

ORIGINAL

Decision No. 41125

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 BONDED DRAYING SERVICE to operate as)
 a common carrier of freight between)
 San Francisco on the one hand and the) Application No. 28776
 Fairfield-Suisun Army Air Base on the)
 other.)

Frank Loughran for applicant.
John E. Hennessy for Sacramento Northern Railway, and
William Meinhold for Southern Pacific Company and
 Pacific Motor Trucking Company, protestants.

O P I N I O N

By this application, Jacques Reutlinger, doing business as Bonded Draying Service, seeks a certificate of public convenience and necessity authorizing operations as a highway common carrier between San Francisco and the Fairfield-Suisun Army Air Base. No authority is sought to transport shipments from, to or between intermediate points. Public hearings were held before Examiner Bradshaw at San Francisco and Fairfield.

Applicant operates as a city carrier in San Francisco. He also possesses permits to operate as a highway contract carrier and radial highway common carrier. It is alleged that the present common carrier services for transporting supplies from San Francisco to the Air Base are slow and inconvenient; that applicant has rendered a limited service to the Air Base under contracts with a number of shippers; and that if permitted to operate as a common carrier he will provide the several departments at the Air Base with a more expeditious and better service than now available.

The Air Base is served by the rail facilities of the

Sacramento Northern Railway. The nearest other common carrier facilities are those of Southern Pacific Company and its subsidiary, the Pacific Motor Trucking Company, at Suisun.

The record indicates that the distance from the freight depot at Suisun to the Air Base is about $6\frac{1}{2}$ miles. Applicant proposes to operate a daily service, picking up freight in San Francisco during the afternoon and making deliveries at the Air Base at approximately 8:00 a.m. the following morning.

According to the applicant's testimony, he was approached by a representative of the Post Exchange at the Air Base about 3 months ago for the purpose of ascertaining whether he would undertake to transport from San Francisco merchandise consigned to the Post Exchange. As a result of the inquiry, it appears that oral contracts were entered into with several shippers and that 2 or 3 trips a week have been made. Applicant further stated that shipments have been hauled for 30 San Francisco shippers, that requests for service have been constantly increasing, and that, in his opinion, such demands cannot be met under a contract carrier status.

Representatives of 5 shippers in San Francisco presented testimony explaining that, as a result of complaints from the Post Exchange that the present common carrier service was unsatisfactory, they made arrangements with applicant to transport their shipments. Applicant's service was described as very satisfactory.

The record includes testimony given by the district transportation officer of the Army Air Forces, the officer in charge of purchases for the Post Exchange and its manager. They stressed the absence of any highway common carrier service at the Air Base and the inconvenience in dispatching trucks to Suisun to obtain shipments

at the railway freight depot at that point. The present rail service was described as slow. Copies of a number of freight bills alleged to have been selected at random were produced to support this assertion. The necessity of a more expeditious service, due to fluctuations in the demands for supplies and in order to keep down inventories in accordance with existing regulations, was emphasized. Truck transportation by other than common carriers was characterized as unsatisfactory and difficult to obtain unless full truck-load shipments are available.

In Application No. 28840, now under consideration, Railway Express Agency, Incorporated, seeks a certificate of public convenience and necessity authorizing the extension of that carrier's pickup and delivery service at Suisun-Fairfield to include the Air Base. The Post Exchange's purchasing officer does not regard the service therein proposed as sufficient to meet all requirements. The total volume of shipments consigned to the several departments at the Air Base does not appear of record. However, it was testified that the value of retail and food items received by the Post Exchange from San Francisco between November 25 and December 3 or 4, 1947, amounted to approximately \$128,000. According to the record, there are at present between 4,000 and 4,500 military personnel and about 600 civil service employees stationed at the Base.

Southern Pacific Company, Pacific Motor Trucking Company and Sacramento Northern Railway protested the granting of the application.

A witness for the first two of these carriers stated that prior to December 22, 1947, shipments from San Francisco usually reached Suisun on the second morning. He testified that such service

was necessitated by Office of Defense Transportation regulations, but that effective on the date mentioned the method of transporting less than carload traffic to Suisun was changed so as to permit freight to be available for delivery to consignees by 8:00 a.m. the following day after shipment.

No evidence was offered concerning the time required in transporting shipments from San Francisco when routed via the Sacramento Northern Railway. Its trainmaster, however, testified that shipments originating at San Francisco are received by that carrier from the Southern Pacific or Santa Fe at Port Chicago and that the transportation from Port Chicago to the Air Base entails from 2 to 3 days.

The present service of Southern Pacific Company and Pacific Motor Trucking Company may be deemed a reasonably expeditious one for shipments destined to consignees at Suisun and Fairfield. However, by reason of the necessity of dispatching trucks to Suisun to obtain possession of shipments, it is clear that this service is unsatisfactory so far as traffic consigned to the Air Base is concerned. The record is also convincing that the service rendered by the Sacramento Northern Railway does not meet the requirements of the classes of traffic to which applicant's proposed operations will be devoted. Moreover, considering the volume of shipments consigned to the Air Base and the extent of the Army's activities thereat as disclosed by the evidence, it would appear that a direct, expeditious service such as offered by applicant is amply justified.

Upon careful consideration of all of the facts and circumstances of record in this proceeding, we are of the opinion and find that public convenience and necessity require the establishment and

operation of the highway common carrier service proposed by applicant. An appropriate order will be entered.

Jacques Reutlinger is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as a 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

Public hearings having been had in the above-entitled application and the Commission, upon the evidence received, having found that public convenience and necessity so require,

IT IS HEREBY ORDERED:

1. That a certificate of public convenience and necessity be and it is hereby granted to Jacques Reutlinger, authorizing the establishment and operation of a service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between San Francisco and the Fairfield-Suisun Army Air Base in Solano County.

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

(a) Applicant shall file a written acceptance

of the certificate herein granted within a period not to exceed 30 days from the effective date hereof.

- (b) 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 within 60 days from the effective date hereof and on not less than 1 day's notice to the Commission and the public.
- (c) Subject to the authority of the 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:

From San Francisco to Fairfield via U. S. Highway 40;

From Fairfield to Fairfield-Suisun Army Air Base via California Highway 12.

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

Dated at Los Angeles, California, this 13th day of January, 1948.

R. I. Johnson
Justus F. Gaeles
Frank Powell
Harold P. Hule
Kenneth Catter
 COMMISSIONERS