

Decision No. 37154

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SANTA FE TRANSPORTATION COMPANY, a)
 California corporation, for a cer-)
 tificate of public convenience and)
 necessity for the transportation of) Application No. 26151
 property by motor truck between)
 Fontana, California, and the plant)
 of Kaiser Co., Inc., located three)
 miles west of Fontana.)

BY THE COMMISSION:

ORIGINAL

O P I N I O N

Applicant Santa Fe Transportation Company is a corporation engaged in the business of transporting property by motor truck as a highway common carrier. Among other operations, it holds operative rights between Los Angeles and San Bernardino, and between San Bernardino and Fontana. By this application it seeks the authority of the Commission to establish service as a common carrier of property between Fontana and the plant of the Kaiser Company, Inc. located three miles west of Fontana, with the right to perform pickup and delivery service to and from all points located on the property of said Kaiser plant.

The applicant is a wholly-owned subsidiary of The Atchison, Topeka and Santa Fe Railway Company, a corporation, and in performing the proposed service it seeks to establish an on-call service and to transport less-than-carload traffic handled for its own account, between Fontana and the Kaiser plant. Tariffs will be filed setting forth the minimum rates prescribed by the Commission in its decision in Case No. 4246.

As to the need for the proposed service, applicant

alleges that the Kaiser plant is engaged in the production of material used in the construction of ships and other war industries, and that there is a large volume of traffic in materials and supplies moving to said plant. The plant is now served by The Atchison, Topeka and Santa Fe Railway Company, and applicant's operations to Fontana are coordinated with its rail operations. The rail line maintains an agency station at Kaiser and performs a carload and less-than-carload freight service to and from said plant. It is anticipated that the volume of traffic will increase and an operating plant permanently maintained, and that the proposed coordinated rail and truck operation will make for efficiency and economy in operation.

With the application there is filed copy of a letter from the Kaiser Company to the effect that all of its production is now going toward the war effort, and that speed in delivery and shipment of material is essential.

Such other common carriers of property as are now serving the territory have filed notices indicating that they have no objection to the granting of the application.

It is clear from the record herein that public convenience and necessity require the proposed service which will expedite the handling of less-than-carload traffic moving into and out of the Kaiser plant, not only locally but in interstate shipments as well.

Santa Fe Transportation Company is placed upon notice that "operative rights" as such do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights.

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

Application having been filed in the above entitled matter and the Commission being duly advised, and hereby finding that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be and it is hereby granted to Santa Fe Transportation Company authorizing the operation of a highway common carrier service, as defined in Section 2-3/4 of the Public Utilities Act, between Fontana and the plant of Kaiser Company, Inc. located approximately three miles west of Fontana.

(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.
2. Applicant shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time schedules satisfactory to the Commission within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.

3. Subject to the authority of this Commission to change or modify it by further order, applicant shall conduct operations, pursuant to the certificate herein granted, over and along the following route:

Via Foothill Boulevard to Cherry Street and south on Cherry Street to the Steel plant properties; or via Arrow Boulevard to Cherry Street and south to the Steel plant properties; or via Merrill Street to Cherry Street and south to the Kaiser Company, Inc. properties.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 27th day of June, 1944.

Richard L. Locke
Justin D. Calver
Frank A. Clark
Frank A. Clark
Walter R. Powell
COMMISSIONERS