

ORIGINALDecision No. 40172

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN DIEGO FORWARDING CO., a corporation,)
 for an order authorizing the abandonment)
 of certain services rendered in connection)
 with the existing authorization to conduct) Application No. 28091
 business as a freight forwarder and ex-)
 press company as those terms are defined)
 in Section 2(K) and 2(Ka) of the Public)
 Utilities Act.)

Appearances

Theodore W. Russell of Glanz and Russell, for applicant.

Laird M. Hail for Southern California Freight Lines and
 Southern California Freight Forwarders;
 and E. J. McSweeney for Pacific Freight
 Lines and Pacific Freight Lines Express,
 all interested parties.

O P I N I O N

Applicant is an express corporation serving Los Angeles and San Diego. Between certain points not covered by its express operation it also operates as a highway contract carrier. By this application it seeks authority to abandon a portion of its express operation.

The matter was submitted at a public hearing had before Examiner Freas at Los Angeles, on April 2, 1947.

In the conduct of its express service applicant does not serve the entire City of Los Angeles. The area served as an express corporation so far as is here material lies west of Central Avenue between 87th Place and Slauson Avenue. It includes the plant of Goodyear Tire and Rubber Company of California, hereinafter referred to as Goodyear, which is situated in an area bounded by Central Avenue on the east, Florence Avenue on the south, McKinley Avenue on the

west, and Gage Avenue on the north. It is the service to and from this area, which is occupied exclusively by Goodyear, that applicant seeks to abandon. The declared purpose of this application is to enable applicant to transport shipments to and from San Diego for Goodyear as a highway contract carrier without contravening the provisions of Sec. 4 of the Highway Carriers' Act.¹

The reasons for preferring to serve this shipper as a highway contract carrier are twofold: in the expectation of a better service Goodyear has requested applicant to handle its traffic as a contract carrier, and by so doing applicant will be able to effect substantial economies.

Express traffic for San Diego is by applicant loaded in pickup trucks at the Goodyear plant, hauled to the Atchison, Topeka and Santa Fe Railway Company depot in Los Angeles, and transferred to rail cars. The railway company then moves the cars to San Diego where applicant unloads them and makes delivery by motor vehicle. Transportation in the reverse direction is performed in a comparable manner. By reason of the rail schedules delivery cannot be made on the day the goods are forwarded. Same day delivery could be rendered by applicant as a highway contract carrier.

Exhibits showing past operative results and what they would have been had Goodyear traffic been handled entirely by truck were introduced to indicate anticipated savings. They show, for example, that had the Goodyear traffic been handled as proposed during January and February of this year applicant's operations would have resulted in a profit of \$411.40 instead of a net loss of \$12.23.

1

Sec. 4 of the Highway Carriers' Act, Stats. 1935, Ch. 223, as amended, provides that no person or corporation shall be permitted to operate both as a common carrier and as a highway contract carrier of the same commodities between the same points.

This result follows in part from differences in cost inherent in the two methods of operation and in part from a reduction in overtime expense said to be incurred by reason of inadequate rail dock facilities.

All freight is prepaid by Goodyear and no other shipper is involved. No change in rates is contemplated. It is represented that since applicant now transports Goodyear's goods, no other carrier is affected excepting, of course, the underlying carrier for the express corporation.

No one opposed the granting of the application.

Upon consideration of all the facts of record we are of the opinion and find that the requested abandonment should be permitted. An order to that effect will be entered.

O R D E R

This matter having been duly heard and submitted,

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to abandon operations as an express corporation to and from that portion of the City of Los Angeles bounded on the east by Central Avenue, on the south by Florence Avenue, on the west by McKinley Avenue and on the north by Gage Avenue, subject to the condition that applicant file with this Commission in the manner prescribed by Tariff Circular No. 2 on not less than five (5) days' notice a supplement to its tariff showing this abandonment.

The authority herein granted shall be void unless exercised within ninety (90) days from the effective date hereof.

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

Dated at San Francisco, California, this 15th day of April, 1947.

Harold P. Kule
Justus F. Currier
Robert D. Hall
A. E. Morrison
Herbert Patten
Commissioners