

Decision No. 37472



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLEY AND COAST TRANSIT COMPANY, a corporation, to transfer its highway common carrier operative rights, auto-motive equipment and other property, to CALIFORNIA MOTOR TRANSPORT CO., LTD., a corporation, and of CALIFORNIA MOTOR TRANSPORT CO., LTD. to remove limitation upon its highway common carrier certificates.

Application No. 24371

VALLEY MOTOR LINES, INC., a corporation, Complainant, vs.

E. L. McCONNELL, doing business as Coast Line Express, E. L. McCONNELL, doing business as Valley and Coast Transit Company, COAST LINE EXPRESS, a corporation, VALLEY AND COAST TRANSIT COMPANY, a corporation, CALIFORNIA MOTOR EXPRESS, LTD., a corporation, first John Doe, second John Doe, third John Doe, fourth John Doe Corporation and fifth John Doe Corporation. Defendants.

Case No. 4602

DOUGLAS BROOKMAN and REGINALD L. VAUGHAN, for Valley and Coast Transit Company and California Motor Transport Co., Ltd., applicants in Application No. 24371 and defendants in Case No. 4602; and for Coast Line Express, California Motor Express, Ltd. and James C. Coughlin, defendants in Case No. 4602.

BEROL and HANDLER, for Valley Motor Lines, Inc., complainant in Case No. 4602, and protestant in Application No. 24371; for Valley Express Company, intervenor in support of complainant in Case No. 4602 and interested party in Application No. 24371; and for Pacific Freight Lines, intervenor on behalf of complainant in Case No. 4602.

DANIEL P. BRYANT, for Pacific Freight Lines, intervenor in support of complainant in Case No. 4602 and interested party in Application No. 24371.

HUGH GORDON, for Pacific Freight Lines, interested party in Application No. 24371.

BY THE COMMISSION:

O P I N I O N

These proceedings involve the scope of an operative right as a highway common carrier sought to be acquired by California Motor Transport Co., Ltd., a corporation, from Valley and Coast Transit Company, a corporation, ⁽¹⁾ and the lawfulness of the operations conducted thereunder by the latter. A public hearing was had before Examiner Austin at San Francisco, when the matter was submitted upon briefs, subsequently filed. To avoid needless repetition a single decision will be rendered, covering both proceedings, which were heard upon separate records.

By Application No. 24371, Valley and Coast proposes to transfer to California Motor certain operative rights as a highway common carrier, and also certain physical assets. The operation extends from San Francisco Bay points to Santa Barbara, via San Jose, Salinas and San Luis Obispo; and from connecting Coast Route ⁽²⁾ points to San Joaquin Valley points. Operating solely as an underlying carrier for California Motor Express, Ltd., an express corporation, California Motor now conducts a highway common carrier service between San Francisco and Oakland, and Los Angeles, over the Coast Route and also via Pacheco Pass and the Valley Route, serving no intermediate points. Originally California Motor

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- (1) For brevity, Valley and Coast Transit Company, California Motor Transport Co., Ltd., Coast Line Express and Valley Motor Lines, Inc. will be referred to as Valley and Coast, California Motor, Coast Line and Valley, respectively.
- (2) The communities reached by U. S. Highway No. 101 will be referred to as Coast Route points.

sought authority to expand its operative rights so that it could serve the public directly, rather than as underlying carrier only, but at the hearing this proposal was withdrawn.

In Case No. 4602, complainant, Valley assails the lawfulness of the operations conducted under the certificates sought to be transferred. Although others were named as defendants, including five fictitiously named defendants none of whom appeared, the record shows that Valley and Coast, California Motor, and Coast Line are the real defendants in interest; and they hereafter will be considered as such. We shall first dispose of the questions raised by the complaint. In that proceeding, the following issues were presented:

(1) That Valley and Coast was engaged in the transportation of property between San Joaquin Valley points, and King City and points north thereof, in violation of territorial limitations imposed by the certificates granting such operative rights.

(2) That Valley and Coast was operating to and from San Joaquin Valley points in violation of weight restrictions imposed by the certificates authorizing such service.

(3) That Valley and Coast had abandoned the operation of the on-call service, to and from the San Joaquin Valley, which it had been authorized to perform.

(4) That the transportation service conducted by Valley and Coast between San Francisco Bay points and the San Joaquin Valley involved the use of circuitous routes, in violation of Order No. 3 issued by the Office of Defense Transportation. This contention was advanced during the course of the hearing.

Of these issues three were waived by complainant, the third one having been withdrawn at the hearing, and the second and fourth by the opening brief; thus leaving for consideration the first issue alone. Here it is contended that Valley and Coast has operated in violation of territorial restrictions contained in its certificates.

Specifically, complainant asserts that the certificates under which defendant Valley and Coast is authorized to operate forbid the transportation of freight between San Joaquin Valley points, on the one hand, and points on the Coast Route north of and including King City, on the other hand. In reply, defendants contend that the provisions mentioned lack validity; that properly construed, they impose no such limitation; and that in view of the 1941 amendment to Section 50-3/4, Public Utilities Act, (Stats. 1941, Ch. 612) the question has become moot.

This limitation, complainant contends, was imposed initially by Decision No. 19651 where E. L. McConnel, predecessor of defendant Valley and Coast, was authorized to expand his operations. Subsequently, it is claimed, the restriction was adopted by decisions permitting the extension of the operations of Valley and Coast to San Francisco, and to East Bay points. Each of these decisions, in turn, will be considered.

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- (3) Decision No. 19651, rendered April 21, 1928, in Application No. 12258 (31 C.R.C. 628).
- (4) Decision No. 23643, in Application No. 16704, dated May 4, 1931 (36 C.R.C. 213).
- (5) Decision No. 31978, dated May 2, 1939, and Decision No. 33993 (on rehearing), dated March 11, 1941, in Application No. 20706.

When Application No. 12258 was filed, E. L. McConnell was operating as a transportation company (as highway common carriers were then designated) from San Luis Obispo northerly to San Miguel, from San Luis Obispo southerly to Orcutt via Santa Maria, and from San Luis Obispo northwesterly to San Simeon. The service in its entirety was a regularly scheduled operation.

By that application McConnell sought to enlarge his operative rights. Between some points he proposed to extend his scheduled operations; between others, an "on-call" service only was contemplated. Within the former category were extensions sought to points south and west of San Luis Obispo, including Lompoc. Within the latter were operations to be established from San Miguel northerly to Watsonville, from Orcutt southerly to (but not including) Santa Barbara, from Coast Route points to other points along the coast, and from Coast Route points easterly to points in the San Joaquin Valley, over various routes traversing the territory extending generally from Fresno to Bakersfield.

During the hearing of that proceeding, McConnell entered into a stipulation with certain protestants to the effect that he would handle no freight to or from the San Joaquin Valley, originating at or destined to King City and points north, including points then served by McConnell or which he might be authorized therein to serve. In return for this undertaking on McConnell's

(6) Both Southern Pacific Company and American Railway Express Company, which joined in this stipulation, provided a common carrier service between Coast and San Joaquin Valley points. By barring McConnell from Coast points situated between King City and Watsonville, they effectively protected this territory against invasion by a prospective competitor.

part, the protestants affected withdrew their objection to that phase of the application.

Decision No. 19651 granted in part the operative rights sought. It authorized the extension of McConnel's scheduled operations, as proposed, including the right to serve Lompoc. It permitted the establishment of on-call service from Orcutt to (but not including) Santa Barbara; between certain coast points; from Coast Route points to San Joaquin Valley points; and from San Miguel to King City. However, it withheld approval of McConnel's proposal to extend the on-call service north of King City to Watsonville and intermediate points.

That decision imposed definite restrictions upon the operating authority granted. The scheduled and the on-call services were severally consolidated, each within its separate field, but neither could be merged with the other. In the on-call operation, full truck loads only could be transported, subject to a minimum weight limitation of five thousand pounds each. Pursuant to the stipulation mentioned, McConnel was forbidden from transporting freight between San Joaquin Valley points and "...any point or points upon [his] coast lines, north of and including King City, herein authorized to be established,...." (7)

(7) In this respect the order, in Decision No. 19651, directed that:

"The authority herein granted is subject to the following conditions:

- "1. Applicant shall transport no freight between any point or points upon its lines in the San Joaquin Valley, herein authorized to be established, on the one hand, and any point or points upon its coast lines, north of and including King City, herein authorized to be established, on the other hand." (31 C.R.C. 652)

In 1931 Valley and Coast, which in the meantime had
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succeeded McConnel as the proprietor of this operation, was
authorized by Decision No. 23643 to extend its scheduled service
to San Francisco. The performance of transportation within
(9)
specified intermediate territory was precluded. The extension
authorized was consolidated with the scheduled operations conducted
under certificates previously granted to Valley and Coast, but this
did not include the on-call operations in which that carrier was
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then engaged.

Subsequently, Valley and Coast was permitted to extend
its operations to East Bay points. By Decision No. 31978, a
certificate was issued authorizing a highway common carrier service
to be established between Richmond and King City and intermediate

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- (8) The transfer was authorized by Decision No. 19262, rendered January 18, 1928, in Application No. 14339 (31 C.R.C. 74); and by Decision No. 20115, rendered August 15, 1928, in Application No. 14887.
- (9) Under this certificate, Valley and Coast could transport no freight locally between San Francisco and Salinas, inclusive, and intermediate points; nor between San Francisco, on the one hand, and points within the territory extending from the southern city limits of Salinas to the northern city limits of King City, on the other hand. (36 C.R.C. 228)
- (10) The order, in Decision No. 23643, provided that:
"Extension of operative rights to points covered by the 'on call' or 'on demand' operations as conducted by applicant under certificate heretofore granted is not granted by the certificate herein."
(36 C.R.C. 228)

(11)
points, excepting certain territory, via San Jose and Salinas. This service, the order provided, should be conducted "...as an extension and enlargement of applicant's present operative rights now operated on schedule in general between Lompoc, San Luis Obispo, King City and San Francisco, ..." pursuant to Decisions Nos. 23643, 19262 and 20115, supra. Thereafter, a rehearing was granted and the effectiveness of this decision was stayed.

Decision No. 33993, rendered on rehearing, dealt explicitly with the limitations imposed by Decision No. 19651 concerning operations between the San Joaquin Valley and Coast Route points. Answering the contention, raised on rehearing, that Decision No. 31978 permitted the establishment of service between East Bay points and the San Joaquin Valley, the opinion pointed out that an on-call service only, as distinguished from a scheduled operation, could be conducted to and from the San Joaquin Valley under the operative rights then held by Valley and Coast; that the operation authorized by Decision No. 31978 had been consolidated by that decision with the existing scheduled operative rights alone, of Valley and Coast, and not with its on-call operations; and that the restriction contained in Decision No. 19651, to which we have adverted, never had been changed or modified. On the contrary, it was stated, this restriction should "...be construed as having the same force and effect with respect to the

(11) The certificate specified that no local service could be conducted to and from Richmond and Hayward and intermediate points; nor to and from Hayward and Salinas and intermediate points, excluding Hayward.

authority conferred by Decision No. 31978 as the authority granted
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by Decision No. 19651." By the order on rehearing, Decision No.
31978 was affirmed and the order previously rendered therein, as
(13)
so construed, was adopted as the Commission's final order.

The parties disagree as to the significance of these decisions. Complainant asserts, and defendants deny, that by their provisions Valley and Coast is precluded from engaging in the

(12) Regarding this contention, the opinion, in Decision No. 33993, states:

"With respect to petitioners' contention that applicant has been authorized to establish a service between East Bay points and San Joaquin Valley points, it should be observed that applicant's present operative right to and from San Joaquin Valley points, as created by Decision No. 19651, dated April 21, 1928, on Application No. 12258, authorized an on-call or on-demand service only, separate and distinct from the scheduled service therein authorized. The rights granted by Decision No. 31978, in the instant application, were not consolidated with applicant's on-call or on-demand operative right but with applicant's scheduled operative rights only, as in operation on the date of the issuance of Decision No. 31978, (May 2, 1939). It should be further observed that said Decision No. 19651 contained a condition with respect to the on-call service to and from San Joaquin Valley points reading as follows:

1. Applicant shall transport no freight between any point or points upon its lines in the San Joaquin Valley, herein authorized to be established, on the one hand, and any point or points upon its coast lines, north of and including King City, herein authorized to be established, on the other hand.

Such condition has never been changed nor modified and shall be construed as having the same force and effect with respect to the authority conferred by Decision No. 31978 as to the authority granted by Decision No. 19651." (Emphasis supplied)

(13) The order in Decision No. 33993, provides that:

"IT IS ORDERED that said Decision No., 31978 is hereby affirmed and continued in full force and effect and that, as construed herein, the order of said Decision No. 31978 is hereby adopted in all respects as the order of the Commission herein." (Emphasis supplied)

transportation of freight between San Joaquin Valley points and points north of and including King City. Complainant also contends that Valley and Coast actually was operating in violation of these limitations. We shall consider first the scope and meaning of these provisions.

Defendants contend that the restriction contained in Decision No. 19651, limiting service between the San Joaquin Valley and points north of and including King City, was superfluous, meaningless and without legal effect. No operation was certificated, so it is claimed, to which the limitation could attach. Assertedly the restriction rested upon a stipulation, the reason for which ceased to exist when the Commission declined to authorize certain extensions sought by the applicant in that proceeding.

As stated, McConnel stipulated during the course of the hearing in Application No. 12258, that no freight would be carried between the San Joaquin Valley and points north of and including King City. That application sought an extension of service from San Miguel to Watsonville. However, the operation actually authorized by Decision No. 19651 extended only to and including King City. The restriction imposed by that decision forbade the transportation of freight between the San Joaquin Valley and any point or points upon McConnel's coast lines, ".... north of and including King City, herein authorized to be established."

Defendant's contention, which rests upon the claim that no service was authorized to points north of King City, ignores the fact that King City itself falls within the purview both of the

stipulation and of the order. The extension granted included that point. It is clear, therefore, that there exists a definite part of the operative right, contemplated by the stipulation and granted by the order, to which this limitation could attach. Under the circumstances the validity of the restriction must be upheld.

This limitation applied only to traffic moving to and from King City. We shall now inquire whether, in the light of subsequent decisions, it is applicable to the territory north of that point.

By Decision No. 23643 a certificate was granted to Valley and Coast authorizing the operation of a scheduled service between San Luis Obispo and San Francisco, thus, in effect, permitting the extension of such operations north of San Miguel, where formerly they had terminated. The decision excepted, however, the right to carry freight locally between San Francisco and Salinas, inclusive, and intermediate points; and between San Francisco and any points situated in the territory intermediate to Salinas and King City. And there was excluded from the certificate granted any extension of operative rights to points covered by the on-call operations conducted by Valley and Coast.

This decision, by implication, prohibited the consolidation of the scheduled operations therein authorized with the on-call operations currently conducted between Coast Line and San Joaquin Valley points. It did not, however, expressly forbid the transportation of freight between the San Joaquin Valley and points on the scheduled operations, therein authorized, north of King City; nor did it adopt the limitation appearing in Decision No. 19651. We conclude, therefore, that operations of this

character, unless otherwise unlawful, were not forbidden.

A different situation is presented by the decisions authorizing Valley and Coast to extend its service to East Bay points. To meet the objections raised by the protesting carriers, who contended that under the decision originally rendered (Decision No. 31978), Valley and Coast could conduct a service between East Bay points and the San Joaquin Valley the Commission, by its decision on rehearing (Decision No. 33993), held that the limitation contained in Decision No. 19651 should be construed as applicable to the extension authorized by the first decision. Originally, that limitation extended only to King City, the northernmost point to which service was authorized by Decision No. 19651. However, by the decision on rehearing, the prohibition against the transportation of freight between San Joaquin Valley and King City was extended and made applicable to the territory involved in Application No. 20706. In effect, the original decision was modified so as to include such a limitation.

It is clear, therefore, that under the provisions of the certificates governing its operations, Valley and Coast is precluded from engaging in the transportation of freight between the San Joaquin Valley and East Bay points. Defendants contend, however, that freight may lawfully be carried between these points, if the shipments are transferred from one truck to another at the junction points between the scheduled and the on-call operations.

Under the rule of decision, long observed by the Commission, traffic may lawfully be carried between points situated on distinct operative rights, even where their consolidation has been prohibited; provided, the freight is interchanged at the

junction point, and it moves at combination rates. This rule, however, may not be invoked to sanction the movement of freight, whether over one or more operative rights, between points where its transportation has been expressly forbidden. Such a restriction is territorial in scope; its effectiveness is not influenced by the number of operative rights within or over which the transportation may be performed.

The character of the movement between the points involved was disclosed by the record. At the hearing the parties stipulated, as a fact, that during the period covered by the complaint, Valley and Coast, both individually and as an underlying carrier for Coast Line, an express corporation, had been engaged continuously, and had held itself out to engage in the transportation, for compensation, of any-quantity shipments between San Francisco Bay points and King City and intermediate points, on the one hand, and San Joaquin Valley points extending from Fresno to Bakersfield, on the other hand, as indicated in the filed tariffs of Valley and Coast and of Coast Line. At San Luis Obispo, it was shown, traffic moving between the scheduled and the on-call operations was transferred to other equipment. Clearly, this operation, to the extent that it may have involved a movement between East Bay points and King City, on the one hand, and San Joaquin Valley points, on the other, falls within the inhibitions of Decision No. 33993 and is, therefore, unlawful. The fact that Valley and Coast acted as an underlying carrier for Coast Line, an express corporation in conducting this operation, is wholly immaterial. In providing such a service, a highway common carrier is bound by all of the limitations prescribed by the certificates under which it operates. Were the rule otherwise, a highway

common carrier would be free to enlarge its operative rights at
(14)
will.

We turn now to defendants' contention that the question has become moot, in view of the 1941 amendment to Section 50-3/4, Public Utilities Act (Stats. 1941 Chap. 612). This provides that:

Any one highway common carrier may establish through routes and joint rates, charges, and classifications between any and all points served by such highway common carrier under any and all certificates or operative rights issued to or possessed by such highway common carrier.

Defendants assert that, under this amendment, they are at liberty to perform a through service between Coast Line points and the San Joaquin Valley regardless of the restrictions contained in certificates previously granted.

By a recent decision this question was determined
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adversely to defendants' contentions. That proceeding involved the acquisition by Valley and Coast of a certificate held by Tunzi, authorizing a highway common carrier operation between the southern city limits of Salinas and the northern city limits of King City. Appearing as a protestant therein, Valley Motor Lines, Inc. urged the imposition of a limitation in the order authorizing the transfer, similar to that prescribed by Decision No. 19651, which is involved in the instant proceeding. Valley and Coast asserted,

(14) Re Pacific States Express, 22 C.R.C. 925; Rice Transportation Co. v L. R. Kagarise, et al, 39 C.R.C. 1.

(15) Re Riccardo Tunzi - Transfer to Valley and Coast Transit Company, 45 C.R.C. 143.

on the contrary, that by the 1941 amendment the Commission had been stripped of power to take such action. It was held however, that the amendment did not have the effect of nullifying conditions originally imposed in a certificate, upon its transfer; and that appropriate limitations, designed to insure the continuation of restrictions previously imposed upon the transferee; may be prescribed by the order authorizing the transfer.

In that proceeding we dealt with restrictions appearing in certificates held by the transferee; not with those contained in the certificate sought to be acquired. There the transferee undertook to consolidate the acquired right with its preexisting rights, without regard to restrictions which previously had been imposed upon the latter. Here the reverse of that situation is presented, the transferee contending that it may acquire an operative right free from restrictions inherent in that right itself. In our judgment the rule announced in the Tunzi case is controlling. There we held that to construe the amendment as operating to dissolve restrictions in an operative right, upon its transfer, which the Commission was empowered, under Section 50-3/4, to impose when granting the certificate, would deprive the Commission of much of the authority it now possesses to insure the continuance of adequate public service. So unreasonable a construction, we believe, should be avoided. Accordingly, we conclude that limitations imposed when the certificate originally was issued to the transferor, Valley and Coast, do not, under the amendment, disappear upon its acquisition by California Motor.

Upon the issue raised by the complaint, we find that the operations of Valley and Coast between East Bay points and King City and intermediate points, on the one hand, and San Joaquin

Valley points, on the other, have been conducted in violation of restrictions prescribed by the certificates under which that carrier was authorized to serve the territory. The discontinuance of such unlawful operations will be required, but in all other respects the complaint will be dismissed. This brings us to the application for authority to transfer the operative rights in question.

By Application No. 24371 Valley and Coast proposes to transfer to California Motor certain operative rights and tangible operating property. Under these certificates Valley and Coast, generally speaking, is authorized to operate as a highway common carrier between San Francisco and East Bay points, on the one hand, and Santa Barbara, on the other, via the Coast Route, and between Coast Line and San Joaquin Valley points; between Salinas and Fort Ord (including Camp Clayton), and also between Paso Robles and Paso Robles Airport; and between King City, San Lucas, San Ardo and Bradley, on the one hand, and Jolon Training Area, on the other hand. The tangible property comprises rolling equipment consisting of trucks, tractors, trailers and semi-trailers; shop and garage equipment; and furniture and office equipment. The agreed purchase price of \$30,000 which California Motor has undertaken to pay to

(16) Decision No. 19262, dated January 18, 1928, in Application No. 14339 (31 C.R.C. 73); Decision No. 20115, dated August 15, 1928, in Application No. 14887; Decision No. 23643, dated May 4, 1931, in Application No. 16704 (36 C.R.C. 213); Decision No. 31978, dated May 2, 1939 and Decision No. 33993, dated March 11, 1941, in Application No. 20706.

(17) Decision No. 33844, dated January 18, 1941, in Application No. 23952.

(18) Decision No. 34308, dated June 17, 1941, in Application No. 24249.

Valley and Coast in consideration for the transfer of the property described does not appear to be excessive; in fact, protestants have conceded that it is reasonable. The purchase price represents approximately the net cost of the tangible properties.

The consummation of the transfer would enable California Motor to provide a more efficient service and to effect substantial economies. Estimated operating economies approximating \$2,300 a year, due to savings in the cost of supplies, and of \$4,000 annually, flowing from the elimination of duplicating functions and records, would be accomplished.

In our judgment, approval of the transfer sought would be consistent with the public interest; accordingly, the application will be granted.

There remains the question whether limitations should be prescribed, as sought by protestants, affecting the scope of the operations that may be conducted under the operative rights acquired. Assertedly, limitations similar to those provided by the existing certificates of Valley and Coast should be imposed to guard against enlargement of the operative rights, and to protect protestants against the intensified competition, which otherwise would result, it is claimed, from the merger of the operative rights of Valley and Coast with those presently held by California Motor, under the provisions of Section 50-3/4 as amended. Applicants contend that such action is beyond the Commission's power.

The San Joaquin Valley, so the record shows, is now served by protestant Valley, which operates between San Francisco, Fresno and Bakersfield, among other points. To reach these points,

it traverses a route some 200 miles shorter than that followed by Valley and Coast over the coast highway and across the coast range.

The restriction precluding operation between the San Joaquin Valley and King City, originally imposed, was designed to protect the rail lines. Subsequently, this limitation, at Valley's instance, was extended to East Bay points. At the outset, Valley and Coast was permitted to enter this field primarily to facilitate the movement of traffic between the San Joaquin Valley and the Coast territory south of King City.

The record, we believe, justifies the perpetuation of the existing limitation, following the acquisition of this operation by California Motor. However, this should not be extended beyond its present scope; the evidence would not support the imposition of such a restriction upon traffic moving to and from San Francisco.

Protestants assert that under the provisions of the 1941 amendment to Section 50-3/4, the Commission may prescribe such a limitation - a contention challenged by the applicants. We believe the question has been set at rest by our decision in the Tunzi case, supra. There we held "...that in a transfer proceeding the Commission may impose an appropriate condition, designed to safeguard the operations of existing carriers." (45 C.R.C. 150) Accordingly, a restriction intended to accomplish that purpose will be provided by the following order.

California Motor Transport Co., Ltd. is hereby 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

A public hearing having been had in the above entitled matters; said matters having been duly submitted; and good cause appearing therefor,

IT IS ORDERED as follows:

(1) That Valley and Coast Transit Company, a corporation, be and it is hereby required to cease and desist, and hereafter refrain from engaging in the transportation of property as a highway common carrier, as an underlying carrier for Coast Line Express, an express corporation, or otherwise, between any point or points which it may be authorized to serve in the San Joaquin Valley, on the one hand, and any point or points which it may be authorized to serve between King City and East Bay points, inclusive, on the other hand; unless and until it shall have obtained from the Commission a certificate of public convenience and necessity under the provisions of Section 50-3/4, Public Utilities Act, authorizing such operation.

(2) That in all other respects the complaint in Case No. 4602 be and it hereby is dismissed.

(3) That Valley and Coast Transit Company be and it hereby is authorized, on or before December 31, 1944, to transfer

to California Motor Transport Co., Ltd., a corporation, the highway common carrier operative rights and tangible operating property described in the foregoing opinion; and California Motor Transport Co., Ltd. is hereby authorized to acquire said operative rights and property, and to conduct a highway common carrier service commensurate with said operative rights, subject, however, to the following limitation:

California Motor Transport Co., Ltd. shall transport no freight between any point or points upon its lines in the San Joaquin Valley, on the one hand, and between King City and East Bay points, and intermediate points, on the other hand.

(4) That applicants 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 tables 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.

(5) That within thirty (30) days after the transfer of said properties, as herein authorized, California Motor Transport Co., Ltd. shall file with the Commission a copy of any bill of sale or other instrument of transfer executed under the authority herein granted.

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

Dated at San Francisco California, November 9 1944

James F. Calver
Frank C. Hoover

Frank Powell
COMMISSIONERS