

Decision No. 24817

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ASSOCIATED TRANSIT COMPANY, Inc., a corporation, for authority to extend their service to Inglewood, Compton, Monrovia, Burbank, Beverly Hills, Ocean Park, North Hollywood and Redondo, and to transport additional commodities.

ORIGINAL

Application No. 17770.

Phil Jacobson for Applicant,
 H. J. Bischoff for Donovan Transportation Company
 and Rice Transportation Company, Protestants.
 Harry N. Blair for Keystone Express, Protestant,
 E. T. Lucey for The A.T. & S.F. Railway Company,
 interested party.
 Guy V. Shoup, J. L. Fielding and B. J. Cross
 for Southern Pacific Company, Protestant.
 Tom Elliott for Railway Express Agency, Inc.,
 interested party.

BY THE COMMISSION:

O P I N I O N

Associated Transit Company, Inc., a corporation, has petitioned the Railroad Commission of the State of California, in accordance with its amended application, for an order declaring that public convenience and necessity require the operation by it of an automobile truck line as a common carrier of news print paper stock in rolls, crates and boxes between steamship wharves located at Los Angeles Harbor, viz.: Wilmington and San Pedro and Inglewood, Compton, Monrovia, Burbank, Beverly Hills, Ocean Park, North Hollywood, Redondo and intermediate points as an extension of its existing operative rights between Los Angeles Harbor and various towns in Southern California

under authority of Decision No. 14404, on Application No. 10080.

A public hearing on this application was conducted before Examiner Satterwhite at Los Angeles, the matter was submitted, and it is now ready for decision.

Applicant proposes to charge rates and to operate under a time schedule in accordance with Amended Exhibits "A" and "B" attached to said application and to operate over the routes in accordance with Exhibit "C" attached to said application, showing the towns now served by applicant and the additional towns proposed to be served.

The Southern Pacific Company, Donovan Transportation Company and the Rice Transportation Company protested the granting of this application. The Keystone Express withdrew as a protestant by reason of a stipulation made with the applicant.

The evidence shows that the greater portion of applicant's transportation business for several years last past has been the transportation of news print paper rolls and paper used by the printing industry. The major portion of the paper moves to the publishers of the various newspapers in the towns proposed to be served. Applicant's transportation service has not been in conformity with the authority granted by this Commission in its Decision No. 14404, in that a number of newspaper publishers have been served in towns not authorized by said decision. Applicant maintains equipment particularly adapted to the transportation of news print paper and for many years has specialized in the transportation of paper in rolls. The publishers have found it more economical and practical in some cases to receive a portion of their paper in crates and boxes which eliminates the necessity of the paper being cut by the publisher. The Southern California

Newspapers Associated and the Times Mirror Company are two of the large patrons of applicant and representatives of these companies appeared and testified to the public need for the proposed service. Applicant now uses 45 trucks and 11 trailers of special construction suitable for the handling of heavy rolls of news print and has specially trained men for the handling of this specific commodity. Applicant proposes to restrict itself to the transportation of paper in rolls, crates and boxes to consist of shipments in lots of five tons and over. By reason of applicant having transported these commodities for the newspapers for a number of years last past, it is particularly adapted to handling these special commodities economically and expeditiously to the customers proposed to be served.

None of the protestants offered any evidence in support of their protests.

After a careful consideration of the evidence in this proceeding, we are of the opinion that public convenience and necessity require the proposed extended service of applicant and the application should be granted.

The Associated Transit Company, Inc. 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.

O R D E R

A public hearing having been held in the above entitled proceeding, the matter having been submitted, and being now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Associated Transit Company, Inc., a corporation, of an automobile truck line as a common carrier of newspaper stock in rolls, crates and boxes between steamship wharves located at Los Angeles Harbor, viz.; Wilmington and San Pedro, and Inglewood, Compton, Monrovia, Burbank, Beverly Hills, Ocean Park, North Hollywood, Redondo and intermediate points, as an extension of its existing operative rights between Los Angeles Harbor and various towns in Southern California under authority of Decision No. 14404, on Application No. 10080, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to said Associated Transit Company, Inc. for the operation of the service hereinbefore described, not as a new or separate service, but in addition to applicant's present operative rights above described by virtue of authority of Decision No. 14404, on Application No. 10080, 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 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, on not less than ten days' notice to the Commission and the public 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 in so far 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 date hereof, on not less than five (5) days' notice to the Commission and the public, time schedules, according to form provided in General Order No. 83, 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 shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 4th day of April, 1932.

C. C. Jerny
Leon Arberry
W. H. C. C.
Fred G. Stewart
Commissioners.