A.28326 - C:JG

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Decision No. <u>42352</u>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) O. J. BOEDEKER and A. T. RAWLINS) (SACRAMENTO FREIGHT LINES) for a) certificate of public convenience) and necessity to operate as a high-) way common carrier for the trans-) portation of fresh fruits and vege-) tables, general commodities and) canned goods between Sacramento and) vicinity, on the one hand, and Los) Angeles and vicinity, on the other) hand.)

Application No. 28326

Berol & Handler, by Edward M. Berol, for applicant; Lloyd R. Guerra, for Western Truck Lines, Ltd.; Lafavette J. Smallpage, for Lillie Transportation Company, Inc.; <u>William Meinhold</u>, for Southern Pacific Company and Pacific Motor Trucking Company, protestants; <u>W. G. Stone</u>, Port Director and General Manager, Sacramento-Yolo Port District, in support of the application.

<u>o p i n i o n</u>

Applicant, a copartnership, since 1942 has been operating as a certificated highway common carrier between Sacramento and the (1) Feather River Canyon territory. Since 1937 it has held highway contract and radial highway common carrier permits and has developed a substantial overnight transportation service for the movement of perishables and dry freight between the Sacramento and Los Angeles production areas, markets and storage and distribution facilities. Perishables are also handled from the Imperial Valley.

By this application the carrier, frankly stating its inability to determine whether or not its permitted highway operations

(1) Decision No. 35169, Application No. 24747.

are lawful, seeks authority to render a certificated service between the Sacramento and Los Angeles areas, (but not to or from the Imperial (2) Valley) via the San Joaquín Valley Route.

The application was submitted following public hearings held before Examiner Gregory at Sacramento August 24 and 25, 1948, and at San Francisco September 14, 1948, and was protested by Southern Pacific Company and its trucking subsidiary, Pacific Motor (3) Trucking Company.

(2) Commodities, territories, routes, restrictions and rates proposed are generally as follows:

(a) Fresh fruits and vegetables (subject to minimum weight of 10,000 pounds per shipment, or shipments carrying a 10,000 pound charge, when originating or destined off highways and outside incorporated communities) between Los Angeles Basin Territory (and certain places north thereof) and the Sacramento area, bounded generally by Fairfield, Winters, Marysville, Colfax, Placerville and Lodi, also Fresno and Modesto, via U.S. Highway 99 between Los Angeles and Sacramento and within 10 miles laterally of highways traversed within and between the main areas except State Highway 71, between Elsinore and Pomona, where the lateral service will extend 25 miles. Shipments will not be handled which have both origin and destination in either the Northern or Southern areas.

(b) <u>General Commodities</u>, subject to the usual exceptions of valuable, dangerous or bulky articles or those requiring special equipment, except refrigerated equipment, restricted to shipments of not less than 20,000 pounds, or which carry a 20,000 pound charge, between Sacramento (5-mile radius) and Los Angeles Territory (as described in Highway Carriers' Tariff No. 2), via U.S. Highway 99, with intermediate service between Los Angeles and the point of Lodi only.

(c) <u>Canned goods</u>, subject to the same weight restriction as for general commodities in (b) above, between Sacramento and Lodi, on the one hand, and the Los Angeles area described in (a) above, on the other hand, via U.S. Highway 99.

Rates will generally be the minima prescribed by Highway Carriers' Tariffs Nos. 2 and 8, except that commodity rates for shipments of fresh fruits and vegetables subject to a minimum weight of 24,000 pounds will apply in connection with citrus fruits only.

(3) Lillie Transportation Company, Inc., Western Pacific Railroad Company, Valley Express Co. and Valley Motor Lines, Inc. also filed protests prior to the hearing. Valley withdrew its protest before the hearing, Western Pacific did not appear (though duly notified) and Lillie withdrew its protest upon deletion of Stockton from the offer of service. Both Lillie and Western Truck Lines, Ltd. urged that a decision on this application be deferred until final disposition of Application No. 23877 (Savage Transportation Co.) and related proceedings in which they are parties. Applicant plans to operate a minimum of five schedules per day in each direction between Sacramento and Los Angeles. Two of the schedules are designed to meet early morning market openings, two will handle perishables and dry freight for storage or distribution in the terminal areas and one will provide intermediate pickup and delivery service for dry freight moving to or from the termini.

About sixty percent of applicant's total tonnage consists of fresh fruits and vegetables and the balance of canned goods and other dry freight. The northbound movement of perishables is heaviest in the early months of the year while the southbound traffic in those commodities is heaviest in the late summer and early fall, at which time there is also a substantial northbound flow of citrus fruits. Building materials and supplies move north in greater volume during the fall and winter months. Hardware and packaged petroleum products move more or less continuously throughout the year northbound. Canned goods, rice and almonds move south in substantial quantities, the volume varying somewhat with market conditions and the needs of distributors. There is also a rather heavy southbound movement of box shook.

Although applicant has specialized over the years in the transportation of fresh fruits and vegetables, it has participated in the movement of other commodities in an effort to balance its loads the year round. One of the chief reasons it seeks to serve the general public as a highway common carrier is to enable it to maintain a high overall load factor and thus keep rates for the movement of perishables at as low a level as possible. Moreover, as a contract carrier applicant is often under the necessity of discriminating between growers in the same locality, whereas if

-3-

G:AM A. 28326 (CP)

granted a certificate it could provide a needed common carrier service to all alike.

Public need for the proposed operation was established by the testimony of twenty-one substantial shippers and receivers of a wide variety of commodities who had used applicant's service for several years.⁽⁴⁾ Some of these had also used the rail service of Southern Pacific Company between the two areas, but had experienced delays on shipments of dry freight requiring expedited delivery and deterioration of perishables due to delays and multiple handling. Those, however, who had used the rail line for carload shipments, shipments to points outside the state and for the movement of goods not requiring overnight delivery were generally satisfied with that service.

The only point included in applicant's projected operation from or to which Southern Pacific Company gives first-morning delivery on less-than-carload traffic is Fresno. Second-morning delivery is accorded at the terminal points in both directions on l.c.l. movements, while on carload freight the rail schedules call for second or third-morning delivery.

We find from the evidence that public convenience and necessity require the proposed service and that applicant appears

⁽⁴⁾ Among those who testified to a need for the proposed service were shippers and receivers of perishables in both terminal areas and at intermediate points, representatives of canning and food processing firms, hardware and building materials distributors, a large distributor of refined petroleum products and representatives of the California Farm Bureau Federation and the Sacramento Chamber of Commerce. Size of the shipments tendered, depending on commodities and seasons, ranged from a few hundred pounds to truckloads (38,000 - 40,000 pounds). Frequency of these movements ranged from a few times per month in off-seasons to daily during peak periods, with a substantial tonnage moving daily in each direction.

G:/H A. No. 2026 - (CP)

to be qualified by experience and by the possession of facilities and financial resources to give it. We further find that there is at present no direct overnight common carrier service, by rail or truck, between all the points proposed to be served by applicant as to which the evidence shows a need for such service.

The requested certificate should be granted.

<u>order</u>

Public hearing having been had on the above entitled and numbered application, evidence having been received and considered, the application having been submitted for decision, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED:

1. That O. J. Boedeker and A. T. Rawlins (doing business as Sacramento Freight Lines) be and they are hereby granted a certificate of public convenience and necessity authorizing the establishment and operation of service as a highway common carrier, as that term is defined by Section 2-3/4 of the Public Utilities Act, for the transportation of fresh fruits and vegetables, general commodities and canned goods between the points and places and over routes hereinafter described and subject to the restrictions, limitations and exceptions hereinafter set forth:

- I. <u>Fresh fruits and vegetables</u>, between points and places along the following routes and within the following territory:
- (a) U. S. Highway 70 between Redlands and Los Angeles and within 10 miles laterally of said highway;

State Highway 71 between Elsinore and Pomona and within 25 miles laterally of said highway;

-5-

U. S. Highway 101 or 101-A between San Clemente and Los Angoles and within 10 miles laterally of said highway;

U. S. Highway 101 or 101-A between Goleta and Los Angeles and within 10 miles laterally of said highway;

U. S. Highway 101 and State Highway 150 between Goleta and Santa Paula and State Highway 126 between Santa Paula and Castaic Junction, via State Highway 126, and within 10 miles laterally of said highways;

and the Los Angeles Territory (as defined in Highway Carriers' Tariff No. 2) on the one hand, and

(b) U. S. Highway 50 between Sacramento and Placerville;

U. S. Highway 99-E between Marysville and Sacramento;

U. S. Highway 40 between Fairfield and Colfax;

State Highway 12 between Fairfield and Lodi;

State Highway 28 between Davis and Winters;

State Highway 24 between Sacramento and Walnut Grove; -

State Highway 12 and unnumbered county highways between U. S. Highway 99 and Isleton;

and Fresno and Modesto, on the other hand, via highways named and U. S. Highway 99 between Los Angeles and Secramento and within 10 miles laterally of the highways traversed;

subject, however, to the following restrictions:

- (1) The transportation of fresh fruits and vegetables originating or destined off the highways traversed and outside of incorporated communities shall be limited to shipments of not less than 10,000 pounds, or to shipments which shall carry a charge no lower than that applicable to shipments of not less than 10,000 pounds.
- (2) No shipment of fresh fruits or vegetables shall be transported which has both origin and destination along the routes or within the territory described in either (a) or (b) above.

II. <u>General commodities</u>, except (a) bank bills, currency or coin, deeds, drafts, or valuable papers with stamps affixed, precious metals or stones or articles manufactured therefrom, jewelry or other articles of extraordinary value, and used household goods; (b) acids; (c) animals or pets; (d) explosives or dangerous substances; (e) any article which would be liable to damage other shipments or equipment; (f) any article weighing in excess of 16,000 pounds, or the dimensions of which exceed 3 feet by 8 feet by 18 feet may be refused; (g) commodities requiring special equipment, save

A.28326 - JG

and except refrigeration equipment; between Sacramento and within a five mile radius of the city limits of Sacramento, on the one hand, and Los Angeles Territory (as defined in Highway Carriers' Tariff No. 2), on the other hand, via U. S. Highway 99, with intermediato service between Los Angeles, on the one hand, and the point of Lodi only, on the other hand, subject, however, to the restrictions set forth following Paragraph III below.

III. <u>Canned goods</u>, between Sacramento and Lodi, on the one hand and the points and places described in Paragraph I(a) above, via U. S. Highway 99, subject, however, to the following restrictions:

- (1) The transportation of general commodities and canned goods shall be limited to shipments of not less than 20,000 pounds, or to shipments which shall carry a charge no lower than that applicable to shipments of not less than 20,000 pounds.
- (2) No shipment of general commodities or canned goods shall be transported which has both origin and destination solely along the routes or between points and places within either the Los Angeles or Sacramento areas described in Paragraphs I, II and III above.

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 of not to exceed 30 days from the effective date hereof.
- b. Within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public, applicant shall establish the service herein authorized and 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.

-7-

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A.28326 - JG

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

Dated at Jan Funcince, California, this 212 lecember 1948. day of _

-8-

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