

ORIGINAL

Decision No. 43003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) Applications Nos.
SAVAGE TRANSPORTATION COMPANY for a) 23877 / 27232 /
certificate of public convenience) 24057 / 27270 /
and necessity to operate as a highway) 24107 / 27284 /
common carrier for the transportation) 24124 / 27301 /
of commodities generally between San) 27100 / 27302 /
Francisco and Los Angeles territories,) 27203 / 27573 /
and) 27226 / 25264 /
matters consolidated therewith.) Case No. 4816 /

(For appearances see Appendix "A")

O P I N I O N

This consolidated proceeding involves the applications of four-
(1)
teen for-hire truck carriers who seek certificates of public convenience and necessity to operate as highway common carriers generally between the San Francisco Bay area and the Los Angeles territory.

The applications of Savage, Associated, Willig and Hart were filed prior to the entry of this country into World War II. Hear-

(1) The application numbers and names of applicants follow, with the latter also shown in parenthesis shortened to the title by which they will be indicated hereafter in this opinion: A.23877, Savage Transportation Company (Savage); A.24057, Associated Freight Lines (Associated); A.24107, E.J. Willig Truck Transportation Co. (Willig); A.24124, Charles P. Hart, dba Chas. P. Hart Transportation Co. (Hart); A.27100, Western Truck Lines, Ltd. (Western Truck); A.27203, Santa Fe Transportation Company (Santa Fe); A.27226, Hills Transportation Co. (Hills); A.27232, Southern California Freight Lines (Southern Cal.); A.27270, Lillie Transportation Company, Inc. (Lillie); A.27284, Pacific Intermountain Express Co. (P.I.E.); A.27301, A.D. and R.E. Woolley, dba Western Transport Co. (Western Transport); A.27302, Sterling Transit Company, Inc. (Sterling); A.27573, Pacific Freight Lines (P.F.L.); A.25264, Valley Express Co. and Valley Motor Lines, Inc. (Valley Express and Valley Motor).

ings on those four applications were commenced in 1941 but were discontinued in March of 1942 due to war conditions. Hearings were not resumed until 1946. During the interim, other applications had been filed seeking substantially similar operative rights. All were consolidated for hearing and disposition. Changed conditions resulting from the war made the old record of little value, so virtually a new proceeding began when the taking of evidence was resumed on June 6, 1946. On February 13, 1946, the Commission instituted an investigation on its own motion (Case No. 4816) to determine, among other things, the volume of traffic moving between the San Francisco and Los Angeles areas and how it was transported. This matter also was consolidated for hearing with the various applications.

During the course of these proceedings there were at one time 22 applicants seeking operative rights, but for various reasons that number has been reduced to the fourteen now remaining. Public hearings were held before Commissioner Craemer and Examiner Howard in San Francisco, Los Angeles, Sacramento, Stockton, Modesto, Fresno, Santa Barbara, San Diego, Oakland, San Jose, El Centro and Bakersfield. The last hearing was held on December 29, 1948, at which time the proceeding was submitted subject to the filing of concurrent briefs. All were received by March 8, 1949, except that of Hills, which was delayed until March 24, 1949, due to the illness of its counsel. One hundred and twelve days were devoted to the introduction and receipt of the evidence which comprises the record herein. Many technical and public witnesses were examined and hundreds of exhibits were received.

Since the inception of this consolidated matter, all of the applications have been amended at least once so that the rights originally sought differ in some respects from those now requested. The operative authority sought and the carriers proposing such service

will be described generally.

Savage, Willig and Hills propose to render service only between the San Francisco and Los Angeles territories, as described in Item 27C-A of Highway Carriers' Tariff No. 2⁽²⁾, using both the Coast and Valley Highways. These carriers have both contract and radial permits⁽³⁾ from this Commission. They also have certain rights in interstate commerce between the points for which authority is sought herein.

Associated also requests operative authority to serve between the San Francisco and Los Angeles territories but using only the Coast Highway. San Francisco territory as specified in its application is not as extensive as that delineated in the Highway Carriers' Tariff. Speaking generally, the San Francisco territory of Associated does not include any points south of San Leandro and South San Francisco.⁽⁴⁾ Associated is a California corporation. It plans to utilize facilities of Star Truck & Warehouse Co. of Los Angeles, J. A. Clark Draying Co. of Los Angeles and San Francisco, San Francisco Warehouse Company of San Francisco and Kellogg Express & Draying Company of Oakland and San Francisco. These last four carriers conduct local operations in the Los Angeles and San Francisco territories primarily, but render no service between the two areas. All of the officers and directors of Associated are connected with at least one of these carriers.

(2) Complete descriptions of such territories are contained in Appendix "B" and Appendix "C", respectively, which are attached hereto and by this reference are made a part hereof.

(3) Authority issued pursuant to the Highway Carriers' Act to operate as a Highway Contract Carrier or as a Radial Highway Common Carrier.

(4) A complete description of such territory is contained in Appendix "D" attached hereto, which is by this reference made a part hereof.

Hart seeks to operate between the San Francisco and Los Angeles territories and the intermediate points of Oakland, San Jose, Fresno and Bakersfield; and between Los Angeles territory and Sacramento and the intermediate points of Bakersfield, Fresno and Stockton. Only the Valley Highway is proposed to be utilized. Hart has permits from this Commission and interstate common carrier rights.

Western Truck requests authority to render service between what it characterizes as the San Francisco, Oakland, San Jose territory and the Sacramento, Stockton, Modesto territory, on the one hand, and the Fresno territory, on the other hand; and between the three territories mentioned, on the one hand, and that designated as the (5) Los Angeles, San Bernardino, Riverside and Orange County territory, on the other hand. Use of both the Valley and Coast Highways is contemplated. Western Truck has highway common carrier rights between Los Angeles, Bishop and other points and also extensive interstate common carrier rights including operative authority between Los Angeles and San Francisco. This applicant also possesses permits from this Commission.

Santa Fe, a subsidiary of the Atchison, Topeka and Santa Fe Railway Company, seeks the right to serve between San Francisco, Oakland, Alameda, Berkeley, Stockton, Modesto, Fresno, Bakersfield, Los Angeles, Los Angeles Harbor, Long Beach, Pomona, Fontana, Colton, Riverside, San Jacinto, Elsinore, Santa Ana, San Diego, National City and intermediate points on the main or branch lines of its parent railroad. Alameda and Modesto are now served by rail through the Alameda Belt Line and Modesto and Empire Traction Company, re-

(5) A complete description of the territories mentioned is given in Appendix "E" which is attached hereto and by this reference is made a part hereof, except San Francisco territory which is described in Appendix "E" also attached hereto.

spectively. U.S. Highway 99 would be followed primarily between San Francisco and Los Angeles, but U.S. Highway 101 would be used between Los Angeles and San Diego. To points east of Los Angeles, it is planned to use U.S. Highways 66 and 395, as well as State Routes 18, 71 and 74. ⁽⁶⁾ Santa Fe has certain highway common carrier

rights in the San Joaquin Valley and in Southern California and these are expressly excepted from the authority here sought. The instant request is for an all truck right independent of the rail service of The Atchison, Topeka and Santa Fe Railway Company.

Southern Cal. requests authority to extend its existing highway common carrier operative rights so that it may serve between Los Angeles and Santa Barbara including Santa Paula and all intermediate and off-route points within 5 miles of the highways traversed; between the above described territory and the San Francisco area; between Los Angeles and San Francisco territories, as defined in Item 270-A of Highway Carriers' Tariff No. 2; between Los Angeles and Sacramento and Modesto and all points between Sacramento and Modesto along U.S. Highway 99 including all intermediate and off-route points within 5 miles of said highway and all points within a radius of 5 miles of the county courthouse of Sacramento and Modesto, and between Los Angeles and all points it is not presently authorized to serve between Los Angeles and San Bernardino, along Foothill Boulevard and between Los Angeles and Riverside, along Valley Boulevard, including all intermediate and off-route points laterally within 5 miles of each side of the highways followed. Southern Cal. has extensive highway common carrier operative rights in Southern California. It also has permits issued by this Commission and renders

(6) A complete description of the proposed routes to be followed by Santa Fe is given in Appendix "F" which is attached hereto and by this reference made a part hereof.

widespread service outside of its certificated area purportedly pursuant to such permits.

Lillie desires authority to serve between Turlock, North Sacramento and all intermediate points within 10 miles of either side of U.S. Highway 99, on the one hand, and Los Angeles territory, on the other hand. Lillie, whose headquarters are in Stockton, is a highway common carrier of fresh fruits and vegetables between the Stockton area and Los Angeles. It, also, has permits from this Commission. A large operation has been conducted ostensibly in conformance with the latter authority.

P.I.E. seeks a certificate to operate between San Francisco and Los Angeles, serving the intermediate points of Oakland and Emeryville, via U.S. Highway 50, State Route 120 and U.S. Highway 99; as well as the right to operate between San Francisco, Sacramento and Los Angeles, serving certain intermediate and off-route points in the San Francisco Bay and Los Angeles areas following, in addition to the above route, another via U.S. Highways 40 and 99 and State Route 120. P.I.E. is an interstate common carrier with widespread operations. It has a highway contract carrier permit from this Commission but does very little business thereunder. This permit is used primarily for P.I.E.'s convenience to avoid running empty equipment between San Francisco and Los Angeles.

Western Transport requests a certificate to operate between what it describes as Santa Clara Valley territory⁽⁷⁾ and the Los Angeles territory, using the Coast Route. It is a highway common carrier of fresh berries between the same vicinities. Western Transport has permits issued by this Commission under which its op-

(7) A complete description of this territory is given in Appendix "G" which is attached hereto and by this reference is made a part hereof.

erations, aside from the berry hauling are purported to be conducted.

Sterling asks for authority to operate between the San Francisco area, Los Angeles territory and San Diego area ⁽⁸⁾, serving the intermediate points of Fresno and Bakersfield and points and places within a two-mile radius of Fresno and Bakersfield. Sterling desires to follow U.S. Highway 50, State Route 120 and U.S. Highway 99; also State Route 71 and U.S. Highways 101, 101-A and 395. The carrier possesses permits issued by this Commission and professes to perform its present operations thereunder.

P.F.L. seeks authority to extend its present operative rights from San Luis Obispo and Fresno to San Francisco and Sacramento via U.S. Highways 101, 40, 50 and 99 and State Route 152 so that it may transport traffic between all points it now serves and San Francisco Bay territory, as defined in Item 270-A, Highway Carriers' Tariff No. 2; also points and places on and along U.S. Highway 99, Fresno to Sacramento, inclusive, as well as territory 5 miles laterally from such highway and points and places within a 5-mile radius of the corporate limits of Stockton and Sacramento, except that no authority is sought to render service between Tulare and Fresno, both inclusive, and points intermediate thereto, on and along U.S. Highway 99 and points north of Fresno on U.S. Highway 99 to and including Sacramento. P.F.L. has very complete highway common carrier rights in the southern part of the State.

Valley Motor requests an extension of its existing operative rights so that it may serve between Visalia, Famosa and intermediate points along State Routes 198 and 65; between Tulare and Lindsay via unnumbered county road; between Tipton and Porterville via State

(8) A complete description of the San Francisco area and the San Diego area is given in Appendix "H" which is attached hereto and by this reference is made a part hereof.

Route 190; and between Tulare and Bakersfield via U.S. Highway 99. Valley Motor seeks an alternate route extension from Kettleman City to Paso Robles via State Route 41. Valley Motor also requests elimination of the restrictions contained in Decisions Nos. 33407 and 35270 prohibiting service between San Luis Obispo and San Francisco. The operative rights here sought are requested exclusively to enable Valley Motor to transport, as underlying carrier, traffic of Valley Express. The latter now is authorized to serve all such points and is not seeking hereby to extend its operative rights. Valley Motor, by stipulation with P.F.L. at the hearing on February 26, 1948, restricted its proposed operation to exclude -

"... shipments which might move locally under Valley Express rates between Fresno and Bakersfield and the intermediate points of Exeter, Lindsay, Strathmore, Porterville, Terra Bella, Ducor, Richgrove, Tipton, Pixley, Earlimart, Delano, McFarland and Famosa."

Valley Motor originally sought an extension of its existing highway common carrier rights from Tulare to Los Angeles. However, it acquired the operative rights of Reader Truck Lines (Decision No. 41237, Application No. 28864, February 17, 1948) which authorized service between the Los Angeles Harbor Commercial Zone and the Los Angeles Commercial Zone, on the one hand, and certain points in Fresno and Kings counties, on the other hand. This acquisition permitted Valley Motor to render through service between San Francisco and Los Angeles. Thereafter, Valley Motor amended its application herein to supplement its existing authority by requesting the rights heretofore described.

All of the applicants but Southern Cal. specifically excepted uncrated household goods from their requested authority. Otherwise they seek to transport commodities generally, with the usual exceptions of articles of extraordinary value, explosives or dangerous substances and articles contaminating to other lading. There are

some additional exceptions, in particular, applications relating to size or weight of a particular article or to commodities requiring special equipment.

California Motor Transport, Ltd., California Motor Express, Ltd., Southern Pacific Company and Pacific Motor Trucking Company pro-
(9)
tested all of the applications. Delta Lines, Inc., protested the application of Santa Fe between San Francisco and Stockton. Coast Line Truck Service, Inc., protested the applications of Western Transport and Southern Cal. to the extent that those two applicants proposed to transport fresh fruit and vegetables. Many of the applicants protested the granting of other applications. The Truck Owners' Association filed a brief opposing the granting of the Santa Fe application. Savage, Willig, Western Truck, Valley Motor, P.F.L. and Southern Cal. opposed the Santa Fe application. Southern Cal. also protested the application of Sterling between Los Angeles and San Diego. Santa Fe protested all of the applications save that of Western Transport whose proposed service would not be competitive. P.F.L. and Valley Motor protested all of the applications except each others. Lyon Van Lines, Inc., Bekins Van Lines, Inc., Calmay Van Lines, and James Van Lines protested the application of Southern Cal. to the extent the latter proposes to transport uncrated household goods.

Before a discussion of the evidence and the conclusions reached, certain general considerations respecting the manner in which the

(9) California Motor Transport Co., Ltd., and California Motor Express Ltd., are affiliated and will be referred to collectively hereinafter as the California Motor System. The transport company is underlying carrier for the express company in most of the territory served by the latter. The two concerns operate between San Francisco, Los Angeles and many intermediate points on both the Valley and Coast routes.

Southern Pacific Company and its wholly owned subsidiary Pacific Motor Trucking Company afford service between San Francisco, Los Angeles and many intermediate points along the Coast and through the Valley, as well as to numerous other places in the State.

proceedings were conducted should be alluded to. It was felt from the beginning that consolidation of the proceedings would, in view of the substantial similarity and overlapping of many of the rights sought, enable the Commission to acquire a more complete view of the over-all conditions and circumstances surrounding the transportation requirements in the principal areas involved and thereby make possible a sound determination as to public convenience and necessity. Furthermore, consolidation of the record would accrue to the benefit of the various applicants by reducing the burden upon each of them in their respective presentations.

Most of the applicants at the suggestion of the Commission limited the number of public witnesses called. Where such suggestion was not observed, the result, in general, was merely the development of cumulative evidence.

The record contains testimony and exhibits of transportation experts, engineers and economists, representatives of agricultural interests, civic groups and political subdivisions, as well as testimony of shippers called by both applicants and protestants.

Broadly, the evidence produced by applicants pointed to a need for additional transportation service. The majority of the public witnesses called by applicants testified that they were using the so-called permitted carrier services of the applicants, and stated that they found them necessary in the conduct of their businesses. They testified, however, that they would prefer to receive service from these carriers as highway common carriers because of the greater permanence and stability thus assured. There was some testimony of inadequacy of existing common carrier service. Delays in transit and in pickup, damage to shipments and slow claims settlement were related.

Evidence was introduced into the record tending to show that

all of the applicants are substantial carriers with sufficient operating personnel, experience and financial resources in equipment and facilities, to inaugurate the services they propose.

The evidence produced by protestants, whose operations generally would compete with the proposed services of applicants, was to the effect that existing service was adequate and capable of handling needs of the shipping public. A large number of public witnesses testified that they found protestants' services generally satisfactory, and that they had noted improvement in such services since the war and particularly in the last year, and that they did not need additional common carrier service in the conduct of their particular businesses. Evidence was also introduced by protestants that the issuance of additional certificates would cause a diversion of traffic serious enough to jeopardize the financial stability of the existing common carriers.

The principal issue in the proceedings was resolved generally into determining transportation needs between the San Francisco and Los Angeles metropolitan areas. While the sum of the rights sought by the applicants extended to a large number of points in the State, whether as new rights or as extensions of, or consolidations with, existing rights, and while the record was voluminous and hearings were protracted, a substantial portion of the evidence pertained to this principal issue.

When these proceedings began, the California Motor System, Southern Pacific and its affiliates and The Atchison, Topeka and Santa Fe Railway Company were the only common carriers rendering direct through service with their own equipment between the San Francisco and Los Angeles areas. The service of the latter company, because of its circuitous route, was not used extensively for less than carload traffic. Another service was available via Valley Express

using, as underlying carriers, Valley Motor and P.F.L. with interchange at Fresno. During the course of these proceedings, as hereinbefore stated, Valley Motor acquired the Reader rights so that it now, with its affiliate Valley Express, provides a direct through common carrier service between the San Francisco and Los Angeles territories.

Until this last year, when a few limited highway common carrier certificates were issued, no new rights had been granted between San Francisco and Los Angeles since 1930. This is true notwithstanding the continuous and heavy growth of the State generally, and particularly of the metropolitan areas, both in industry and in population.

It is apparent from the record that the preponderance of traffic in general commodities between San Francisco and Los Angeles metropolitan areas is transported by permitted carriers⁽¹⁰⁾, the larger of which are applicants here. That such condition is highly undesirable was pointed out in the Commission's Decision No. 42646 dated March 22, 1949, in Case No. 4823. The conditions and the causes which are apparent upon this record are the same as those described there. Public convenience and necessity require that those carriers hauling the bulk of the tonnage should have public utility obligations. As public utilities, they must have rates on file; they are subject to stricter controls; and they must serve the public without discrimination. Such requirements tend toward greater stability. Furthermore, it is the opinion of this Commission that, in the highway common carrier field, competition is desirable to the extent that it does not impair the economic stability of the transportation in-

(10) A tabulation of data developed in these proceedings by the Commission's staff appears in Appendix "I."

dustry.

Savage, Associated, Willig, Hart, Western Truck, Hills, Sterling, Southern Cal. and P.F.L. have presented evidence to show that each of them can and will establish a service between the San Francisco and Los Angeles metropolitan areas providing transportation facilities and services for which there is at present a public need.

Protestants, by their operating evidence, showed the service they perform. A vast amount of motor equipment, large terminals and other facilities, as well as trained personnel, are required effectively to render such services.

The California Motor System has 505 units of revenue automotive equipment. Its total investment in operating property is \$2,426,-212.49. This includes land, structures, revenue automotive equipment, service cars and shop, garage, terminal, office and miscellaneous equipment. The gross annual business of this protestant is approximately \$4,000,000.

Southern Pacific Company renders overnight service by rail between the San Francisco and Los Angeles areas, as well as to certain intermediate points, augmented by the Pacific Motor Trucking Company's operation. One overnight train is operated in each direction between San Francisco and Los Angeles daily, Saturdays, Sundays and holidays excluded. The average train consists of 35 cars or 350 tons of traffic. Pacific Motor Trucking Company owns and operates 1,335 vehicles, exclusive of service cars. This subsidiary company, among other things, performs the bulk of the pickup and delivery service for the railroad.

Protestants P.F.L. and Valley Motor, by an arrangement of interchanging equipment at Fresno, provided a through highway common carrier service between San Francisco and Los Angeles for shipments moving by Valley Express. Such arrangement failed to effect the effi-

cient and rapid service desired. As previously noted, Valley Motor is now able under operative rights recently acquired by it to render such through service, and P.F.L. seeks authority here to do likewise.

Each of the applicants, Savage, Associated, Willig, Hart, Western Truck, Hills, Sterling, Southern Cal. and P.F.L., contends that it possesses the ability, financial responsibility and facilities to provide the service proposed, and that the public convenience and necessity require such service between the San Francisco and Los Angeles metropolitan areas. These contentions are well taken upon the record made, except that there was no showing by Southern Cal. of a need for additional carriers to transport uncrated household goods.

The protestants, on the other hand, contend that they are able to perform all of the service required by the public between these areas. That they cannot, or do not do so to the satisfaction of the shippers, must be apparent when the extensive use of permitted carriers is considered.

The protestants further contend that to authorize new certificated carriers in the field would seriously jeopardize their financial stability. We are not impressed by such contention. The record would indicate that they have maintained a sound financial position despite the fact that they have transported a small proportion of the available traffic over a considerable period. The evidence submitted by protestants themselves indicates satisfaction on the part of the shippers they are now serving. There is no reason to believe that any substantial diversion of such shippers' traffic would follow, should certificates be issued to applicants.

During the proceedings, protestants attempted to show through cross-examination that the service being performed by many of the applicants was unauthorized. In general, evidence on the question of

unauthorized operation was not received or offered. Assuming that the protestants could have shown unauthorized operation, we are not persuaded to conclude that such factor under the peculiar circumstances here presented should prevent the issuance of certificates to these applicants. The history of the development of wide-scale operations by permitted carriers was related in our Decision No. 42646 and need not be repeated. Upon the facts in this record, we do not believe that proof of prior unauthorized operation would, in considering the interests of the public, outweigh the overwhelming evidence of the need for additional common carrier service and the demonstrated capacity of these applicants to provide it.

With respect to the proposed operation of P.I.E. between San Francisco and Los Angeles, the showing was confined for the most part to the financial responsibility and ability of the carrier. There was little evidence to show the character of the intrastate service that would be provided. Public witnesses for P.I.E. were concerned primarily with facilities for transportation in interstate commerce. The evidence introduced by the carrier shows that its equipment is now moving between San Francisco and Los Angeles because of the necessity of transferring such equipment between the terminal points in its interstate operation.

The carrier contends that, inasmuch as it has the equipment available and such equipment generally moves unladen between San Francisco and Los Angeles, the interests of the public would be served by the issuance of a certificate. However, it has not been demonstrated wherein a highway common carrier right which would facilitate the transfer of equipment in interstate commerce would fulfill a need for intrastate service. From the record, it would appear that the service proposed by P.I.E. is one of carrier convenience and necessity.

Santa Fe seeks generally the right to conduct a highway common carrier service between points which are presently served by The Atchison, Topeka and Santa Fe Railway and affiliated railroads. It made an impressive showing in support of the contention that the public would be better served by the granting of its application. In their briefs, the Truck Owners' Association of California and certain other parties asserted that the granting of an unrestricted certificate as a highway common carrier to a rail-controlled operator would lead to the destruction of the independent trucking industry and that such a dual operation would be contrary to the public interest. This, we believe, raises a question of public policy meriting further consideration. This Commission has from time to time granted authority to railroads or their affiliates to operate as highway common carriers, but has, in most instances, imposed restrictions with respect to key points or prior or subsequent rail service. Santa Fe has stated that it would not accept any right so restricted.

In view of the foregoing, we believe that final disposition should not be made of the application of Santa Fe until oral argument on this question has been had before the Commission en banc. The order herein will provide for such oral argument.

Lillie, Hart, P.F.L., P.I.E., Western Truck, Southern Cal. and Santa Fe all propose to operate between Sacramento and Los Angeles and various intermediate points. The consolidated record leaves no

doubt that there is a need for additional common carrier service between Sacramento and Fresno, and intermediate points located on U.S. Highway 99, on the one hand, and the Los Angeles territory, on the other hand. Sufficient evidence of the amount of traffic moving between these areas has not been developed to enable the Commission to determine the number of carriers the traffic would support. However, from this record we believe that available traffic would support at least two additional carriers. Lillie is in a favorable position, because of its existing certificated operation, to provide efficient economical service between Los Angeles territory and points located on U.S. Highway 99 between North Sacramento and Turlock, inclusive.

P.F.L. is also in a favorable position to provide service between the points involved. Under its interchange arrangement with Valley Motor, P.F.L. provides the area in southern California that it presently serves with transportation to commercial centers in northern California. The points located on U.S. Highway 99 north of Fresno to and including Sacramento are a part of that transportation service. Valley Motor has not protested the application of P.F.L. As previously noted, the interchange arrangement does not result in the efficient and rapid service desired. It has been indicated that the arrangement is unsatisfactory to both parties and may be discontinued. A service to this area should not be discontinued and, if a more efficient and rapid operation is offered, the public should not be deprived of it.

In addition to the authority to serve the points located on U.S. Highway 99, Lillie and P.F.L. sought certain lateral rights. We believe that neither carrier produced sufficient evidence to justify granting them.

Western Transport proposes a service between Los Angeles terri-

tory and Santa Clara territory. A substantial portion of the area defined as Santa Clara territory is within the San Francisco territory. Western Transport's showing, together with the consolidated record, indicates a need for the services proposed. The protest of Coast Line Truck Service to the effect that it is able adequately to handle the transportation of all fresh fruits and vegetables between the areas named cannot be accorded great weight in the light of the evidence of the considerable volume of traffic in such commodities between these areas. We believe that the stability of Coast Line Truck Service will not be seriously jeopardized by the entrance into the field of Western Transport.

With respect to the application of Sterling to transport between San Francisco area and San Diego area, and also between Los Angeles territory and San Diego area, considerable evidence of ability to perform such service was introduced. There also was evidence of a public need for additional service. The record shows that the available traffic is sufficient to support an additional carrier without jeopardy to the financial stability of existing protesting carriers.

Valley Motor presented considerable evidence and testimony showing a public need for an extension of its common carrier service to the points and routes centering about Tulare, Fresno and Bakersfield, as specified in its application. P.F.L. provides highway common carrier service between many of these points. Its protest became nominal after Valley Motor had stipulated that it would exclude from its proposed operation: "... shipments which might move locally under Valley Express rates between Fresno and Bakersfield and the intermediate points of Exeter, Lindsay, Strathmore, Porterville, Terra Bella, Ducor, Richgrove, Tipton, Pixley, Earlimart, Delano, McFarland and Famosa."

In addition to the foregoing, Valley Motor sought an alternate

route extension from Kettleman City to Paso Robles via Route 41. The record reveals that such proposal would not actually provide additional service but would promote operating efficiency by effecting certain economies.

After full consideration of the record in these proceedings and of the briefs and arguments presented therein, the Commission finds:

That public convenience and necessity require the establishment and operation of the services proposed by Savage, Associated, Willig, Western Transport and Hills. Their applications will be granted.

That public convenience and necessity require the establishment and operation of the services proposed by Hart, Western Truck, and Southern Cal. to the extent of service between San Francisco territory and Los Angeles territory. In all other respects, the applications of these carriers will be denied.

That it has not been shown that public convenience and necessity require the establishment and operation of the service proposed by P.I.E. That application will be denied.

That the operation proposed by Santa Fe raises a question of public policy upon which oral argument before the Commission en banc will be had. If it were not for the desirability of hearing argument on this question, the record would justify granting the Santa Fe application.

That public convenience and necessity require the establishment and operation of the service proposed by Lillie between Los Angeles territory, on the one hand, and North Sacramento and Turlock and intermediate points located on U.S. Highway 99, on the other hand. The application of Lillie in all other respects will be denied.

That public convenience and necessity require the extension of the operation conducted by P.F.L so that it may transport traffic between all points it now serves, on the one hand, and, on the other, points and places on and along U.S. Highway 99 north of Fresno to and

including Sacramento; and between all points it now serves south of Tulare and San Luis Obispo, on the one hand, and San Francisco territory, on the other; except that no service should be rendered between Tulare and Fresno, both inclusive, and points intermediate thereto on and along U.S. Highway 99, on the one hand, and points north of Fresno, on U.S. Highway 99, to and including Sacramento, on the other. In all other respects, the application of P.F.L. will be denied.

That public convenience and necessity require the establishment and operation of the service proposed by Sterling between the San Francisco Bay area and Los Angeles territory, between San Francisco Bay area and San Diego area, and between Los Angeles territory and San Diego area.

That public convenience and necessity require an extension of the operating rights of Valley Motor so that it may serve the Tulare, Fresno, Bakersfield area as more specifically set forth in its application, subject to the restrictions described in the stipulation with P.F.L. referred to.

That the alternate route sought by Valley Motor from Kettleman City to Paso Robles via State Route 41 should be granted. In all other respects the application of Valley Motor Lines will be denied.

That there being evidence that consolidation of the rights created by this decision with rights now possessed would not be in the public interest, and there being no substantial showing to rebut such evidence, consolidation should be prohibited. The foregoing, however, shall not apply to the rights granted to Valley Motor, nor to the rights granted to P.F.L.

That, in the absence of any showing in the record respecting the extension of service by means of an express corporation or freight forwarder, the rights herein granted should be restricted

so as to prohibit use of the applicants' services by express corporations or freight forwarders. The foregoing should not, however, apply to Valley Motor which did indicate its intention to act as a carrier for Valley Express.

That there is no showing in this record of need for additional carriers to transport uncrated household goods. Consequently, certificates as specified in the ensuing order will be restricted to prohibit transportation of uncrated household goods.

The applicants are, and each of them 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

Public hearings having been held in the above entitled proceedings, the matters having been submitted on briefs, and the evidence and briefs having been fully considered by this Commission, and basing this Order upon the record and the conclusions and findings contained in the foregoing opinion,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity authorizing operation as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, be and it hereby is, granted to each of the following, for the transportation of the commodities and between the points hereinafter specified:

(a) Savage Transportation Company, between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment other than refrigeration.
- (8) Articles weighing in excess of 16,000 pounds or the dimensions of which exceed 8 feet by 8 feet by 18 feet.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(b) Associated Freight Lines, between San Francisco territory, as defined in Appendix "D" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment, including refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(c) E. J. Willig Truck Transportation Co., between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.

- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment other than refrigeration.
- (8) Articles weighing in excess of 16,000 pounds or the dimensions of which exceed 8 feet by 8 feet by 18 feet.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(d) Charles P. Hart, between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment, including refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(e) Western Truck Lines, Ltd., between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment including refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(f) Hills Transportation Co., between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.

- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment other than refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(g) Southern California Freight Lines, between San Francisco territory, as defined in Appendix "B" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A" ^m Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment including refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(h) Lillie Transportation Company, Inc., between Los Angeles territory, as defined in Appendix "C" attached hereto, on the one hand, and North Sacramento and Turlock and intermediate points

located on U. S. Highway 99, on the other hand, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment including refrigeration.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(1) A. D. Woolley and R. E. Woolley, between Santa Clara Valley territory, as defined in Appendix "C" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, over any and all routes for the transportation of general commodities, including fresh fruits and vegetables, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.

- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment other than refrigeration.
- (8) Articles weighing in excess of 4,000 pounds or the dimensions of which exceed 5 feet high, 5 feet wide or 20 feet long.
- (9) Cut flowers.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(j) Sterling Transit Company, Inc., between San Francisco Bay area, as defined in Appendix "H" attached hereto, and Los Angeles territory, as defined in Appendix "C" attached hereto, between San Francisco Bay area and San Diego area, as defined in Appendix "H" attached hereto, and between Los Angeles territory and San Diego area, over any and all routes for the transportation of general commodities, with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.
- (7) Commodities requiring special equipment.
- (8) Fresh Fruits and vegetables.
- (9) Poultry, eggs or perishable dairy products.

(10) Lamp black.

(11) Plate glass.

Said carrier shall not, without the approval of this Commission, operate as an underlying carrier for an express corporation or transport property for a freight forwarder, nor shall said carrier publish joint rates with an express corporation or freight forwarder.

(k) Pacific Freight Lines, between all points it is now authorized to serve, on the one hand, and, on the other, points and places located on and along U. S. Highway 99 north of Fresno to and including Sacramento; and between all points it is now authorized to serve south of Tulare and San Luis Obispo, on the one hand, and San Francisco territory, as defined in Appendix "B" attached hereto, on the other hand, over any and all routes for the transportation of general commodities with the following exceptions:

- (1) Uncrated household goods and other commodities for which the Commission has prescribed minimum rates in Appendix "A", Decision No. 32325, City Carriers' Tariff No. 3 - Highway Carriers' Tariff No. 4.
- (2) Livestock.
- (3) Commodities in bulk.
- (4) Articles of extraordinary value.
- (5) Commodities injurious or contaminating to other lading.
- (6) Dangerous explosives.

except that no service will be provided between Tulare and Fresno, both inclusive, and points intermediate thereto located on U. S. Highway 99, on the one hand, and points located on and along U. S. Highway 99 north of Fresno to and including Sacramento, on the other.

(2) Valley Motor Lines, Inc., between Visalia, Famosa and intermediate points along State Routes 198 and 65; between Tulare

and Lindsay via unnumbered county road; between Tipton and Porterville via State Route 190; and between Tulare and Bakersfield via U. S. Highway 99. An alternate route extension is authorized from Kettleman City to Paso Robles via State Route 41.

The operative authority granted to Valley Motor Lines, Inc., by the order herein, may be used by it only to transport, as underlying carrier, traffic of Valley Express Co. and said operative authority shall exclude shipments which might move locally under Valley Express Co. rates between Fresno and Bakersfield and the intermediate points of Exeter, Lindsay, Strathmore, Porterville, Terra Bella, Ducor, Richgrove, Tipton, Pixley, Earlimart, Delano, McFarland and Famosa.

IT IS HEREBY FURTHER ORDERED:

That consolidation of the operating rights granted herein with existing operating rights be and the same is prohibited unless and until the Commission orders otherwise. Such restriction does not apply, however, to Valley Motor Lines, Inc., nor to Pacific Freight Lines.

IT IS HEREBY FURTHER ORDERED:

That oral argument be had before the Commission en banc in the matter of the application of Santa Fe Transportation Company at San Francisco in the Commission's Court Room at 10 a.m. on July 13, 1949, such oral argument to be confined to the question whether it would be contrary to public policy to grant an unrestricted highway common carrier right to a rail-controlled operator.

IT IS HEREBY FURTHER ORDERED:

That except as hereinabove provided the applications of the fourteen applicants are denied.

IT IS HEREBY FURTHER ORDERED:

That in providing service pursuant to the certificates herein granted, there shall be compliance with the following service regulations:

- (a) Applicants shall each file a written acceptance of their respective certificates as herein granted within a period of not to exceed 30 days after the effective date hereof.
- (b) Applicants shall each, within 90 days after the effective date of this order and upon not less than 5 days' notice to the Commission and the public, 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, tariffs and time schedules satisfactory to the Commission.

IT IS HEREBY FURTHER ORDERED:

That Case No. 4816 be and it is hereby discontinued.

The effective date of this order shall be 40 days after the date hereof.

Dated at San Francisco, California, this 14th day of June, 1949.

E. F. Middleton
Justice F. Grauer
Deputy K. J. J. J.
Harold H. Hula
Kenneth Potter
COMMISSIONERS

APPENDIX "A"

APPLICANTS

Edward M. Berol and Marvin Handler, for Savage Transportation Company and E. J. Willig Truck Transportation Co., interested parties in other applications; Henry J. Bischoff, H. P. Merry and W. A. Steiger, for Southern California Freight Lines and Southern California Freight Forwarders, protestants in Applications Nos. 27203 and 27302 and interested parties in other applications; R. E. Burton and Harold Frasher, for Valley Express Co. and Valley Motor Lines, protestants to all applications except Application No. 27573; Hugh Gordon, Wyman C. Knapp, John E. Hennessy and Sanford Waugh, for Pacific Freight Lines and Pacific Freight Lines Express, protestants to other applications except Application No. 25264; G. T. Hurst, Louis M. Welsh, Allan P. Matthew, Leo E. Sievert, G. H. Trautman, Roland J. Henning and William E. Brooks, for The Atchison, Topeka & Santa Fe Railway Company and Santa Fe Transportation Company, protestants to other applications; Scott Elder, for Western Transport Company; Arlo D. Poe, Reginald L. Vaughan, Varnum Paul, John G. Lyons and E. S. Stanley, for Associated Freight Lines, interested party in other applications; A. S. Glickberg, Frank Loughran and Louis Lessner, for Pacific Intermountain Express Company; James D. Garibaldi and H. L. Scott, for Sterling Transit Co., Inc.; Willard S. Johnson, for Hills Transportation Company, protestant in Application No. 27203; L. J. Smallpage, for Lillie Transportation Co.; Ray E. Untereiner, Arthur H. Glanz and E. M. Peak, for Charles P. Hart Transportation Company; Phil Jacobson, Richard Cantley and Lloyd R. Guerra, for Western Truck Lines, protestant to Application No. 27203.

PROTESTANTS

Douglas Brookman, for California Motor Express, Ltd., and California Motor Transport Company, Ltd., protestants in all applications; R. E. Wedekind, E. L. H. Bissinger, William Meinhold and F. F. Willey, for Southern Pacific Company, Pacific Motor Trucking Company, Pacific Electric Railway Company, Visalia Electric Railway Company, Holton Interurban Railway Company, San Diego & Arizona Eastern Railway Company, Central California Traction and Sunset Railway, protestants in all applications; Howard J. Baladine, for Lyons Van Lines, Inc., protestant to Application No. 27232 insofar as it seeks to transport uncrated household goods; J. W. Barker, for Calmay Van Lines, protestant to Application No. 27232 insofar as it seeks to transport uncrated household goods; G. H. Trautman and J. H. Anderson, for The River Lines, protestant to all applications; Marvin Handler for Bekins Van Lines, Inc., Calmay Van Lines, Lyons Van Lines, Inc., and James Van Lines, protestants to Application No. 27232 insofar as it seeks to transport uncrated household goods; W. H. Kessler, for Western States Express, Pacific States Express, and California Freight Forwarders, protestants to all applications; Jackson W. Kendall, H. A. Kern, Wyman C. Knapp and E. W. Kerutu, for Bekins Van Lines and California Van and Storage Association, protestants to Application No. 27232 insofar as it seeks to transport uncrated household goods; Fred W. Mielke, for

Delta Lines, Inc., protestant to Applications Nos. 27284 and 27203; Arlo D. Poe, for Motor Truck Association of Southern California, protestant in Application No. 27203; Edward Trimmer and J. E. Vizzard, for Highway Transport Co. Inc., protestant to all applications; Reginald L. Vaughan, Varnum Paul and John G. Lyons, for Coast Line Truck Service, Inc., protestant in Applications Nos. 27232 and 27301 and for Clark Bros. Motor Transport System, Inc., protestant to amended Application No. 25264; Ross G. Van Gundy, for James Van Lines, protestant to Application No. 27232 insofar as it seeks to transport uncrated household goods.

INTERESTED PARTIES

L. N. Bradshaw and F. W. Steel, for Western Pacific Railway Company, Sacramento Northern Railway and Tidewater Southern Railway Company; H. R. Brashear, for the Los Angeles Chamber of Commerce; R. J. Beck, for El Rey Products Company; Russell Bevans, for San Francisco Movers, Inc.; R. E. Crandall, for Associated Jobbers and Manufacturers; J. J. Deuel and Edson Abel, for California Farm Bureau Federation; Preston W. Davis, for United Parcel Service of Los Angeles; Alphonse T. Eche, for Western Traffic Conference; L. C. Faus, in propria persona; C. A. Hodgman, for the Port of San Diego and the San Diego Chamber of Commerce; E. L. Hiatt, for Union Oil Company; E. P. Kensinger, for M. J. B. Co. and Western Can Company; T. E. McCue, for Crane Company; Jacob Maniss, for Heating and Cooking Equipment Manufacturers; A. E. Patton, for Richfield Oil Corporation and Rio Grande Oil, Inc.; Melvin A. Pixley and F. W. Turcotte, for Furniture Fast Freight; J. E. Reardon, W. E. Paul and P. R. Smith, for Union Oil Company; Walter A. Rohde, for the San Francisco Chamber of Commerce; Edward Stern, for The Railway Express Agency, Incorporated; W. C. Stone, for Sacramento Chamber of Commerce; Leroy W. Smith, for Loretz and Shannon; J. C. Sommers, for Stockton Chamber of Commerce; Wallace L. Ware and E. G. McMicken, for H. F. Alexander; E. J. Wigle, for California State Brewers Institute.

APPENDIX "B"

DESCRIPTION OF SAN FRANCISCO TERRITORY
(Item 270-A, Highway Carriers' Tariff No. 2)

The area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Boundary Line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U. S. Highway No. 101; southerly along an imaginary line 1 mile west of and paralleling U. S. Highway No. 101 to its intersection with the corporate boundary of the City of San Jose; southerly, easterly and northerly along said corporate boundary to its intersection with State Highway No. 17; northerly along State Highway No. 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland boundard line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U. S. Highway No. 40 (San Pablo Avenue); northerly along U. S. Highway No. 40 to and including the City of Richmond; southwesterly along the highway extending from the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco Waterfront at the foot of Market Street; westerly along said water front and shore line to the Pacific Ocean; southerly along the shore line of the Pacific Ocean to point of beginning.

APPENDIX "C"

DESCRIPTION OF LOS ANGELES TERRITORY (Item 270-A, Highway Carriers' Tariff No. 2)

The area embraced by the following boundary: Beginning at the intersection of Sunset Boulevard and U.S. Highway No. 101, Alternate; thence northeasterly along Sunset Boulevard to State Highway No. 7; northerly along State Highway No. 7 to State Highway No. 118; northeasterly along State Highway No. 118 through and including the City of San Fernando; continuing northeasterly and southeasterly along State Highway No. 118 to and including the City of Pasadena; easterly along U.S. Highway No. 66 to State Highway No. 19; southerly along State Highway No. 19 to its intersection with U. S. Highway No. 101, Alternate, at Kimono Street; southerly along Kimono Street and its prolongation to the Pacific Ocean; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northerly along an imaginary line to point of beginning.

APPENDIX "D"

DESCRIPTION OF SAN FRANCISCO TERRITORY (Associated Freight Lines)

The area embraced by the following boundary: Beginning at the point where the South San Francisco southerly limits meet San Francisco Bay; thence westerly along said boundary line to U. S. Highway No. 101; northerly along U. S. Highway No. 101 to the San Francisco-San Mateo County Boundary Line; westerly along said boundary line to the Pacific Ocean; northerly and easterly along the shore line of the Pacific Ocean and San Francisco Bay to the foot of Market Street; northerly along an imaginary line from the foot of Market Street to Point Richmond; northeasterly along the highway extending from Point Richmond to the City of Richmond; northerly and easterly along the City Limits Boundary Line of the City of Richmond, including Richmond and the unincorporated Community of San Pablo, to U. S. Highway No. 40; southerly along U. S. Highway No. 40 to Arlington Avenue; southerly along Arlington Avenue to Marin Avenue; easterly along Marin Avenue to Euclid Avenue; southerly along Euclid Avenue to the campus boundary of the University of California; easterly and southerly along the campus boundary of the University of California to the Berkeley-Oakland boundary line; southerly along the Berkeley-Oakland boundary line to Dwight Way; westerly along Dwight Way to College Avenue; southerly along College Avenue to Broadway Terrace; easterly along Broadway Terrace, Harbor Drive and Estates Drive to Moraga Avenue; southerly along Moraga Avenue and Mountain Boulevard to Seminary Avenue; westerly along Seminary Avenue to MacArthur Boulevard; southerly along MacArthur Boulevard to the southerly limits of the City of San Leandro; southwesterly along said City Limits Boundary Line to State Highway No. 17; thence along State Highway No. 17 to Williams Street; southwesterly along Williams Street to Mulford Landing on the shoreline of San Francisco Bay; westerly along an imaginary line across San Francisco Bay from Mulford Landing to the southerly limits of the City of South San Francisco, the point of beginning.

APPENDIX "E"

DESCRIPTIONS OF SACRAMENTO, STOCKTON, MODESTO
TERRITORY, FRESNO TERRITORY and LOS ANGELES,
SAN BERNARDINO, RIVERSIDE and ORANGE COUNTIES
TERRITORY

(Western Truck Lines, Ltd.)

SACRAMENTO, STOCKTON, MODESTO TERRITORY includes all points between Sacramento and Modesto, California, on U.S. Highway 99; including the City of Sacramento and all territory within three (3) miles of the City Limits, the City of North Sacramento, the City of Stockton, and the City of Modesto; all points between Oakland and Stockton on U.S. Highway 50; including the City of Livermore and the City of Lathrop; and all points on California State Highway 120.

FRESNO TERRITORY includes those points and places on or within two (2) miles of U.S. Highway 99 between Madera and Kingsburg, both points included.

LOS ANGELES, SAN BERNARDINO, RIVERSIDE, ORANGE COUNTIES TERRITORY includes that area embraced by the following boundaries: Beginning at the intersection of Sunset Boulevard and U.S. Highway 101, alternate; thence northeasterly along Sunset Boulevard to State Highway No. 7; northerly along State Highway No. 7 to State Highway No. 118; northeasterly along State Highway No. 118 through and including the City of San Fernando; continuing northeasterly and southeasterly along State Highway No. 118 to and including the City of Pasadena; easterly along U.S. Highway No. 66 to and including the City of San Bernardino, California; thence easterly over Mill Street to Junction Mountainview Avenue; thence easterly and southerly over Mountainview Avenue to Junction U.S. Highway 99; thence easterly over U.S. Highway 99 to and including the City of Redlands; thence westerly over U.S. Highway 99 to and including the City of Colton, California; thence southerly along U.S. Highway 395 to and including March Field; thence northerly and westerly over U.S. Highways 395 and 60 to and including the City of Riverside; thence westerly and northerly over U.S. Highway 60 to and including the City of Pomona, California; thence easterly along U.S. Highway 60 to Junction Pomona Boulevard; thence southerly along Pomona Boulevard and Brea Canyon Road to Junction Pomona Avenue; thence southerly along U.S. Highway 101 to Junction Chapman Avenue; thence easterly along Chapman Avenue to and including the City of Orange; thence southerly along Glassell Avenue to and including the City of Santa Ana; thence westerly along First Street and Bolsa Avenue to Seal Beach, California; thence westerly along an imaginary line to the Pacific Ocean; thence westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and U.S. Highway 101, alternate; thence northerly along an imaginary line to point of beginning.

APPENDIX "F"

Description of Routes to be Followed by Santa Fe Transportation Company

MAIN HIGHWAY ROUTES

(1) Between San Francisco and Los Angeles:

From San Francisco via U. S. Highway 50 and State Highway 120 to Manteca; also from San Francisco through Stockton to Manteca via U. S. Highway 40, State Highway 4 and U. S. Highway 99; thence from Manteca via U. S. Highway 99 to Los Angeles.

(2) Between Los Angeles, Los Angeles Harbor and Long Beach:

From Los Angeles to Los Angeles Harbor (Wilmington-San Pedro) via Inglewood, El Segundo and Redondo Beach; thence from Los Angeles Harbor to Long Beach.

(3) Between Los Angeles and Fontana:

From Los Angeles via U. S. Highways 66-A and 66 to Fontana.

(4) Between Fullerton, Santa Ana and Colton:

From the junction of U. S. Highway 101 By-Pass and U. S. Highway 101 to San Diego and National City.

(5) Between Fullerton, Santa Ana and Colton:

From the junction of U. S. Highway 101 By-Pass and Commonwealth Avenue via Commonwealth Avenue to Fullerton and thence via State Highway 14 to junction of State Highways 14 and 18; also from Santa Ana through Orange and Olive to junction of State Highways 14 and 18 via U. S. Highway 101, unnumbered highway and State Highway 18; thence from junction of State Highways 14 and 18 via State Highway 18 through Corona to Riverside; thence via U. S. Highway 395 to Colton.

(5-A) From Corona via State Highway 71 to Elsinore.

(5-B) From Riverside via U. S. Highways 60 and 395 to Perris; thence via State Highway 74 to Hemet; thence via State Highway 79 to San Jacinto.

ALTERNATE OR LATERAL ROUTES TO BE USED FOR OPERATING CON- VENIENCE IN THE PERFORMANCE OF SERVICE BETWEEN MAIN HIGH- WAY ROUTES AND POINTS ON THE LINES OF THE SANTA FE RAILWAY

(a) From Oakland to Pittsburg via State Highways 24 and 4.

(b) From junction of U. S. Highway 50 and State Highway 120 to Stockton via U. S. Highway 50.

(c) From U. S. Highway 99 at Turner to State Highway 120 at Simms via unnumbered highway.

(d) From Manteca to Oakdale via State Highway 120.

(e) From U. S. Highway 99 at Salida to Riverbank and Oakdale via unnumbered highways.

(f) From U. S. Highway 99 at Modesto to Riverbank and Escalon via unnumbered highways.

(g) From U. S. Highway 99 at Modesto to Empire via State Highway 132; thence via unnumbered highways through Hughson and Denair to U. S. Highway 99 at Turlock.

(h) From U. S. Highway 99 at Ceres to Hughson via unnumbered highway.

(i) From U. S. Highway 99 at Livingston via unnumbered highways through Winton to U. S. Highway 99 at Atwater.

(j) From U. S. Highway 99 at Merced via State Highway 140 to Planada; thence via unnumbered highway through Le Grand to U. S. Highway 99 at Minturn; also west from Le Grand via unnumbered highway to junction with U. S. Highway 99.

(k) From U. S. Highway 99 at Fresno via State Highway 41 and unnumbered highways to Conejo; thence via unnumbered highways through Laton, Hanford, Guernsey, Corcoran, Stoll and Allensworth to junction with U. S. Highway 99 at Earlimart;

(l) From Laton to U. S. Highway 99 at Kingsburg via unnumbered highways.

(m) From Hanford to Visalia via State Highway 198.

(n) From Corcoran to Tulare via unnumbered highways.

(o) From Corcoran via unnumbered highways and State Highway 190 to Porterville.

(p) From Stoll to Alpaugh via unnumbered highway.

(q) From U. S. Highway 99 west via unnumbered highway to Pond; thence via unnumbered highways through Wasco to Shafter; thence via Lerdo Road to junction with U. S. Highway 99.

(r) From Wasco to U. S. Highway 99 via unnumbered highway.

(s) From Shafter via unnumbered highways and State Highway 178 to Bakersfield.

(t) From Fresno via State Highway 180 to Minkler; thence via unnumbered highway to Reedley.

(u) From Minkler via State Highway 180 and unnumbered highways to Orange Cove.

(v) From Cutler via unnumbered highways and State Highway 65 to Exeter.

(w) From Porterville via State Highway 65 to junction with U. S. Highway 99 near Famoso.

(x) From Redondo Beach through Torrance to Wilmington via unnumbered highways.

(y) From U. S. Highway 66 at Azusa via Azusa Avenue to U. S. Highway 99.

(z) From U. S. Highway 66 via State Highway 71 (Garvey Avenue) through Pomona to U. S. Highway 99.

(aa) From U. S. Highway 66 via Archibald Avenue through Cucamonga to U. S. Highway 99.

(bb) From U. S. Highway 66 (near plant of Kaiser Co., Inc., Iron and Steel Division) via Cherry Avenue to U. S. Highway 99.

(cc) From U. S. Highway 66 via Sierra Avenue through Fontana to U. S. Highway 99.

(dd) From Los Angeles via U. S. Highway 101 and State Highway 35 to Santa Fe Springs; thence via Anaheim-Telegraph Road and Leffingwell Road to U. S. Highway 101; thence via U. S. Highway 101 through Fullerton to junction of U. S. Highway 101 and U. S. Highway 101 By-Pass.

(ee) From junction of U. S. Highway 101 By-Pass and State Highway 19 via State Highway 26 to Santa Fe Springs; thence via State Highway 35 to junction with U. S. Highway 101 By-Pass.

(ff) From junction of Anaheim-Telegraph Road and Valley View Avenue via State Highway 26 to U. S. Highway 101 By-Pass at Buena Park.

(gg) From U. S. Highway 101 to Linda Vista via unnumbered highway.

(hh) From Junction of U. S. Highway 101 By-Pass and State Highway 18 via State Highway 18 through Anaheim to Olive.

(ii) From junction of Chapman Avenue and U. S. Highway 101 via Chapman Avenue through Orange to junction of Chapman Avenue and State Highway 55.

(jj) From junction of State Highways 18 and 55 near Olive via State Highway 55 to junction with U. S. Highway 101 near Tustin.

(kk) From junction of U. S. Highway 395 and Iowa Avenue near Highgrove via Iowa Avenue to junction with U. S. Highways 60 and 395.

(ll) From State Highway 74 to Winchester via unnumbered highway.

Over any and all other available highways, roads and streets between the main highway routes described and points on the lines of the Santa Fe Railway to which service is authorized.

APPENDIX "G"

DESCRIPTION OF SANTA CLARA VALLEY TERRITORY
(Western Transport Co.)

All of the territory within the limits of the following cities and towns: San Jose, Palo Alto, Mountain View, Los Altos, Sunnyvale, Cupertino, Monte Vista, Permanente, Saratoga, Los Gatos, Campbell, Santa Clara, Agnew, Alviso, Milpitas, Madrone, Morgan Hill, San Martin, Gilroy, Old Gilroy, and all territory in Santa Clara County within a distance of five miles on either side of the following roads and highways:

U. S. Highway No. 101 By-pass between East Palo Alto and San Jose,
U. S. Highway No. 101 between Palo Alto and Gilroy,
Sunnyvale-Saratoga Road,
Stevens Creek Road and Permanente Road between Cupertino and Permanente,
Saratoga-Los Gatos Road,
San Jose-Los Gatos Road and Santa Clara-Los Gatos Road between Los Gatos and Santa Clara,
Santa Clara-Alviso Road,
Alviso Road between Alviso and Milpitas,
State Highway No. 17 between Milpitas and San Jose,
Pacheco Pass Road between Gilroy and Old Gilroy.

APPENDIX "F"

DESCRIPTIONS OF SAN FRANCISCO BAY AREA AND SAN DIEGO AREA
(Sterling Transit Company, Inc.)

The Cities of San Francisco, South San Francisco, Oakland, Emeryville, Berkeley, Albany, El Cerrito, Richmond, Piedmont, Alameda and San Leandro, the unincorporated community of San Pablo together with the area within a radius of one mile thereof, and points along and within one-half mile laterally of Highway U. S. No. 101 alternate between South San Francisco and San Francisco.

The area embraced within the city limits of the Cities of San Diego, National City, Chula Vista, La Mesa and El Cajon.

APPENDIX I

SUMMARY SHOWING TOTAL TONNAGE TRANSPORTED BETWEEN THE SAN FRANCISCO-OAKLAND METROPOLITAN AREA ON THE ONE HAND AND THE LOS ANGELES METROPOLITAN AREA ON THE OTHER HAND INCLUDING CERTAIN INTERMEDIATE POINTS PLUS TONNAGE TO POINTS BEYOND AS REFLECTED BY EXHIBIT NOS. 129 & 187.

All Figures on Estimated 12 Months Basis

EXHIBIT NO. 129

TONNAGE BETWEEN SAN FRANCISCO - OAKLAND METROPOLITAN AREA AND LOS ANGELES METROPOLITAN AREA INCLUDING CERTAIN INTERMEDIATE POINTS PLUS TONNAGE TO POINTS BEYOND

HIGHWAY CARRIERS					RAIL (1)			Total Rail and Highway
Permit- ted Carri- ers	Cert. Carri- ers	Inter- state Carri- ers	Propri- etary Trucks	Total Highway	L.C.L. Freight	Carload Freight	Total Rail	
GENERAL COMMODITIES ONLY								
910,600	161,700	-	31,500	1,103,800	40,967	493,344	534,311	1,638,111

EXHIBIT NO. 187

TONNAGE BETWEEN SAN FRANCISCO - OAKLAND METROPOLITAN AREA AND LOS ANGELES METROPOLITAN AREA PLUS TONNAGE TO POINTS BEYOND

HIGHWAY CARRIERS						RAIL (3)			Total Rail and Highway
Between Areas (2)	Permit- ted Carri- ers	Cert. Car- riers	Inter- state Car- riers	Propri- etary Trucks	Total Highway	L-C-L- Freight	Carload Freight	Total Rail	
GENERAL COMMODITIES ONLY									
1 & 6	552,191	145,875	-	16,821	714,887				
1A & 6	73,963	-	4,191	24,764	102,938				
1 & 6A	63,169		6,245	285	69,699				
1A & 6A	8,586	3,953		6,308	18,847				
TOTAL	697,929	149,828	10,436	48,178	906,371	(4) 118,000	489,496	607,496	1,513,867
ALL PROPERTY									
1 & 6	590,025	158,047	-	22,443	770,515				
1A & 6	115,595	-	4,191	25,323	145,109				
1 & 6A	69,601	-	9,428	533	79,562				
1A & 6A	17,092	3,953	-	6,703	27,748				
TOTAL	792,313	162,000	13,619	55,002	1,022,934	(4) 118,000	489,496	607,496	1,630,430

(1) Southern Pacific Co. and The Atchafon, Topeka & Santa Fe Railway Co.

(2) Area 1 embraces counties of San Francisco, San Mateo and Alameda - City of Richmond.

Area 1A embraces Marin County and coastal territory north of Area No. 1.

Area 6 embraces the county of Los Angeles.

Area 6A embraces territory south and east of Area No. 6.

(3) Southern Pacific Co. only - includes Los Angeles Harbor Area.

(4) Southern Pacific Co. "San Francisco - Los Angeles Overnite" Train.