

Decision No. 24396.

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of SAN JOAQUIN VALLEY TRANSPORTATION COMPANY, a corporation, IMPERIAL VALLEY-LOS ANGELES EXPRESS, a corporation, LOS ANGELES-SAN PEDRO TRANSPORTATION COMPANY, INC., a corporation, BOULEVARD EXPRESS, INC., a corporation, and PACIFIC FREIGHT LINES COMPANY, a corporation, SELLERS, and MOTOR FREIGHT TERMINAL COMPANY, a corporation, BUYER, for an order of the Railroad Commission of the State of California; (a) authorizing the Sellers to sell and convey and the Buyer to purchase and acquire the properties, businesses and rights referred to in this application; (b) authorizing the Buyer to issue its common capital stock in payment of said properties, businesses and rights; (c) authorizing a consolidation of said properties, businesses and rights; and (d) issuing to Buyer an In Lieu Certificate of Public Convenience and Necessity.

Application No. 17517.

- W. F. Williamson, Wallace & Vaughan, by R. L. Vaughan, for applicants.
- H. J. Bischoff, for Coast Truck Line, Motor Service Express, Rice Transportation Company, Donovan Transportation Company and Borderland Express, Incorporated, Interested Parties.
- Guy V. Shoup and W. S. Johnson, by W. S. Johnson, for Southern Pacific Company, protestant.
- Edward Stern, for Railway Express Agency, Inc., protestant.
- W. F. Brooks, for The Atchison, Topeka and Santa Fe Railway Company, protestant.
- H. C. Carter, for Puckett Freight Lines, Ltd., protestant.
- L. B. Young and W. S. Johnson, by W. S. Johnson for Pacific Motor Transport Company, protestant.

BY THE COMMISSION:

OPINION AND FINAL ORDER

In the above entitled matter by our Decision No. 24136 dated October 19, 1931, applicant Motor Freight Terminal Company was authorized to acquire the operating rights of San Joaquin Valley Transportation Company, a corporation, Imperial Valley-

Los Angeles Express, a corporation, Los Angeles-San Pedro Transportation Company, Inc., a corporation, Boulevard Express, Inc., a corporation and Pacific Freight Lines Company a corporation, and to issue in consideration for the transfer of such rights stock of Motor Freight Terminal Company in the amount of \$352,300. and to assume outstanding indebtedness of \$358,049.88. By stipulation it was agreed that protests should not apply to the transfer of title and issue of stock, but that further hearing should be held upon that portion of the application of Motor Freight Terminal Company seeking to consolidate and unify such operating rights and to receive, in lieu of all previous rights, a certificate of public convenience and necessity covering its proposed operations as outlined in the instant application.

Further hearings thereon were conducted by Examiner Kennedy at Los Angeles, the matter was submitted on November 4, 1931 and now is ready for decision.

Applicant's chief purpose in seeking an in lieu certificate, besides clarifying and simplifying its operating rights, is to establish through service between all parts of its system and particularly through service from the terminals to Los Angeles Harbor. In its amended application it clearly states that it "will offer a through service without restriction as to weight and size of any commodity and/or commodities from one or more points on one line, to one or more points on all other lines." Applicant further states that it "does not desire the removal of any restrictions presently attaching to the operating rights" except removal of restrictions heretofore imposed on operative rights granted to Imperial Valley-Los Angeles Express between points, Oasis and south thereof and Beaumont, Redlands, Riverside,

Pasadena, Anaheim, Santa Ana and Los Angeles Harbor limiting the minimum quantity to be transported to 10,000 pounds. Applicant seeks authority to transport any commodity of any weight to and from the points indicated.

Motor Freight Terminal Company is now authorized to conduct automotive truck service as a common carrier between San Luis Obispo and Los Angeles; Fresno, Taft and Bakersfield and Los Angeles; Imperial Valley points (beyond Oasis) and San Bernardino to Los Angeles; between San Diego and Los Angeles; and between Los Angeles and Los Angeles Harbor under the operating rights of the corporations which it was authorized to acquire by our previous order. It has by reason of one ownership become the largest freight trucking system under the jurisdiction of the Commission. According to the testimony of C. G. Anthony, its president, the company now owns and utilizes 135 trucks, 75 trailers, and in addition at various points has other equipment under lease. It maintains freight terminals at San Luis Obispo, Santa Barbara, Ventura, Oxnard, Santa Paula, Taft, Fresno, Bakersfield, El Centro, San Bernardino and San Diego, nearly all owned by the company. At Los Angeles it owns a large terminal on Molino Street and has an area of four acres at 27th and Alameda Streets, where its general offices are located, and on which it is now constructing at a cost of \$100,000. an additional terminal building. Mr. Anthony testified that if the consolidation of the lines results in through service between all points, the company's terminal will be made at Los Angeles Harbor. Commodities shipped to and from the harbor will go forward on through schedules without rehandling. He explained that this would

be accomplished by the through routing of the vehicles containing harbor shipments which, when reaching the terminus of Los Angeles City proper, would be relieved of their local cargo and the trucks filled with other cargo for the Harbor and dispatched to the Harbor terminus. He explained that this did not mean that all schedules leaving the various termini would go through to the Harbor but that all trucks carrying Harbor shipments would. He explained that all through shipments from points on the lines of the company to the Harbor represents 98 per cent of all the through shipments handled by the company; in other words that only two per cent of the through shipments are off-line business. By this method through daily service (overnight) between Fresno, Taft, San Luis Obispo, Imperial Valley, San Diego, Los Angeles Harbor and intermediate points will be established and maintained without the necessity of rehandling enroute of any terminal or intermediate shipments destined to the Harbor.

Mr. Anthony also explained that it was the desire of the Company to be relieved of the restriction fixing a minimum of 10,000 pounds as a quantity of freight that may be hauled from Imperial Valley points to Los Angeles Harbor, as offers had been made of large tonnage of lesser amounts which could not be accepted. It is the desire of the Company to handle any commodity in any quantity. Applicant now has the right to transport shipments originating at points south of Oasis or destined to points south of Oasis and the Harbor over two routes - one via Pasadena and the other via Santa Ana, serving certain points enroute. By the removal of the restriction, service for all purposes and all quantities would be established between Beaumont, San Bernardino, Pasadena and Imperial Valley, and also between Riverside and Santa Ana and Imperial Valley. There is practically no proof in the record that there is any

necessity for the establishment of the service proposed to those places in amounts less than originally granted by Decision No. 17283 on Application No. 11863 dated September 27, 1926. The mere desire of the applicant is not sufficient justification to alter the terms of the certificate referred to. With the denial of this request the operating rights of the applicant will be unchanged if consolidated into a unified operation.

In support of its application for the establishment of through service from point to point on its entire system applicant produced a number of witnesses from various points. Among them were Hale Paxton of Redlands, manufacturer of nailing machines and who also manufactures gravity machines at Sanger; Ward Johnston of Santa Barbara, grower and distributor of seed beans; A. B. Crawford of Santa Barbara, traffic manager of the Hubbard Fruit Company of Carpinteria, citrus fruit shipper; George W. Wilson of Santa Barbara, manager, Diehl's Grocery Company; Fred Sager, Ventura, office manager of Ventura Manufacturing and Implement Company, manufacturers of agricultural implements; Roy A. Corbaley, Ventura, assistant manager of Coast Wholesale Grocery Company; Charles H. Schaeffer, Los Angeles, traffic manager of Young's Market Company and Huggins-Young Company, coffee roasters and shippers; Paul Eyre, Imperial, Manager of the Desert Grapefruit Company, shippers of grapefruit in not less quantity than 35 boxes; Louis M. Steiber, El Centro, manager of C. L. Conant Ranch; C. J. Gamble, San Diego commerce attorney and traffic manager of the City of San Diego, San Diego Gas and Electric Company, San Diego Packing Company and other industries; Theodore J. Schmeiser, Fresno,

Manufacturer of tractor wheels and accessories; Fields Sherman, Los Angeles, traffic manager of the Randolph Marketing Company, citrus shipper with plants at San Bernardino and Orange County points; Frank A. Hopper, Bakersfield, manager of Oil Tool Manufacturing Company; H. A. Mott, Bakersfield, manager Teacup Dairies; and Beulah Carr, Los Angeles, traffic manager of Sperry and Hutchinson, distributors of premium trading furniture to San Bernardino, Fresno, San Diego and other points on the lines of applicant.

A summary of the testimony of these witnesses shows that the through service without rehandling offered by applicant is needed and would be used by them as to all or part of their shipments, particularly on shipments destined to Los Angeles Harbor. While the testimony of Mr. Sherman might indicate a need of transportation of citrus fruits between Orange County points and the Harbor, it must be borne in mind that Motor Service Express, Inc., another truck carrier, has a through right and route, and maintains adequate service between San Bernardino and the Harbor, serving also Santa Ana.

Applicant proposes to establish through interdivision class rates varying in amounts from 3 to 15 cents per 100 pounds higher than the contemporaneously applicable class rates of the Pacific Motor Transport Company. At the present time the interdivision rates are based upon a combination of locals, there being no through rates in effect. The establishment of through class rates will effect an average reduction of 6 cents first class, 5 cents second class, 4 cents third class and 3 cents fourth class. Applicant also proposes to establish interdivision commodity rates based upon those now in effect by the Pacific Motor Transport Company.

The consolidation and unification of the rights and the certificate for through service is opposed by several rail

carriers operating parallel to the operations of applicant. Protestant Santa Fe Railway offered no testimony in support of its protest. Testimony was introduced in protest by the Southern Pacific Company, Pacific Motor Transport Company and Railway Express Agency, Inc. Motor Service Express, Coast Truck Line, Rice Transportation Company, Donovan Transportation Company and Borderland Express, all truck carriers, appeared as interested parties but offered no testimony.

The testimony of P. W. Barnard, a witness in behalf of Southern Pacific Railroad Company, shows that the service to the points affected is not made by this carrier earlier than the second day. He gave the following summary of this service:

<u>Between Los Angeles Harbor and</u>	<u>S.P. and S.P.M.T.</u>
San Luis Obispo	Second Day 11:30 A.M.
Santa Barbara	Second Day 3:00 A.M.
Ventura	Second Day 1:00 A.M.
*Oxnard	First Day 11:00 P.M.
**Fresno	Second Day 5:30 P.M.
Bakersfield	Second Day 7:00 A.M.
San Diego (served by Santa Fe)	
San Bernardino	Second Day 5:00 A.M.
**El Centro	Second Day 6:00 P.M.

- \* Available for delivery second day.
- \*\* Available for delivery third day.

It appears from the above table that Pacific Motor Transport Company's pickup and delivery can be no more rapid than Southern Pacific freight service over which it operates. This agency has pickup and delivery at San Luis Obispo, Santa Barbara, Ventura, Oxnard, Fresno, Bakersfield, San Bernardino and El Centro.

Service proposed by applicant (Exhibit No. 4) shows first day delivery between the same points cited in the table above. How this will be accomplished was explained by the testimony of Mr. Anthony. Trucks between terminals will convey shipments to Los Angeles. There all shipments to or from the harbor will

remain on the trucks, and be conveyed to destination, whether it be the harbor, to terminals or to points far distant, without removal from the truck and without rehandling. Thus shippers have through movement on the same truck in either direction. Where capacity permits, shipments to or from points on the line haul will be added to the through shipments, as it was testified, that additional tonnage usually is available at terminals.

Careful consideration of the entire record herein discloses that applicant is now approximating first day delivery at all points and that transfer at Los Angeles serves little purpose except to increase cost. By establishing the through service operating economies will result and these benefits are being conferred, in a substantial way, on the shipping public in the reduced rates shown in applicant's Exhibit No. 15. In addition, the affirmative testimony of shipper witnesses supported applicants' plan of through service without transfer.

Our conclusion based on the facts above related is that the certificate should be granted providing unification and through service, subject to all the limitations heretofore imposed on the various separate operations, except where consolidation has made them needless.

At the final hearing held in this matter the Commission was asked to modify its former decisions, Nos. 24136 and 24168, so as to permit Motor Freight Terminal Company to issue, in paying for the properties of the other applicants herein, \$16,400.00 of stock in addition to the \$402,300.00 previously authorized.

The \$402,300.00 of stock heretofore allowed was determined by the net worths of the selling companies, as disclosed in their Exhibits Nos. 8, 9, 10, 11 and 12, with certain adjustments considered by the Commission as necessary and described in the



original decision (No. 24136) in this matter. Now, however, it is alleged that certain amounts, aggregating \$16,418.63, and representing additional net worth, had been omitted from the financial statement of Pacific Freight Lines Company used by the Commission in arriving at the \$402,300.00, so that the stock authorized should be increased by \$16,400.00.

In this connection Mr. R. A. Hartz testified that Pacific Freight Lines Company, in taking over the assets of its predecessor operators, Los Angeles and Oxnard Daily Express, San Bernardino Transportation Company and Ojai, Ventura and Los Angeles Express, under authority granted by Decisions Nos. 22616, 22646 and 22647, set up on its books in its fixed capital accounts the same amounts that appeared on the books of such predecessors, which amount, it is said, aggregated \$8,586.56 less than the amounts used by the Commission in said decisions as representative of the value of said assets in authorizing Pacific Freight Lines Company to issue stock to acquire them. This resulted in the statement of assets of Pacific Freight Lines Company being understated to the extent of \$8,586.56.

Mr. Hartz further testified that Pacific Freight Lines Company issued its stock in an amount \$7,832.07 less than that authorized in said Decisions Nos. 22616, 22646 and 22647, and that when this was ascertained, the amount was set up on its books, being charged to accounts receivable-intercompany, and credited to capital stock.

Reference to our former decisions shows that in authorizing Pacific Freight Lines Company to acquire the properties of San Bernardino Transportation Company, Los Angeles and Oxnard Daily Express and Ojai Ventura and Los Angeles Express, we made mention of property values and permitted the issue of stock as

follows:

Decision Number	Replacement cost of Property less Depreciation	STOCK AUTHORIZED	
		For Properties	For Working Capital, etc.
22616	\$ 15,389.00	154 Shares	150 Shares
22646	18,664.00	167 Shares	38 Shares
22647	<u>47,108.00</u>	<u>471 Shares</u>	<u>86 Shares</u>
TOTALS.....	\$ <u>79,161.00</u>	<u>792 Shares</u>	<u>274 Shares</u>

The shares of stock were of no par value and were authorized on a basis of \$100.00 each.

Following the making of these decisions, it seems from reports made by the company that it issued the 792 shares in payment for properties, but that it set them up on its books in its capital stock account at \$71,367.93 instead of \$79,200.00. By crediting its capital stock account with the \$7,832.07 it now brings the amount in that account up to \$79,200.00.

In making the entry the company charges the \$7,832.07 to its account receivable-intercompany account and sets it upon its books as a current asset. From Exhibit No. 26 it appears that the \$7,832.07 represents the difference between the money advanced to Pacific Freight Lines Company by United American Utilities, Inc., namely \$71,367.93, and the value of the stock issued, that is, \$79,200.00. There is no necessity for an entry such as is herein mentioned, nor should the \$7,832.07, in our opinion, be transferred to the books of the purchaser herein as an asset. The issue of the \$7,832.07 of additional stock will not be authorized. The issue of the \$8,586.56 of additional stock should be authorized because it represents an asset not considered in the preliminary order.

Condition "7." of the order in Decision No. 24136 provides that Motor Freight Terminal Company shall file with the Commission for approval a copy of each and every journal entry

used to record on its books the acquisition of the properties of the selling companies.

Copies of such entries were filed on November 27, 1931. Those used to record the purchase of Los Angeles & San Pedro Transportation Company, San Joaquin Valley Transportation Company, Boulevard Exprexs, Inc. and Imperial Valley-Los Angeles Express are in satisfactory form and will be approved. In the entry used to record the purchase of the Pacific Freight Lines Company's properties, however, it appears that there has been included in Account 105-5, Accounts Receivable-Affiliated Companies, the \$7,832.07 item referred to in Exhibit 26, and in this opinion. This amount has not been used by the Commission in authorizing the issue of stock and should not be transferred to the books of Motor Freight Terminal Company. With this figure eliminated and the net worth figure correspondingly reduced, the entry appears to us to be satisfactory.

Motor Freight Terminal 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.

#### SECOND SUPPLEMENTAL ORDER

Motor Freight Terminal Company, a corporation, applicant herein, having made application to consolidate all of its separate rights, as set forth in our preliminary order in

Decision No. 24136, dated October 19, 1931, with its rights previously acquired and for a certificate de novo, in lieu of all the separate rights now owned by Motor Freight Terminal Company, further hearings thereon having been held and the matter having been duly submitted and now being ready for decision:

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the merging, consolidation and unification of all the operating rights now held by applicant for the transportation of property between

Los Angeles Harbor and Fresno,  
Los Angeles Harbor and Calexico,  
Los Angeles Harbor and San Luis Obispo,  
Los Angeles Harbor and San Diego,

and all intermediate points, except as herein restricted, and lateral and other extensions therefrom, with the duty of providing and rendering through service for any shipment between any two points on the entire system and between all divisions, and

IT IS HEREBY ORDERED that all of the rights set forth in Exhibit No. 1 attached to Decision No. 24136 and transferred in ownership to Motor Freight Terminal Company, be merged and consolidated with each other and with all rights now held by Motor Freight Terminal Company, as authorized by Decision No. 14425 on Application No. 19414, each with the others, in one unified operating right as to each and all; and

IT IS HEREBY FURTHER ORDERED that for the purpose of clarifying the rights so consolidated, a certificate of public convenience and necessity, de novo, in lieu of all prior grants or rights, be granted applicant Motor Freight Terminal

Company, provided, that such certificate shall establish such operations in four divisions, to wit: Coast Division, San Joaquin Valley Division, Imperial Valley Division and San Diego Division, and that such divisions and each of them shall transport all shipments destined for Los Angeles Harbor on through vehicles without transfer; and, provided, that through service between divisions and from any one point to any other point on the entire system shall be made by the most expeditious transfers between line hauls; and

IT IS HEREBY FURTHER ORDERED that the operation of each division between the City of Los Angeles (proper) and the Harbor District of Los Angeles City and to Long Beach shall be conducted from and to terminals in Los Angeles via Alameda Street and Truck Boulevard and via Main Street and Harbor Boulevard to the Harbor District and between San Pedro and Wilmington and Long Beach via Anaheim Road and that all division routes shall connect at Los Angeles terminals, unless otherwise provided herein, with such routes; provided that no property shall be transported to or from Long Beach from any point except drugs, drug sundries, bicycles and motorcycles and their accessories and supplies and return movement of empty containers; and

IT IS HEREBY FURTHER ORDERED that each division, under the certificate herein granted, be and the same in detail is authorized as follows:

San Joaquin Division

For an unlimited through and local service for the transportation of property between Los Angeles and Los Angeles Harbor, and Fresno and Taft, Maricopa, Fellows, McKittrick and points in the West Side Oil Fields, serving all terminals and intermediate points, except as herein restricted as follows:

(a) No authority is granted by this certificate for the carriage of any freight locally in the territory between Bakersfield and Taft and Maricopa, via any route.

(b) Serving only Wheeler's Ridge Oil Field on Maricopa Flat Road.

(c) Maricopa Flat Road and route north from Bakersfield, via Rosedale and Bowerbank, to Buttonwillow, thence south to Elk Hills Oil Field and west and southwest to McKittrick are alternates or optional routes only, except as shown in Item (b) preceding, to economize time in delivery shipments to consignees and not for the purpose of including any additional service not specifically authorized herein.

(d) Service within fifteen miles of the highway between Castaic and Rose Station on either side thereof, is limited to consignments of not less than five tons.

(e) Service between Los Angeles and Los Angeles Harbor and Weedpatch, Arvin, Magunden and Shafter is for the transportation of cotton only.

(f) Service between Bakersfield and Fresno is limited to points on the state highway and five miles on either side thereof, excluding local service between Fresno and Fowler, Selma, Kingsburg, Traver, Goshen, Goshen Junction, Visalia or Tulare or between any of said points, said restriction not to be construed to prevent the transportation of property from between points between Fresno and Visalia or Tulare and points on said highway lying southerly or easterly of Visalia or Tulare.

(g) Only for dairy products and poultry originating or destined to Tulare or north of Tulare, or Delano or south of Delano over state highway only between Tulare and Delano with no intermediate points on or off the state highway.

(h) Service between Goshen Junction and Riverdale is without any intermediate points.

(i) Service between Page and Tipton and Los Angeles and Los Angeles Harbor is limited to the transportation of milk and other creamery products only; and between Tulare and Delano for the routing of loaded trucks, regardless of commodity, when such loads originate at or destined to points north of Tulare and south of Delano.

(j) No service is to be performed between Los Angeles and Newhall, the latter being the first intermediate point north of Los Angeles.

(k) No service is to be rendered between the harbor district of Los Angeles at the north line of Wilmington and the business district of Los Angeles.

Over and along the following routes:

Via Harbor Boulevard and Alameda Street to Los Angeles; via Truck Boulevard and Main Street to Los Angeles; via Anaheim Road between Long Beach and Wilmington; via San Fernando Road or Cahuenga Pass to San Fernando, thence over state highway to its junction with Weldon Canyon Cutoff, then via either state highway via Newhall, or over Weldon Canyon Cutoff to the junction of the Weldon Canyon Cutoff with the state highway, then over state highway (Ridge Route) to Bakersfield and Fresno; and via State Highway between Delano and Goshen Junction via Richgrove, Porterville, Exeter and Visalia; and

Between the state highway and Taft, Maricopa, Fellows, McKittrick and points in the West Side Oil Fields.

- (1) From Greenfield's Corners, via Panama and Old River.
- (2) From Bakersfield via Rosedale and Buttonwillow.
- (3) Between the junction of state highway and Maricopa Flat Road, north of Grapevine Station, over Maricopa Flat Road via Wheeler's Ridge Oil Field; and

Between Famosa and Wasco over direct county highway; and between Bakersfield and Greenfield's Corners over county highway via Magunden, Weedpatch and Arvin; and

Between Riverdale and Goshen Junction via Elm Avenue, through Hub to junction of Hanford-Elm Avenue highway thence east to Plaza Junction of state highway;

#### Imperial Valley Division

For an unlimited through and local service for the transportation of property between Los Angeles Harbor and Los Angeles to Calexico, serving all terminals and intermediate points except as herein restricted as follows:

- (a) Transportation of property between and to and from points Oasis to Calexico and between El Centro and Holtville shall be limited to the highway traversed and not more than five (5) miles on either side thereof.
- (b) Transportation of property from or to Calipatria or the routes between Calipatria and the state highway near Westmoreland is limited to consignments of 10,000 pounds minimum and such transportation is limited to the highway traversed on points not more than five (5) miles on either side thereof.

(c) Transportation of property to and from Oasis or points south and east thereof over the Foothill Boulevard via Pasadena and San Bernardino and all points within five miles on each side of the highway traversed, serving all intermediate points, Pasadena and points east and south thereof with points of origin or destination of every shipment either Oasis or points south and east thereof is limited to loads of 10,000 pounds minimum, except dairy products, i.e. butter, eggs and cream, which are limited to 4,000 pounds minimum.

(d) No service shall be performed between Pasadena and San Bernardino, nor between San Bernardino and Oasis except as set forth in paragraph (c) foregoing, nor intermediate between Los Angeles and San Bernardino to any point, except the terminals of Los Angeles and San Bernardino.

Over and along the following routes:

- (1) Via state highway between Los Angeles Harbor and El Centro, via Pomona, Ontario, Colton, Redlands, Banning, Coachella and Oasis.
- (2) Via direct county roads to Anaheim, Orange, Corona, Riverside, Redlands, Coachella and Oasis.
- (3) Via Cutoff south of Puente, through Whittier and Downey to Los Angeles Harbor.
- (4) Via Foothill Boulevard from San Bernardino to Pasadena and Los Angeles and Los Angeles Harbor.

#### Coast Division

For an unlimited through and local service for the transportation of property between Los Angeles Harbor and San Luis Obispo, serving all terminals and intermediate points except as herein restricted as follows:

- (a) No service of any character to points intermediate to Los Angeles and Newhall, nor Los Angeles and Calabasas nor Los Angeles and Santa Susana, nor Los Angeles and the north city limits of Santa Monica on any route.
- (b) No local service at points between Santa Barbara and San Luis Obispo except Buellton and Orcutt and points intermediate, nor over Weldon Canyon cutoff Road between its junctions with the state highway.
- (c) Service between Santa Barbara and San Luis Obispo is limited to points authorized on the state highway or from points ten (10) miles on either side thereof for shipments of ten (10) tons minimum.



Over and along the following routes:

(1) Via San Fernando Road and state highway between Los Angeles and San Luis Obispo via Santa Barbara; via Ventura Boulevard and Conejo Pass to Camarillo, Oxnard, Ventura and Santa Barbara; via Sunset and Santa Monica Boulevards to Santa Monica, thence via Los Angeles and Ventura Coast highway, No. 60-A to Oxnard and from the intersection of Hueneme Road and Highway 60-A westerly along Hueneme Road to Ocean Drive, thence to Fifth Street and thence to Oxnard; and between Ventura and Ojai via direct highway via Canet; between Castaic and Ventura via Piru, Fillmore and Santa Paula; between San Fernando and Ventura, via Chatsworth, Santa Susana, Moorpark, Saticoy and Montalvo, or via connecting road between Saticoy and Ventura-Santa Paula highway.

#### San Diego Division

For an unlimited through and local service for the transportation of property between Los Angeles Harbor and Los Angeles and San Diego serving all terminals and intermediate points, except as herein restricted as follows:

Service is limited to an automobile truck as a common carrier of northbound freight and express between San Diego and all points intermediate to and between Oceanside and Los Angeles, neither inclusive, including Vernon, Serra, San Juan Capistrano, Irvine, Tustin, Santa Ana, Anaheim, Buena Park, Norwalk; also northbound freight and express between Del Mar, Cardiff, Encinitas, Carlsbad, Oceanside and all points between Serra and Los Angeles, both inclusive; and as a common carrier of southbound freight between Los Angeles and all points between San Juan Capistrano and Del Mar, both inclusive; also southbound freight between all points between Norwalk and Irvine, both inclusive, and all points between San Juan Capistrano and San Diego, both inclusive.

Over and along the following route:

Between Los Angeles and San Diego via Los Angeles County Highway known as Downey Highway to Norwalk, thence via County Highway to Buena Park, Anaheim, Santa Ana and thence via State Highway via Tustin, Capistrano, Serra, Oceanside and Del Mar,

and subject to the following conditions:

1. Applicant Motor Freight Terminal Company, a corporation, within twenty (20) days of date hereof, shall file with this Commission its acceptance of the certificate herein granted, stipulating therein that such certificate is in lieu of all its rights prior to date hereof now

possessed by applicant and that all such prior rights shall be annulled and revoked by this Commission, and shall be of no further force and effect.

2. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

3. 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 exhibit attached to the application insofar as they conform to the certificate herein granted.

4. 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.

5. 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.

6. 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.

Motor Freight Terminal Company having requested permission to issue \$16,400.00 of stock in addition to the \$402,300.00 of stock authorized by Decisions Nos. 24136 and 24168, and the Commission being of the opinion that the issue of \$8,600.00 of such stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, but that the request insofar as it involves the issue of the remaining \$7,800.00 of stock should be denied without prejudice,

IT IS HEREBY ORDERED that Motor Freight Terminal Company be, and it hereby is, authorized to issue in part payment for the operative rights, businesses, assets and properties of San Joaquin Valley Transportation Company, Imperial Valley-Los Angeles Express, Los Angeles-San Pedro Transportation Company, Inc., Boulevard Express, Inc. and Pacific Freight Lines

Company, \$3,600.00 of its common capital stock in addition to the \$402,300.00 of stock authorized by Decision No. 24136, dated October 19, 1931, and Decision No. 24168, dated October 26, 1931.

IT IS HEREBY FURTHER ORDERED that the request of Motor Freight Terminal Company to issue the remaining \$7,800.00 of stock be, and it hereby is, denied without prejudice.

IT IS HEREBY FURTHER ORDERED that the journal entries filed on November 27, 1931 and referred to in the foregoing opinion are in satisfactory form if the same are corrected as indicated in said opinion.

IT IS HEREBY FURTHER ORDERED that the order in said Decisions Nos. 24136 and 24168 shall remain in full force and effect, except as modified by this order.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of January, 1932.

C. J. [Signature]  
Leon Whitney  
M. J. [Signature]  
W. B. Harris  
Frederic G. Stewart  
Commissioners.