed to be served. Witness ships from 30 to 35 tons monthly to such territory and would use the service, if authorized, and his company needed the particular class of service proposed.

J. R. Wingler, President of Federal Pipe & Supply Company, a San Francisco dealer in pipe, valves, fittings and sheet steel, testified that his company made shipments to the territory proposed by applicant, said shipments averaging from 50 to 75 tons per annum. Witness would use the proposed service to a considerable extent and has need for it at the present

time.

Henry J. Down of the Keystone Coffee Company of San Jose, testified that his company made shipments into the territory proposed to be served by applicant, and that approximately 50 tons annually were forwarded. The service proposed is needed by witness who prepays freight on all shipments and controls the routing. Witness now uses the service of Southern Pacific Company from San Jose to San Luis Obispo but operates his own trucks from San Luis Obispo to the territory as far south as Lompoc.

Brant M. Rankin, Secretary of Walton N. Moore Dry Goods Company of San Francisco, testified that his company forwarded about 50 tons annually into the territory proposed to be served by applicant. Witness stated that his customers want service and prompt delivery of their shipments and that he knows of no similar truck service to the San Luis Obispo territory. Witness has used the service of Railway Express Agency, Inc. and has no complaint regarding such service.

H. W. Robinson, employed by the Firestone Tire and Rubber Co. at San Francisco, testified that his company shipped about one ton per month to King City, shipments being called for at warehouse in San Francisco and being delivered at store door of consignee. Witness is not interested in the rates or service proposed by applicant between San Francisco and King City, Soledad and Gonzales.

J. P. Labaree, of the Golden West Calf Co. of San Francisco, testified that his company received shipments of from 15 to 18 tons per month from the territory proposed to be served by applicant. By stipulation the testimony of this witness was agreed to be the same as that given by witness Hahn.

Lewis C. Hunter, employed as district manager for W.P. Fuller & Co., dealers in paint, oils, glass and allied jobbing business

at San Francisco, testified that he was familiar with the territory proposed to be served by the applicant, to which witness ships approximately 8 tons per month. This witness believes that there is a need for the proposed truck service, basing his opinion on a personal survey of the territory, and he would use the service, if authorized, knowing of no similar overnight truck service.

Hal Remington, a witness representing the San Francisco Chamber of Commerce, an organization of 6212 members, testified that he was Manager of its Transportation Department and that he was familiar with the application which had been considered and was favored by the Transportation Department and the Board of Directors of his organization. The organization, although not a shipper or receiver of freight, is closely in touch with the transportation needs of San Francisco merchants and is in favor of the granting of the application and the authorization of the proposed service.

William Clausen, a witness in the general merchandise business at Paso Robles, and with the Paso Robles Mercantile Co., receives shipments from San Francisco and is in favor of the inauguration of the proposed service, stating that it would be a wonderful improvement over the present facilities now available. Witness receives an average of 22 tons per month and would use the proposed service, if authorized, not only from San Francisco but from Salinas.

Sidney E. Brotherton, an electrical contractor of Paso Robles, testified that he received shipments from San Francisco, paying freight on all shipments except motors. Witness received a total of 61,347 pounds during the calendar year 1930 and would use the proposed truck service if same were to be authorized.

John C. Lane, a hardware merchant of Atascadero, testified that he received shipments from San Francisco, the total volume averaging from 6 to 7 tons per month. Witness would use proposed service of applicant if same were authorized.

E. C. Livingston, a dealer in tractors and farm machinery at Santa Maria, with branches at Paso Robles and Goleta, testified that he would use the service, if authorized, his shipments moving practically every day.

A. Trussler, a merchant residing at Atascadero, testified that he received shipments from San Francisco estimated at approximately two tons per month. Witness knows of application and would use the service if same were to be established.

By stipulation it was agreed that the testimony of A. R. Cunningham, dealer in plumbing supplies, and Victor Ward of the Atascadero Garage, both of Atascadero, would be the same as that of the previous witness.

Dr. D. E. Craig, residing at Atascadero and President of the Atascadero Business Men's Association, an organization of seventy two members, presented a resolution endorsing the granting of the application and favoring the daily overnight service and rates proposed by applicant.

Dave Danoni, a dairyman of Cayucos, ships dressed veal to San Francisco. Witness will ship all his products via the truck line of applicant if the proposed service is authorized.

C. W. Peterson, residing at Templeton, and employed with H. Hewitt, a dealer in hardware, farm implements, etc., testified that the store received an average of from 8 to 10 tons monthly from San Francisco. Witness would use the service for all shipments, if authorized, it being the fastest service available and the freight service now rendered by the rail lines now being rendered every other day.

E. M. Payne, a witness engaged in the merchandise and plumbing business at San Luis Obispo, receives shipments from San Francisco, and estimates twenty tons per year as the amount that would be forwarded by the proposed truck line if the service were to be authorized. Witness now uses the facilities of Southern Pacific Company and those of the Pacific Coast Steamship Company.

M. O. Oeck, Manager of the J. C. Penney Company stores at Paso Robles and Atascadero, has shipments forwarded from San Francisco and would use the proposed overnight truck service of applicant, if same were authorized.

By stipulation it was agreed that the testimony of Frank Mentone of the General Petroleum Co., F. R. Cummings, operating a pharmacy, and Barney Claybrook of the Park Pharmacy, all of Paso Robles, would be the same as that of other Paso Robles witnesses who testified in behalf of the application.

Arthur W. Haslam, of Santa Maria, and engaged in the general merchandise, grocery, drygoods and gent's furnishing business, testified that he received shipments from San Francisco on which he paid freight charges and controlled the routing. He would use the proposed truck service, provided the rates were not exorbitant.

By stipulation it was agreed that the testimony of D. Rosenstern, a dealer in plumbing goods of Santa Maria, would be the same as that of witness Haslam.

Carl Pate, of San Luis Obispo, Manager of Universal Auto Parts, testified that he received shipments from San Francisco on the average of four times per week. Witness will use the proposed service entirely, if same should be authorized.

By stipulation it was agreed that the testimony of Douglas Patton, of the Standard Auto Parts of San Luis Obispo, would be the same as that of witness Pate.

John L. Rogers, a witness engaged in the radio business at San Luis Obispo, testified that he received shipments from the Philadelphia Storage Battery Co. of San Francisco. Witness would use the overnight truck service proposed by applicant and would use the service of applicant, if established, on all his shipments which average once or twice each month.

By stipulation it was agreed that the testimony of C. J. Bassi, engaged in the hardware and implement business at San Luis Obispo, would be the same as that of witness Payne.

The granting of the application is protested by Southern Pacific Company, Pacific Motor Transport Company, and Railway Express Agency, Inc.

W. E. Mc Glinchey, a witness for protestants, testified that he resided in San Luis Obispo and was engaged in the hardware and paint business. Witness receives freight from San Francisco via the service of all the existing carriers, service being rendered about twice a week. The present service received is satisfactory and the inauguration of additional service, as proposed by applicant, is not needed by this witness.

Samuel Tognazzini, a witness for protestants, residing at San Luis Obispo, and proprietor of a grocery store, testified that he received shipments from San Francisco via the rail line of Southern Pacific Company and the steamers of the Pacific Coast Steamship Co., also has used the service of Pacific Motor Transport Co. Witness receives shipments about twice a week and the service received has been satisfactory. Witness has no need for any additional truck service as herein proposed by applicant.

Robert M. Laird, employed as buyer for the grocery and hardware departments of Sinsheimer & Co., general merchants of San Luis Obispo, testified that he received shipments from San Francisco via the rail line of the Southern Pacific Company and via boat and rail on the lines of the Pacific Coast

Steamship Company and Pacific Coast Railway Company. The services rendered have been adequate and satisfactory and are entirely sufficient for the needs of witness.

Q. B. Vallanci, engaged in the wholesale candy and grocery business at San Luis Obispo, testified that he received shipments from San Francisco, principally via the facilities of Pacific Motor Transport Co., although some use is made of the rail service of Southern Pacific Company. Witness rarely uses express service. Witness receives shipments practically every day and regular orders are received twice a week. The present service of existing carriers is adequate and satisfactory and witness has no need for the additional service proposed by applicant. The matter of store door delivery, which is desired by applicant, is cared for by his use of the facilities of Pacific Motor Transport Company.

David Muzio, in the grocery business at San Luis Obispo, testified that he received shipments from San Francisco, using the facilities of Southern Pacific Company and Pacific Coast Steamship Co., also some shipments via Pacific Motor Transport Company and via express. Witness receives shipments almost every day and is satisfied with the service as now rendered. Witness is not in need of the additional service as proposed by applicant.

G. C. Mathews, a resident of San Luis Obispo, and engaged in the drug business, testified that he was interested in two stores, each of which received about two shipments per week from San Francisco. Witness uses the rail facilities of Southern Pacific Company, and occasionally the Railway Express Agency, Inc. The service received has been satisfactory and witness has no need for the additional service proposed by applicant.

J. W. Herbert, of the San Luis Furniture Company at San Luis Obispo, testified that he received 95 percent of his shipments from San Francisco by freight and the balance by express and

parcel post. Witness has received satisfactory service and sees no necessity, in his business, for the additional service proposed by the applicant.

Howard Bell, Manager of the Coast Wholesale of San Luis Obispo, receives shipments from San Francisco, using the rail service of Southern Pacific Company and the steamer service of Pacific Coast Steamship Company, and has used the service of Pacific Motor Transport Company. Witness uses express service very little. His shipments average from 2500 to 3000 pounds daily and he has always received satisfactory service and sees no need for the additional service proposed by applicant.

By stipulation it was agreed that the testimony of the following merchants of San Luis Obispo would be similar to the testimony of other San Luis Obispo witnesses testifying in favor of present service and who do not need the additional service proposed by applicant:

R. W. Robers - Restaurant .
Standard Brands - Yeast business.
San Luis Obispo Fish Company.
San Francisco Fruit Company .
Golden State Milk Products Co.
Golden Dragon - Restaurant.

P. R. Densmore, traffic manager of Braum-Knecht-Heimann Company, a San Francisco wholesaler of drugs and chemicals, testified that his concern forwarded shipments to King City and San Luis Obispo. Witness ships practically daily, using all existing transportation companies. The present service amply takes care of all shipping requirements and witness has no need for additional service.

L. J. Hopkins, engaged in the wholesale fruit and produce business at San Francisco, receives green vegetables daily from Lompoc and Arroyo Grande, some from the San Luis Obispo territory. Witness uses several truck lines from Santa Maria to San Luis Obispo for the reason that he thereby obtains a ranch pick-up. Shipments thus consolidated at San Luis Obispo are then forwarded by rail to San Francisco. The present service is satisfactory and witness has no need for the additional service proposed by applicant.

Lionel Shatz, employed by A. Paladini, Inc., of San Francisco, wholesale fish dealers, testified that his company received very little of its fish from San Luis Obispo. Shipments are made daily as far south as Santa Maria. The company uses its own truck for shipments to San Jose and Salinas. Shipments to other points are made by Railway Express Agency, Inc. for the reason that they are iced by the transportation company while enroute. The service rendered has been satisfactory and there is no need for additional truck service at the present time.

B. L. Flahavan, a witness employed by O'Brien, Sportono, Mitchell and Compagno, wholesale and retail poultry and dairy products dealers of San Francisco, testified that his company received shipments from and forwarded shipments to the territory proposed to be served by applicant. His company now uses principally the service of Railway Express Agency, Inc., said service being satisfactory and witness sees no need for the establishment of additional service as regards the business needs of his company.

C. Rosenbohn, Secretary of Langendorf Bakery of San Francisco testified that his company made regular shipments, once or twice a week to points as far south as San Luis Obispo, and also made shipments to Santa Maria and Paso Robles. The company has used the facilities of Railway Express Agency, Inc. exclusively and has found the service to be excellent. The witness controls the routing and has never received any complaint from the customers of

his company. He sees no reason for the establishment of the proposed truck service of the applicant, that now received from the Railway Express Agency, Inc. being entirely satisfactory.

J. H. Cain, employed as Route Agent for Railway Express Agency, Inc., and having jurisdiction over the territory proposed to be served by applicant, testified regarding the service performed on trains by his company and as to the pick-up and delivery service performed in the cities of San Francisco, San Jose and San Luis Obispo. Similar service is also performed in Santa Maria, Lompoc and Arroyo Grande. Witness presented a statement showing the volume of business handled to and from the territory proposed to be served by applicant for the month of August, 1930, said month being representative as to the business transacted by Railway Express Agency, Inc. This record shows an average daily movement of 5340 pounds between points proposed to be served by applicant, all of which was transported without complaint from the shippers or consignees. Witness contends that its service is adequate and ample to handle all consignments in the territory proposed and that the service proposed by applicant is unnecessary.

P. W. Barnard, employed in the office of the Vice President in charge of operation of protestant Southern Pacific Company, testified regarding the less than carload freight service rendered by his company from San Francisco to the points proposed to be served by the applicant herein. The freight house at San Francisco closes for the receipt of freight at 4:00 P.M. Goods are transported and delivered at King City by 10:00 A.M. the following day; at Paso Robles at 1:30 P.M. the following day and at San Luis Obispo and Guadalupe at 7:00 A.M. on the morning of the second day following shipment from San Francisco. Less than carload service is performed tri-weekly to the stations of Atascadero, Templeton, San Miguel, San Lucas, San Ardo, Bradley, Mc Kay, Santa Margarita and Lompoc, that the volume of less than

carload freight now offering does not justify the handling of daily carload business to these points. Witness contends that the service now offered by his company is ample to care for the business of the territory proposed to be served by applicant and that facilities now offered by his company are not patronized by the public to their capacity, resulting in but tri-weekly service being rendered to certain stations in the territory.

W. S. Johnson, employed in the traffic department of protestant Southern Pacific Company and also by protestant Pacific Motor Transport Company, testified regarding the service available by Pacific Motor Transport Company. This company has a pick-up and delivery service in Atascadero, Gilroy, Gonzales, Guadalupe, King City, Paso Robles, Salinas, San Francisco, San Jose, San Luis Obispo, and Santa Maria. Service is also rendered at the following stations, but no pick-up and delivery service is there maintained;- Chualar, Coyote, San Ardo, San Lucas, San Martin, San Miguel, Santa Margarita, Soledad and Templeton. The Pacific Motor Transport Company picks up and delivers shipments at specified points and forwards consignments via the rail lines of the Southern Pacific Company. Shipments are handled on the same schedules which are provided by the Southern Pacific Company for less than carload freight, therefore arrive at destination at the same time that less than carload freight is available for consignees. At some destinations the Pacific Motor Transport Company makes store-door delivery of consignments. This service has recently been inaugurated and is performed under tariffs recently filed with the Railroad Commission. The advantage of store door pick-up and delivery in the principal communities has proven an element of satisfaction to the users of the service and there is no substantial complaint as to the service which is being rendered.

Milton Williams, General Manager of Kindel-Graham, San Francisco, dealers in novelties and carnival supplies, testified that his concern shipped goods into the territory proposed to be served by the applicant. Witness uses the service of Railway Express Agency, Inc. and has found such service to be satisfactory, shipments being picked up at his place of business in San Francisco. Witness has no need for the additional truck service as herein proposed by applicant.

Herbert Thage, Manager of the cut flower department of the H. Bayersdorfer Co., wholesale florists of San Francisco, testified that he made shipments to the territory proposed to be served by applicant. Witness now ships by the Railway Express Agency, Inc. and has had satisfactory service without complaint from his patrons. Witness has no need for the service proposed by applicant.

H. A. Kessing, employed by the Western California Fish Company of San Francisco, testified that his company made shipments into the territory proposed to be served by applicant. The company uses its own trucks and the facilities of Railway Express Agency, Inc. Witness is perfectly satisfied with the service received from the express company and has no need for the truck service as proposed by applicant.

John C. Scott, traffic manager for Ginn & Company, distributors of school books in San Francisco, testified that his company made shipments to the territory proposed to be served by applicant. The shipments made are usually seasonal and have been handled by the rail line of the Southern Pacific Company, Railway Express Agency, Inc. and by parcel post. Witness is satisfied with the present service as now being received and has no need for the additional service as proposed by applicant.

By stipulation duly filed herein applicant has agreed with the Salinas Valley Freight Line to amend application to exclude any request for the handling of shipments originating at San Francisco and destined to any and all points intermediate between the souther-

ly city limits of Salinas and the northerly limits of King City, or in the reverse direction between such points. By the acceptance of this stipulation Salinas Valley Freight Line withdraws its protest to the instant application.

We have given careful consideration to the evidence and exhibits as appearing in the record in this proceeding.

The record shows no complaint regarding the service of Railway Express Agency, Inc., such service being satisfactory to shippers and receivers using same. There are some perishable commodities handled by the facilities of such carrier that require fast express service and which justify the additional expense of express shipment.

Applicant proposes an overnight service, daily except Sundays and holidays, in both directions serving all points between San Francisco and San Jose on the one hand and points on its presently authorized lines on the other hand. Overnight service is at present rendered by the Southern Pacific Company, and Pacific Motor Transport Company is available to King City and Paso Robles, goods being available for delivery at 10:00 A.M. and 1:30 P.M. on the following day. Shipments for San Luis Obispo and Guadalupe are available for delivery at the commencement of business on the morning of the second day after movement from San Francisco. The communities of Atascadero, Templeton, San Miguel, San Lucas, San Ardo, Bradley, Santa Margarita and Lompoc receive service tri-weekly either by the rail freight of Southern Pacific Company or by the express service of Pacific Motor Transport Company.

We are of the opinion and hereby find as a fact that shippers and receivers of freight are entitled to an overnight service between San Francisco and points south thereof as now served by the applicant and as proposed to be served by the application herein. Express service as now furnished to the territory by the facilities of Railway Express Agency, Inc. is

satisfactory although all shipments will not justify the charges assessed for express transportation. We hereby find from the record herein that public convenience and necessity require and justify the granting of the application, not as a new and separate certificate, but as an extension of operating rights now held by applicant and with such restrictions as appear in the order following this opinion.

Valley and Coast Transit Company, 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

Public hearings having been held on the above application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the finding of fact which appears in the opinion preceding this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Valley and Coast Transit Company, a corporation, of an automobile truck line as a common carrier of freight between San Francisco and San Luis Obispo and intermediate points, excepting such intermediate points and territory as are hereinafter shown, not as a new and separate certificate but as an extension of operative rights as now owned by said applicant and as appearing in certificates granted by Decision No.19262 on Application No.14339, decided January 18, 1928, and by Decision No.20115 on Application No.14887, decided August 15, 1928, said operative

rights being as follows:

1. An operative right covering the transportation of express, light freight and messages between Paso Robles and San Luis Obispo and the intermediate points of Santa Margarita, Atascadero and Templeton.
2. An operative right for the transportation of freight, baggage and express between Paso Robles and San Miguel.
3. An operative right for the transportation of freight between San Luis Obispo and Orcutt, serving as intermediate points Nipomo and Santa Maria, provided that no local shipments be handled between Arroyo Grande, Pismo, San Luis Obispo and intermediate points.
4. An operative right for the transportation of freight and express between San Luis Obispo and Santa Maria.
5. An operative right for the transportation of property between San Luis Obispo, Cayucos, Cambria and intermediate points.
6. An operative right for the transportation of freight between San Luis Obispo, Cambria, San Simeon and intermediate points northwesterly of Cayucos.
7. An operative right for the transportation of freight and express between San Luis Obispo and Morro and intermediate points.
8. An operative right for the transportation of passengers, freight and express between San Luis Obispo and San Simeon and the intermediate points of Morro, Cayucos, Cambria and intermediate points.
9. An operative right for the transportation of property between Ontario and Avila and intermediate points.
10. An operative right for the transportation of property from Arroyo Grande to Los Berros, returning to the Coast Highway at Nipomo, and vice versa.
11. An operative right for the transportation of property from Los Osos-Morro Junction to Morro and Bayview, returning to the Coast Highway at Morro, and vice versa.
12. An operative right for the transportation of property from Pismo to Oceano, returning to the Coast Highway at Nipomo, and vice versa.
13. An operating right for the transportation of property between Harris and Lompoc and intermediate points.

Extension of operative rights to points covered by the "on call" or "on demand" operations as conducted by applicant under certificate heretofore granted is not granted by the certificate herein.

No authority is herein conveyed for the transportation of freight locally between San Francisco and Salinas, both points inclusive, nor between San Francisco, Salinas or any point intermediate thereto, nor between any points intermediate between Salinas and San Francisco. No authority is hereby conveyed for the transportation of property originating at San Francisco and destined to any and all points intermediate between the southerly city limits of Salinas and the northerly limits of King City, and vice versa.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Valley and Coast Transit Company, a corporation, covering the operation of an automobile truck service for the transportation of freight between San Francisco and San Luis Obispo, same not to be a new and separate certificate but as an extension of presently authorized certificates over territory as herein set forth in the preceding declaration. This order does not authorize applicant to transport freight locally between San Francisco and Salinas, both points inclusive, nor between San Francisco, Salinas or any point intermediate thereto, nor between any point intermediate between Salinas and San Francisco. No authority is hereby conveyed for the transportation of freight originating at San Francisco and destined to any and all points intermediate between the northerly city limits of Salinas and the northerly limits of King City, and vice versa.

This order is subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
2. Applicant shall file in duplicate and make effective within a period of not to exceed thirty (30) days from the date hereof a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which, in volume and effect, shall be identical with the rates and rules shown in the amended exhibit attached to the application insofar as they conform to the certificate herein granted.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days from the date hereof time schedules, covering the service herein authorized, in a form satisfactory to the Railroad Commission.

4. 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.

5. 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 is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 4th day of

May, 1931.

C. S. Sweeney

Leon Whitely

M. A. Cunn

M. B. Harin

Frederic G. Stebbins
COMMISSIONERS.