

Decision No. 33882

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of LYON VAN LINES,)
 INC., for a certificate of public convenience and)
 necessity to operate as a highway common carrier in)
 the transportation of household goods and like com-)
 modities over the following routes, alternate to)
 existing certificated routes, between Long Beach and)
 Montalvo via U. S. Highways #101, #101a, between Los)
 Angeles and Montalvo via U. S. Highways #101, #101a,)
 and State Highway #126, between Los Angeles and San)
 Bernardino via U. S. Highway #66, between Long Beach)
 and San Clemente via Highway #101a, between Visalia)
 and Famoso via State Highways #65 and #198, between)
 Gilroy and Califa via State Highway #152; and as an)
 enlargement and extension of its existing operative)
 rights, between Los Angeles and the Arizona-Califor-)
 nia Line via U. S. Highways #60, #80 and #99 and)
 between Sacramento and the Oregon-California Line)
 via U. S. Highways #99, #99e and #99w and inter-)
 mediate points and for removal of certain restric-)
 tions on existing certificates and for authority to)
 publish a consolidated tariff and through rates for)
 a certificate de novo in lieu of all other certifi-)
 cates of applicant.)

ORIGINAL

Application
No. 22588.

WILLIAM L. CARPENTER, for Argonne Van Lines, as
 interests may appear.

For other appearances see Decision No. 33006, dated
 April 16, 1940.

BY THE COMMISSION:

OPINION AFTER REHEARING

In the above-entitled proceeding Lyon Van Lines, Inc.,
 sought a certificate of public convenience and necessity for the
 transportation of household goods and related articles over certain
 routes in territory not heretofore served; to have certain restric-
 tions contained in its existing certificates removed;⁽¹⁾ to conduct
 a service over alternate routes; and for a certificate de novo in
 lieu of all other certificates of applicant.

(1) See Decision No. 33006 which sets forth in detail the restric-
 tions contained in certificates previously granted applicant.

Subsequent to public hearings held at Indio, Red Bluff, and Los Angeles, the matter was submitted and the Commission issued its order by Decision No. 33006, dated April 16, 1940, wherein applicant was granted an in lieu certificate over many of the important highway routes of the state, including Highway U. S. #101 from Santa Rosa to San Diego. However, the Commission found at that time that applicant failed to show that the service of the existing carriers of household goods between Los Angeles and San Diego and intermediate points was inadequate or inconvenient, or that public convenience and necessity required any additional service between said points. In accordance with this finding the order of said Decision No. 33006 contained a restriction for the operation locally between Los Angeles and San Diego.(2)

Applicant petitioned the Commission for a rehearing in this proceeding with respect to said restriction only and for no other portion of said decision.(3) The petition was granted (Decision No.33134,

(2) The restriction reads as follows: "No authority is granted for the handling of shipments having both point of origin and destination between Los Angeles and San Diego and intermediate points, except that shipments destined to or originating at Long Beach may be transported between Long Beach and Los Angeles and intermediate points, or Long Beach and San Diego and intermediate points via Santa Ana only."

(3) Applicant's petition for rehearing recites as follows:
" * * * The area immediately contiguous to the City of Los Angeles and described in Commission's Decision No.28810, superseded by Decision No. 32325 as the Los Angeles Metropolitan Area, includes many small independent communities which geographically are a part of the residential suburbs of the City of Los Angeles, but which have separate city governments, such as Maywood, Vernon, Huntington Park, South Gate, Inglewood, Bell, Downey, Lynwood, Gardena, and Compton. These communities are normally served by operators in the City of Los Angeles, including the applicant, but, under the phrasing of the restrictive clause hereinbefore set forth, applicant is in substantial doubt as to whether it could render service to the public to these suburban residential areas. * * * Applicant introduced what it believed to be a prima facie case at the hearing in Red Bluff, California, as is hereinbefore set forth and, also believing that there were no protests to the lifting of the restriction concerning the origin, or destination, of shipments to have a terminal in the City of Long Beach, did not burden the Commission with any additional evidence regarding the public convenience and necessity for the removal of such restriction."
(Emphasis supplied).

dated May 22, 1940), and a further public hearing was conducted before Examiner Malquist at Los Angeles on June 19, 1940, at which time the matter was resubmitted.

It is upon this entire record that the instant order is issued.

A review of the record of Lyon Van Lines, Inc., discloses that applicant was previously denied a certificate of public convenience and necessity between Los Angeles and San Diego in 1935 (Decision No. 27919, decided April 29, 1935).

In 1938 Lyon Van Lines, Inc., filed an application seeking authority to have the operating rights previously granted to City Transfer and Storage Company of Long Beach, created by virtue of Decision No. 15085, dated June 22, 1925, transferred to applicant. The Commission granted this request by its order of Decision No. 31217, dated August 22, 1938. The certificate included certain operating rights between Long Beach and San Diego, subject to certain restrictions, some of which were included in the new in lieu certificate previously referred to (Decision No. 33006).

The record shows there are three certificated highway common carriers of household goods and related articles now offering their services to the public in the territory between Los Angeles and San Diego, namely, Argonne Van Lines, Bekins Van Lines, Inc., and Triangle Transfer and Storage Company. None of these carriers appeared at the instant hearing protesting the granting of this request, although Argonne Van Lines appeared as an interested party. The record further shows that at a previous hearing in this matter Triangle Transfer and Storage Company protested the granting of this application. (At that time the latter company introduced evidence indicating it was maintaining a schedule of three round trips a week between San Diego and Los Angeles and that it had been unable to

secure sufficient tonnage to load its trucks to capacity). The operative rights of this company include the transportation of new and secondhand office, store and house furniture, in addition to household goods and related articles.⁽⁴⁾ The order of Decision No. 33006 limited Lyon Van Lines, Inc., to the transportation of Used Household Goods and related articles, Used Office Fixtures and Equipment, and such articles new when not intended for purpose of resale.

Triangle Transfer and Storage Company did not enter an appearance at the instant hearing and Bekins Van Lines, Inc., did not protest the granting of this application at any time.

Applicant's president testified that the movement of household goods between Los Angeles and San Diego has shown a tremendous increase in volume during the past few years and that there is an increasing public demand for the transportation of small shipments in this territory. He also testified that Decision No. 33006 granted applicant the right to transport household goods to points between Los Angeles and San Diego from points north and east of Los Angeles and that it was more costly to his company to handle these shipments without having the right to handle and consolidate shipments locally between Los Angeles and San Diego.

Mr. Frank A. Payne, President of Lyon Van and Storage Company, appeared as a witness for applicant and testified that his company has a substantial investment in warehouses located in San Diego, Los Angeles and other cities in this territory; that there is a considerable movement from these warehouses to all points in the state, and that the customers desire to have one company transport their household goods to destination, thereby eliminating a transfer from one van to another; and, that Lyon Van Lines, Inc., is a subsidiary of Lyon Van and Storage Company and performs the long dis-

(4) Testimony of record indicates that between 40 and 50 per cent of its traffic is new furniture.

tance transportation service for their various agencies. He also testified that a substantial development is taking place in the aircraft industry and that firms manufacturing airplanes and parts are increasing the size of their plants, some of which are located in San Diego and Los Angeles, employing many additional men whose families will have to be moved to new locations; that the same condition exists in other manufacturing businesses located in this territory, such as tire companies, automobile assembly plants and packing corporations; that the national defense program has outlined plans for the U. S. Navy to increase the size of their facilities in San Diego; that the increasing public demand for the transportation of household goods will necessitate using additional automotive equipment; and, that his company has over 100 pieces of equipment available to lease to Lyon Van Lines, Inc., and are in a position to purchase additional equipment if necessary.

Mr. Charles G. Long, Assistant Traffic Manager of Lyon Van and Storage Company, appeared as a witness for applicant and testified that he had made a survey of the territory between Los Angeles and San Diego. This survey was conducted by the witness calling personally upon various small transportation agencies located in the numerous towns and beach cities along these routes and discloses a large volume of household goods business moving in and out of the territory. The survey also included a tabulation showing that the agents of Lyon Van Lines, Inc., had received 521 inquiries for transportation service of household goods within this territory during an eight month period, an average of 65 calls per month. (5)

The witness further testified that the public was becoming better acquainted with the advantages of transporting household goods

(5) Exhibit R-1.

via motor vans in long distance moving and that greater demands were being made for an improved service between the various points involved and that as volume increased transportation costs would be reduced on a per hundred weight basis, thereby resulting in lower rates to the public.

Traffic representatives from three major oil companies testified for applicant that they selected the carrier for the transportation of household goods for employees of their respective companies when they were being transferred to another city; that they had used the services of Lyon Van Lines, Inc., and that they had always found them to be entirely satisfactory and would use the service of applicant between Los Angeles and San Diego when and if the restriction was removed.

The record now before us clearly shows that since the time we denied applicant a certificate to operate between Los Angeles and San Diego, the National Defense Program has created an unusual demand upon manufacturers for certain materials and equipment and that a substantial expansion of plants and factories is taking place. Undoubtedly thousands of additional men will be employed in these industries and it is apparent that these changes have brought about a considerable growth in the traffic demand for the transportation of household goods in this territory.

After reviewing the testimony of record and giving full consideration to the matter we are of the opinion, and hereby find as a matter of fact, that the public interest will best be served by removing the restriction in question.

O R D E R

A rehearing having been held in this proceeding, the matter having been resubmitted, and the Commission now being fully apprised of the facts,

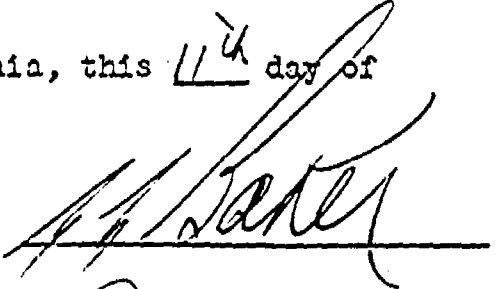
IT IS HEREBY ORDERED that Decision No. 33006, as modified by Decision No. 33134, be and it is hereby further modified and amended by striking from said Decision No. 33006 (as so modified) the following restriction now appearing in the order therein, reading as follows, viz.:

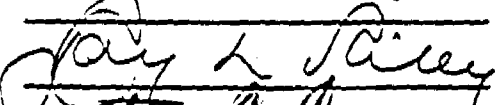
"No authority is granted for the handling of shipments having both points of origin and destination between Los Angeles and San Diego and intermediate points, except that shipments destined to or originating at Long Beach may be transported between Long Beach and Los Angeles and intermediate points, or Long Beach and San Diego and intermediate points via Santa Ana only."


IT IS HEREBY FURTHER ORDERED that said Decision No. 33006, as modified by said Decision No. 33134, shall in all other respects remain in full force and effect, and, as modified herein it shall be and it is hereby affirmed.

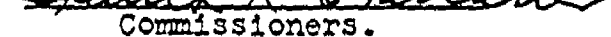
The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 14th day of March, 1941.








Commissioners.