

Decision No. 29220

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation, )  
 upon the Commission's own motion, into )  
 the establishment of rules and regula- )  
 tions requiring all Highway Common )  
 Carriers, as defined in Section 2-3/4 )  
 of the Public Utilities Act, to provide )  
 and continue in effect adequate pro- )  
 tection against liability for damages )  
 for personal injuries (including death )  
 resulting therefrom), and damage to )  
 property )

Case No. 4157

ORIGINAL

Decoto and St. Sure, by Ezra W. Decoto, for Ramponi Bros.  
 G. E. Duffy and Berne Levy, for Santa Fe Transportation  
 Company and The Atchison, Topeka and Santa Fe  
 Railway Company.  
 R. E. Wedekind, for Southern Pacific Company, Pacific  
 Motor Transport Company and Pacific Motor  
 Trucking Company.  
 A. L. Demek, Edward Stern and F. M. Leake, for Railway  
 Express Agency, Inc.  
 H. L. Howland of Larrison Traffic Service, for Quincy  
 Railroad Company.  
 Wallace K. Downey, for Pacific Freight Lines and Keystone  
 Express System.  
 Wesley Perry, for Perry Auto Parts Express.  
 E. L. H. Bissinger, for Motor Transit Company  
 George D. Matson, for Pacific Automobile Insurance Company.

BY THE COMMISSION:

O P I N I O N

On August 24, 1936, the Railroad Commission of the State of California issued an order, on its own motion, instituting an investigation in the matter of prescribing by general order, rules and regulations requiring all highway common carriers, as defined by Section 2-3/4 of the Public Utilities Act, to provide and continue in effect so long as they may be engaged in conducting such operations, adequate protection against liability imposed by law upon such highway common carriers for the payment of damages

for personal bodily injuries (including death resulting therefrom), and damage to or destruction of property.

Public hearings in this proceeding were conducted by Examiner Gorman at San Francisco on September 22, 1936, and at Los Angeles on September 23, 1936. The matter having been duly submitted is now ready for decision.

The 1935 Legislature passed Chapter 223 which requires that all highway contract carriers, radial highway common carriers and highway carriers (Interstate or Foreign Commerce) must provide and continue in effect adequate protection against public liability and property damage. The Commission at the present time has no rules or regulations requiring highway common carriers to provide similar protection. No opposition to the promulgation of said general order was developed at the hearings, the discussion of the proposed order revealing, rather, unanimous agreement with its purpose.

The only suggestion offered at the hearings related to the elimination of personal bonds from the proposed general order. Chapter 223, Statutes of 1935, referred to above, provides for the filing of personal bonds and the Commission's experience during the past year in so far as more than 9000 highway carriers are concerned, shows only two personal bonds having been filed and no difficulty has arisen in connection with them.

Full consideration of the record adduced at the public hearings justifies, in our opinion, the issuance by the Railroad Commission of the order in the identical form as proposed.

#### O R D E R

An investigation having been instituted on the Commission's own motion in the above entitled proceeding, public hearings having

been held and the matter being duly submitted and ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the rules and regulations requiring all highway common carriers, as defined in Section 2-3/4 of the Public Utilities Act, to provide and thereafter continue in effect adequate protection against liability imposed by law upon such highway common carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and damage to or destruction of property, as set forth in the General Order attached hereto and made a part hereof, are just and reasonable. Therefore,

IT IS HEREBY ORDERED that from and after the effective date of this order, the rules and regulations attached hereto and made a part hereof shall be in full force and effect and said rules and regulations shall be designated as General Order No. 91.

This order shall be effective on and after the first day of December, 1936.

Dated at San Francisco, California, this 2<sup>d</sup> day of December, 1936.

M B Lewis  
Leon Whittell  
M J Linn  
Walter H. ...  
Frederic ...  
COMMISSIONERS.

General Order  
No. 91

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Rules and regulations requiring all Highway Common Carriers, subject to the Public Utilities Act, to provide and thereafter continue in effect adequate protection against liability imposed by law upon such highway common carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and damage to or destruction of property.

(Approved November 2 \_\_\_\_\_, 1936; Effective December 1, 1936)  
(Authorized by C.R.C. Decision 2 9 2 3 0, Case No. 4157)

I

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that within thirty (30) days from and after the effective date of this order, each and every highway common carrier, as defined by Section 2-3/4, Public Utilities Act, subject to the Public Utilities Act and under the jurisdiction of the Commission shall provide and thereafter continue in effect, so long as they may be engaged in conducting such operations, adequate protection against liability imposed by law upon such highway common carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) in the amount of not less than Five Thousand Dollars (\$5,000.00) on account of bodily injuries to, or death of, one person; and protection against a total liability of such highway common carrier on account of bodily injuries to, or death of, more than one person as a result of any one accident, but subject to the same limitation for each person,

in the amount of not less than Ten Thousand Dollars (\$10,000.00); and protection in an amount of not less than Five Thousand Dollars (\$5,000.00) for one accident resulting in damage to or destruction of property other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant; and

## II

IT IS HEREBY FURTHER ORDERED that said protection hereinabove required shall be evidenced by the deposit with the Railroad Commission, covering each vehicle used or to be used in conducting the service performed by each such highway common carrier, of a policy of public liability and property damage insurance issued by a company admitted to write such insurance in the State of California; or of a bond of a surety company admitted to write surety bonds in the State of California; or of a personal bond with such sureties as the Commission shall find adequate to guarantee the protection prescribed in Paragraph I hereof; or it shall be evidenced by a trust fund in the amount of Fifteen Thousand Dollars (\$15,000.00), to be held in trust by some institution or person acceptable to the Commission; or by a combination of any of or all of said methods, in such manner that the aggregate of the protection or funds available therefor shall equal the principal sum of not less than Fifteen Thousand Dollars (\$15,000.00); and such highway common carrier shall have the option of the method to be used in obtaining such protection, and may change from one method to another, from time to time, with the consent of the Commission.

## III

IT IS HEREBY FURTHER ORDERED that the said policy of insurance, surety bond or personal bond, evidencing such protection,

shall not be cancellable on less than ten (10) days' written notice to the Railroad Commission, such notice to become effective only upon its receipt by the Commission.

This General Order shall become effective the 1st day of December, 1936.

Approved and dated at San Francisco, California, this 2nd day of November, 1936.

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,

By \_\_\_\_\_ Secretary-