

Decision No. 27850

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOTOR FREIGHT TERMINAL COMPANY, a)
corporation, for a certificate of)
public convenience and necessity, to)
handle traffic for Los Angeles-San)
Francisco Navigation Company, between)
Long Beach and Los Angeles, when such)
traffic originates at or is destined)
to San Francisco bay points.)

Application
No. 19894

BY THE COMMISSION -

OPINION

ORIGINAL

Applicant herein seeks authority to divert its operations between Los Angeles and Los Angeles harbor to Long Beach harbor, a point it is not now authorized to serve, for the sole purpose of receiving and discharging traffic in connection with established rates with Los Angeles-San Francisco Navigation Company between Los Angeles and other points served by applicant and San Francisco. The request is made necessary by the arrangement of the Steamship Company to discontinue the use of piers at San Pedro harbor on April 5, 1935, and to transfer its terminal to the piers at Long Beach harbor. The through traffic arrangement has existed for a number of years and the alteration of the port to be used by the steamship company apparently will disrupt the service to the disadvantage of uninformed shippers in California and, perhaps, to their injury. Applicant seeks a permanent certificate to serve Long Beach harbor only for the traffic incident to the rates established in conjunction with this water carrier.

This appears to be a matter in which the Commission may with propriety and in full consonance with Section 5 of the Auto Truck Transportation Act grant the request of applicant subject, however, to a provision that the certificate herein granted is only to meet the emergency created, as stated, and that its permanent character may be determined at a public hearing

to be held later.

Motor Freight Terminal Company 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

Good cause appearing,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the service by diversion from applicant's route between Los Angeles and Los Angeles harbor (as established by Decision No.24396, on Application No.17517 et seq.), to the harbor of Long Beach for the purpose of receiving and discharging shipments in transit under established rates between applicant and Los Angeles-San Francisco Navigation Company, via the most feasible route to make such diversion effective and without any intermediate service.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted, subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed five (5) days from date hereof, stipulating therein that the certificate herein granted is accepted in an emergency requiring its issuance to facilitate traffic for the general public now delivered at San Pedro harbor and to be transferred to Long Beach harbor, moving under established rates between applicant and Los Angeles-San Francisco Navigation Company and for no other service, and that said certificate as herein granted shall endure only until further and final order of this Commission after hearing thereon; and further stipulating that the authority herein granted shall in no manner be understood as determining any of the matters now pending before the Commission in Application No.19717 of applicant herein.

2. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, 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 insofar as they conform to the certificate herein granted, or rates satisfactory to the Railroad Commission.

3. Applicant shall file, in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than five days' notice to the Commission and the public, 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 shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 1st day of April, 1935.

Leon Wheeler

W. A. Linn

W. B. Harris

W. H. [unclear]

Franz R. [unclear]

COMMISSIONERS.