

ORIGINAL

Decision No. 43023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HARRY STEWARD doing business as)
 Auto Purchasing Agency for a certifi-)
 cate to operate an automobile truck)
 service as a highway common carrier) Application No. 28417
 for the transportation of automobile)
 parts, etc., between Los Angeles and)
 vicinity on one hand, and Wasco, etc.,)
 on the other hand.)

F. W. Turcotte for applicant
Gordon & Knapp by Wyman C. Knapp for Pacific Freight Lines
 and Pacific Freight Lines Express
H. P. Merry for Southern California Freight Lines and
 Southern California Freight Forwarders
Preston W. Davis for United Parcel Service of Los Angeles, Inc.
Joseph C. Gill for Southern Pacific Company, Pacific Motor
 Trucking Company and Pacific Electric Railway Company
Louis M. Welsh, John B. Kramer and William F. Brooks for
 The Atchison, Topeka and Santa Fe Railway Company and
 Santa Fe Transportation Company, protestants.

O P I N I O N

By this application, as amended, Harry Steward, doing business as Auto Purchasing Agency, seeks a certificate of public convenience and necessity authorizing operations as a highway common carrier for the transportation of (1) automobile parts, accessories, materials, tools, and gas and diesel engines, and (2) agricultural implements and parts between the Los Angeles metropolitan area known as Zone 1, as described in Item No. 30-A of the Commission's Distance Table No. 3, and El Segundo, on the one hand, and (a) Wasco, serving all intermediate points Gorman and north; (b) Santa Barbara, serving Oxnard, Carpinteria, and Ventura as intermediate points; (c) Colton, serving Pomona and Ontario as intermediate points and Covina as a lateral point; (d) Riverside, serving San Bernardino and Colton as intermediate

points and Fontana as a lateral point; and (e) San Diego, serving Oceanside as an intermediate point and La Mesa as a lateral point, on the other hand.

The principal highway common carriers and rail lines transporting general freight traffic between the points proposed to be served, their affiliated express corporations or highway transport companies and the United Parcel Service of Los Angeles, Inc., protested the granting of the application. Public hearings were held before Examiner Bradshaw at Los Angeles, Santa Barbara, Bakersfield, San Diego and Ontario. Briefs have been filed.

In 1941 applicant purchased a trucking business and automotive purchasing agency. Since that time, the record shows, he has transported automobile parts and agricultural implement parts between the Los Angeles area and the points embraced in the application under radial highway common carrier, highway contract carrier and city carrier permits. The purchasing agency is used as an adjunct to the transportation operations. Upon telephone or teletype requests from dealers applicant canvasses the Los Angeles supply houses, and sometimes wrecking yards, for the particular automobile parts required and subsequently transports the same to the respective purchasers. Separate charges are made for the two services.

Applicant desires to operate in the future as a highway common carrier of the classes of articles he has carried in the past. The proposed method of operation is substantially the same as that conducted at the present time. Daily service, except on Sundays, Mondays and holidays, is contemplated on each of the proposed routes. Shipments are to be picked up in the Los Angeles

area as late as 4:00 p.m. and at El Segundo at 1:30 p.m. for delivery at destination the next morning. According to the proposal, shipments will be delivered to consignees at the principal points not later than as indicated in the following tabulation:

Bakersfield	9:20 a.m.	San Diego	9:30 a.m.
Oxnard	8:00 a.m.	Ontario	9:45 a.m.
Ventura	9:50 a.m.	San Bernardino	8:45 a.m.
Santa Barbara	10:40 a.m.	Riverside	7:30 a.m.
Oceanside	7:15 a.m.		

An additional service is proposed to the Riverside-San Bernardino area, including intermediate points. Shipments are to be picked up in Los Angeles during the forenoon of each day except Saturdays, Sundays and holidays, and delivered at destination between 1:30 p.m. and 4:45 p.m. the same day.

It is proposed to pick up shipments destined to Los Angeles during the forenoon by trucks scheduled to arrive at that point the same day at 11:45 a.m.; 3:00 p.m. or 4:00 p.m., depending on the route upon which the point of origin is located. This proposal was modified in certain respects during the hearings. It is now contemplated that trucks from certain points will arrive in Los Angeles the following morning.

The proposed rates and rules and regulations applicable thereto are, generally speaking, those which have been established by this Commission as minima for such transportation. It is also proposed to publish a charge for service performed by the purchasing department of 10 cents, subject to a minimum charge of \$2.00 per week, for each telephone call made in placing each order, or part thereof, or in procuring information from suppliers as to the availability of the merchandise.

As justification for the granting of highway common carrier operating authority, it is alleged that (1) consignees require prompt, efficient and specialized service for the ordering, purchase and transportation of automotive parts and agricultural implements and parts; (2) growing demands for such service and the development of applicant's operations have reached a point where it is in the public interest that his service be extended to the public generally; (3) no existing highway common carrier operating between the points embraced in the application renders a specialized service such as required for the traffic in question; and (4) a substantial number of shippers and consignees have expressed strong dissatisfaction with the present service of existing common carriers which transport general commodities.

Applicant asserted that contractual arrangements covering the transportation of automobile parts and agricultural implements and parts are in effect with numerous shippers or consignees. Exhibits of record purport to disclose that a total of 161 contracts are in existence. It appears that 85 of them were entered into subsequent to 1945, i.e.; 56 in 1946; 27 in 1947 and 2 in January 1948. In applicant's opinion, shipments are picked up in the performance of his present operations at 80 per cent of the automotive parts distributors in the so-called Los Angeles Zone 1 area. He declared that business has progressively increased year after year; that many requests for service have been received which he has had to turn down, and that "with the calls I have already, I have to have a common carrier permit."

Applicant testified that 11 drivers are employed at the present time; 7 being engaged in the Los Angeles local pickup service. It is stated that 9 trucks, a tractor and semi-trailer are

used in the business. A terminal with dock space and office is maintained in Los Angeles upon leased property. According to the testimony, 5 outside telephones, 6 private lines and a teletype are in use throughout the day for receiving and placing orders for jobbers and dealers in the territory served. Applicant estimates that from 75 to 100 purchases a day are made through his purchasing department. According to exhibits of record, applicant's revenues and operating expenses (which include depreciation but no allowance for salary to the owner) during 1946 and 1947 were as follows:

	<u>1946</u>	<u>1947</u>
<u>Operating Revenues</u>		
Freight Transportation	\$ 86,036	\$ 103,971
Purchasing Services	8,174	7,369
Fees on C.O.D.'s	184	445
Miscellaneous	75	35
Total	\$ 94,469	\$ 111,820
<u>Operating Expenses</u>	<u>84,163</u>	<u>97,405</u>
Profit from Operations	\$ 10,306	\$ 14,415

Data were presented analyzing the shipments transported during the months of March, 1946 and 1947. It was stated that the figures reflect a typical showing of the volume and nature of applicant's traffic. The number of shipments in March, 1947, were substantially the same as in March 1946. However, the number of small parcels transported in March 1947, was 8 per cent greater than in March 1946. An analysis of applicant's traffic during March, 1947, as computed from the data presented, is summarized in the following tabulation:

	<u>Number of Shipments</u>	<u>Weight in Pounds</u>	<u>Revenue</u>
Auto Parts	7,053	918,037	\$ 7,619
Implements & Parts	56	54,125	329
Parcel Shipments	<u>2,044</u>	- - - *	480
Total	9,153	972,162	\$ 8,428

(*) Weight of parcel shipments not of record.

Averages Per Shipping Day

Auto Parts	331	43,716	\$ 372
Implements & Parts	2.5	2,577	16
Parcel Shipments	<u>97.5</u>	<u>- - -*</u>	<u>23</u>
Total	431	46,293	\$ 411

According to these figures, the auto parts averaged 130 pounds per shipment and the average weight of the agricultural implements and parts shipments was 966 pounds. Applicant stated that shipments weighing as much as 4,000 pounds are unusual. Applicant expects an increase of 20 per cent in auto parts traffic and a 10 per cent increase in agricultural implements and parts if the sought certificate is granted. He testified that during 1947 the revenue for transporting auto parts amounted to \$94,000 and that the revenue for handling agricultural implements and parts was approximately \$10,000. On this basis, the increase in the annual revenue would be about \$19,800. It is estimated by applicant that his operating expenses will be increased by about \$10,800 per annum due to the employment of additional drivers to comply with certain operating regulations.

Other statistics purport to show the automobile and truck registrations and number of automobile dealers in the counties⁽¹⁾ in which applicant operates for the years 1938 to 1947, inclusive, and the estimated civilian population therein as of January 1, 1947, as compared with the 1940 census figures. These data show that (a) there was a substantially greater increase in the automobile and truck registrations during the years 1943 to 1947, inclusive, than in the previous 5 years; (b) the number of automobile dealers increased from 2,115 in 1938 and 2,281 in 1941 to 3,998 in 1947; and (c) the population has increased about 37.5 per cent since 1940.

(*) Weight of parcel shipments not of record.

(1) Kern, Los Angeles, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura.

Numerous shippers and consignees, comprising 41 per cent of the parties with whom contractual arrangements have assertedly been entered into, testified on behalf of applicant. In each instance the witnesses stated that frequent use is made of applicant's present service; that it has been very satisfactory and superior to that offered by existing common carriers for the class of traffic applicant has been transporting; and that the proposed common carrier service would be advantageous.

Many of the witnesses indicated that they also utilize the services of one or more of the protestants for certain shipments, while others stated that they had no recent experience, or were not familiar, with such services as presently conducted.

The Los Angeles shippers asserted that applicant renders an extremely good pickup service, making special trips when necessary, thereby enabling late afternoon orders to be filled and the shipments delivered to customers early the next morning. They declared that applicant's service affords the quickest and most dependable method of delivering auto parts to consignees. The importance of expeditious transportation when parts are required to repair vehicles, due to breakdowns and the unavailability of the necessary parts in the vicinity, was stressed. Most of the witnesses testified that shipments of this nature are forwarded every day.

The shipper-witnesses disclaimed a knowledge of the existence of any other service to the points embraced in the application which is comparable to that performed by applicant. Although generally considered satisfactory for so-called "stock orders," they contend that the service provided by protestants is not of the type which meets the requirements of the special or emergency parts

traffic. It is asserted that such carriers do not afford a sufficiently expeditious or dependable pickup or delivery service for this class of business. For these reasons, the proposed service is regarded by the shippers who testified as essential to the economic or successful operation of their businesses. A few of the witnesses conceded that the existing common carrier service has improved since the war. Several others complained of delays in picking up shipments by protestants or of their refusal to accept certain articles unless crated.

The consignees testified that they endeavor to carry in stock parts for all or most makes of automobiles, or such items as are sold with sufficient frequency to justify doing so, but it is nevertheless necessary to call upon Los Angeles suppliers for many parts which are required in a hurry, due largely to automobile and truck breakdowns. Some of these witnesses declared that as many as 10 telephone or teletype orders a day are placed for this purpose, while most of them said that such orders were made at least once a day. A few indicated that orders were transmitted several times a week. The necessity of receiving the parts covered by such orders as quickly as possible was stressed. The maintenance of a complete stock of parts to meet all contingencies was said to be impossible from both a practical and financial standpoint.

It appears that a substantial number of the consignee witnesses utilize applicant's purchasing department for placing at least a portion of their special orders. They characterized the arrangement as a very definite convenience and a means of effecting savings in telephone expense in locating required parts. Other witnesses, usually automobile dealers, stated that their orders are placed directly with the supply houses. Two distributors at San

Bernardino testified that a purchasing agency operated by a group of 15 or 20 southern California jobbers is used in placing their orders. The record does not disclose to what extent, if at all, this agency is available to other jobbers, such as now use applicant's purchasing service.

Considerable testimony was given concerning the shipment of used parts to Los Angeles to be rebuilt, repaired or exchanged for new parts. It was testified that in some cases new parts cannot be secured until the old parts are surrendered, and that expedition is frequently necessary in transporting the used articles. The prevailing practice appears to be to tender such shipments without being crated, boxed or wrapped. A few of the witnesses stated that protestants will not accept shipments in such condition.

It is claimed that, under the circumstances, there is a definite need for applicant's service. Some of the witnesses testified that they could not conveniently or successfully conduct their businesses without it. The consignees invariably asserted, as did the Los Angeles shipper-witnesses, that they do not know of any comparable service by other carriers. Several of these witnesses said that if applicant's service should be discontinued some means of providing their own transportation would have to be made.

In nearly every instance the consignee-witnesses testified that certain shipments, usually stock orders or those over which the routing is controlled by the shipper, are transported by existing common carriers. However, they regard applicant's service as superior, because of the combined features of the purchasing service and early delivery of shipments at a uniform hour. Protestants' service is described as slower and not suitable for shipments

required in a hurry. A number of witnesses contended that from 2 to 4 days, sometimes more, elapsed before shipments handled by the existing common carriers are received. It appears that the periods stated were in most instances computed from the time shipping orders were mailed, rather than from the time shipments were tendered to the carrier.

The existing common carrier service is considered satisfactory by many of the witnesses for other than emergency shipments; others complained of delays, or that protestants do not pick up shipments late enough or make deliveries sufficiently early. A few of the consignees testified that United Parcel Service gives a satisfactory service for small packages. In some cases, an improvement in protestants' service within recent months was noted.

While the testimony of shippers and consignees reviewed in the foregoing paragraphs relates primarily to the transportation of auto parts, the evidence concerning the conditions surrounding the shipment of agricultural implements and parts is in most respects to the same effect.

United Parcel Service of Los Angeles, Inc., its vice president testified, transports packages weighing not more than 100 pounds or measuring not over 160 inches in length and girth combined. It operates from Los Angeles, Pasadena and Long Beach to points throughout southern California as far north as Santa Barbara and easterly to San Bernardino, Redlands and Riverside. Shipments moving in the opposite direction are not accepted, unless they were previously transported by the carrier and are refused or returned by the consignee for repairs, credit or alterations. No operations are conducted to points located on applicant's

proposed route extending to Bakersfield and Wasco.

According to the testimony, United Parcel picks up shipments in the Los Angeles area as late as 6:00 p.m. each day. Packages are also accepted at several receiving stations as late as 6:30 p.m. It is asserted that an overnight service is rendered to all points to which this carrier operates.

Shipments to points proposed to be served by applicant, the witness stated, are transported in line-haul equipment to delivery stations at Ventura, Pomona, San Bernardino and San Diego. After processing at these stations, the shipments are delivered to consignees in the same and nearby communities. At San Diego, it is claimed that deliveries to the downtown business area start at 8:00 a.m. and are usually completed by 9:30 a.m. The drivers then return to the terminal to load shipments for the outlying districts and nearby points, including La Mesa and Oceanside. It was stated that deliveries at Oceanside are made sometime during the day. It also appears that delivery trucks are dispatched from Ventura, Pomona and San Bernardino in various directions at about 8:00 a.m. Deliveries in the business district of Ventura, Santa Barbara, Pomona, Colton and San Bernardino, according to the testimony, start upon the opening of business hours at about 8:00 a.m.; while those for the outlying districts and points in the surrounding territories are taken care of later. The hours at which deliveries are accomplished at some of the points were not disclosed.

In view of the mechanical methods used by United Parcel in unloading, sorting and loading at terminals, the witness asserted, it is not possible for packages to be held over or so delayed as to not receive overnight service. While shipments are required to be

so packaged as to receive safe transportation and avoid damage to other shipments, it is claimed that a number of articles are accepted without being packed. In this category, generator motors, axle shafts, unpainted fenders, tail pipes and tires were cited as examples.

In order to receive pickup service, United Parcel requires shippers to execute a so-called "service agreement." The agreement provides, among other things, that the carrier will call regularly each business day at the shipper's place of business and that the minimum charge or guarantee for doing so will be \$3.00 a week. This carrier also requires the prepayment of charges on all shipments.

United Parcel's Los Angeles pickup zone embraces a wider territory than that proposed by applicant. The record, however, does not disclose to what extent shippers of the articles here under consideration are located in the area which applicant does not propose to serve.

An exhibit of record purports to show that 127 firms engaged in handling auto parts and supplies in Los Angeles are regular customers of United Parcel. A list of deliveries made for such shippers during the week ended September 25, 1948, indicates that 91 of the 127 firms shipped to points which applicant proposes to serve. The shipments to such points involved a total of 1,046 deliveries. It is not represented that these shipments consisted of auto parts and related articles. It was testified, however, that 20 of the shippers deal exclusively in such articles. According to another exhibit, United Parcel during February, 1948, transported 529 shipments to 77 consignees who are said to be users

of applicant's present service. All of the shipments were admittedly prepaid shipments and did not necessarily consist of auto parts and related articles.

United Parcel asserts that all of applicant's present customers in San Diego are located in the downtown area or along the route used in serving La Mesa, whereas the city limits embrace a more extensive area. It is claimed that there are considerably more firms dealing in auto parts and supplies in San Diego than those which now patronize applicant. While certain of these firms receive shipments from the Los Angeles drayage area, the record does not indicate how many of them do so. However, during October, 1948, it appears that United Parcel delivered at least one shipment from Los Angeles to 71 per cent of the wholesale auto parts firms listed in the San Diego telephone directory. Another exhibit indicates that on September 28 and 29, 1948, United Parcel delivered 44 shipments from Los Angeles to various auto parts firms, garages and service stations in San Diego, La Mesa and Oceanside and of this number 10 were consigned to consignees who now utilize applicant's service. The nature of the articles transported was not disclosed.

A witness employed by Southern Pacific Company presented exhibits outlining that carrier's train schedules for handling less-than-carload shipments and the pickup and delivery service afforded at points proposed to be served by applicant. A few of the points are reached by using the facilities of its affiliated companies, Pacific Motor Trucking Company or Pacific Electric Railway Company. Pickup and delivery service when available is performed by the trucking company or by local draymen under contract.

According to one of the exhibits, delivery of freight is

commenced at the following hours:

<u>A.M.</u>	<u>Stations</u>
8:00	Covina and Los Angeles
8:15	Bakersfield.
8:30	Oxnard, Santa Barbara, Pomona and Ontario.
8:45	Ventura and San Bernardino.
9:20	Riverside.
9:30	Fontana and Colton.
10:30	El Segundo.
<u>P.M.</u>	
1:30	La Mesa.

The same exhibit indicates that freight will be picked up until -

<u>P.M.</u>	<u>Stations</u>
3:00	Los Angeles
3:30	La Mesa and El Segundo
4:00	Oxnard, Covina, San Bernardino and Riverside.
4:15	Bakersfield.
4:30	Ventura, Santa Barbara, Fontana, Pomona, Ontario and Colton.

Southern Pacific Company's witness also asserted that freight will be accepted at its depots at the places mentioned until 5:00 p.m., with the exception of at Covina and Los Angeles where the closing time is 4:30 p.m. and 4:45 p.m., respectively. An agency is not maintained at La Mesa.

A witness in the employ of Pacific Motor Trucking Company testified that regular daily pickups are made at the places of business of approximately 200 shippers in the Los Angeles drayage area, of which about 175 have shipments each day; that approximately 500 others are served on an on-call basis; and that the regular customers may request an additional pickup if they desire. According to the witness, requests to pickup freight the same day must be received by 1:30 p.m.

Southern California Freight Lines and its affiliate, Southern California Freight Forwarders, hereinafter collectively called Southern Cal., presented evidence through their vice president. These carriers transport general commodities between numerous points in southern California, including between Los Angeles, El Segundo, San Diego, La Mesa, Oceanside, Colton, Riverside and San Bernardino. It was testified that an overnight service is rendered daily, except Saturdays and Sundays, between all points to which it operates within the areas embraced in the application. The witness asserted that shipments will be picked up in the Los Angeles drayage area and El Segundo until 3:00 p.m.; that shipments are then transported in line-haul equipment to terminals at Colton, Oceanside and San Diego; and that the delivery of freight to the downtown business districts in San Diego, Colton, Riverside and San Bernardino commences at about 8:00 a.m.

It is claimed that, generally speaking, there is no demand for the delivery of freight earlier than 8:00 a.m. According to the witness, preference is given to the delivery of shipments ordinarily considered as requiring expeditious handling and, where shippers or consignees indicate a desire for an early delivery, the carrier endeavors to comply with such requests. The record does not disclose the hours at which deliveries are completed at the various points. It was testified, however, that at Oceanside the "rush" freight "ordinarily would be delivered by 9:00 o'clock a.m."

In the transportation of shipments from El Segundo destined to Bakersfield, points in the Santa Barbara area and other communities served by Pacific Freight Lines, Southern Cal's witness stated that it offered to pick up shipments by 3:00 p.m. and deliver them to Pacific Freight Lines the same day. It is his understanding

that such shipments would receive overnight service.

The service of Southern Cal. from San Diego, Riverside and San Bernardino to Los Angeles was stated to be an overnight service, affording deliveries at Los Angeles commencing, with certain exceptions, at 8:00 a.m. The same carriers' service from San Diego to Oceanside was described as affording a morning pickup with deliveries during the day and an afternoon pickup with deliveries the following morning.

Southern Cal.'s equipment and personnel, its witness stated, were inadequate to meet all demands for transportation during the war years. It is represented that as soon as additional employees and equipment could be obtained after the termination of hostilities every effort was made to restore the service previously in effect and that gradually these carriers were able to do so. In an effort to recapture business lost during the war, the trade in January and February, 1946, and again in May, 1947, was offered a specialized service for auto parts traffic, provided shippers would agree to give the undertaking sufficient support. According to the testimony, shippers and consignees with minor exceptions were not interested in the proposal, because they felt obligated to continue to patronize the carriers which were able to meet their requirements during the war.

The general manager of Pacific Freight Lines and its affiliate, Pacific Freight Lines Express, hereinafter collectively called Pacific Lines, offered evidence concerning these carriers' operations. Service is conducted generally throughout southern California, including the points applicant proposes to serve. The carriers' principal terminal is at Los Angeles and other terminals

or distribution stations are maintained at Wilmington, San Gabriel, Pomona, San Bernardino, Oceanside, San Diego, Oxnard, Ventura, Santa Barbara and Bakersfield. The witness testified that Pacific Lines renders pickup service in the Los Angeles area 5 days a week; that calls at between 3,000 and 4,000 addresses are made each day; and that pickups will also be made on Saturdays if specifically requested. It is asserted that an overnight service is operated in both directions between Los Angeles and all points proposed to be served by applicant.

The evidence presented on behalf of Pacific Lines does not indicate the hour up to which shipments will be picked up in the Los Angeles area for overnight movement or the time of day requests for pickups may be given. However, in explaining the service rendered on a specific shipment from Los Angeles to Ventura, it was testified that inasmuch as the request to pick up the shipment was received after 1:30 p.m., "no attempt to pick it up the same day was made and it was picked up the following day."

With respect to the delivery of freight, the witness testified that deliveries are commenced at all points as soon as stores open in the morning. He declared that, inasmuch as auto parts move to establishments which open earlier than most retail stores and ordinarily order parts after stocks become low, an attempt is made to deliver such shipments early in the morning.

According to Pacific Lines' general manager, a survey conducted in August, 1946, disclosed that the Los Angeles terminal and the pickup trucks in service were inadequate. It is asserted that by the early part of 1947 the Los Angeles terminal facilities had been enlarged and a new terminal completed at Oxnard. The

witness testified that more recently facilities at Santa Barbara were improved; that a new terminal was completed at Pomona; and that new terminals at Bakersfield and San Bernardino are in contemplation. Additional line-haul and pickup and delivery equipment acquired by Pacific Lines between January 1, 1946, and November 15, 1948, was said to have entailed an expenditure of \$639,671.87.

An exhibit purports to show that during March, 1948, Pacific Lines transported 374 shipments of auto parts or farm machinery parts from or to shippers and consignees who appear of record as users of applicant's present service. It appears, however, that the transportation charges on some of the shipments were paid by parties other than those with whom applicant has entered into arrangements to transport their shipments.

Several witnesses for protestants gave testimony detailing their observations in following applicant's trucks on a few occasions. The purpose was to show that applicant cannot perform his proposed service except by operating trucks at excessive speeds, principally through areas in which speed restrictions have been established. Applicant's manager, as a rebuttal witness, explained that, upon request of counsel, drivers were instructed, in instances where they were being followed, to give their pursuers "a good ride". However, the times at which the trucks were reported to have departed from and arrived at some of the points corresponded rather closely to those specified in applicant's proposed time schedule.

The contentions advanced by the parties in their briefs have been carefully considered. The record in this proceeding clearly establishes the importance of a high degree of expedition in the transportation of a substantial amount of the automobile and

farm machinery parts traffic. It also appears to our satisfaction that applicant proposes, and is in a position to give, a faster service upon this particular traffic than protestants are actually rendering. In reaching this conclusion, we regard as controlling the elapsed time between the picking up of shipments or the making of requests for pickup service and the actual delivery of the same shipments at destination.

The volume of automobile and farm machinery parts moving between the points involved in the application is substantial. In our opinion, there should be available for such traffic a common carrier which affords the specialized type of service demanded by shippers and consignees. As demonstrated by the record herein, the existing common carriers do not provide such a service. The services which they do render, however, appear to be satisfactory for the larger shipments of the articles in question, usually referred to as stock orders, and on which the time in transit is of less importance.

Upon the evidence of record in this proceeding, the Commission finds that public convenience and necessity require the establishment and operation by applicant of a highway common carrier service for the transportation of automotive parts and accessories; automotive materials, supplies and tools; automotive gas and diesel engines and parts; and agricultural implements and parts between the points enumerated in the application, as amended, in this proceeding, subject to the condition that the aggregate weight of shipments, which may be accepted for transportation on any single day from any one consignor consigned to any one consignee at any one destination shall not exceed 2,000 pounds. An appropriate order will be entered.

Harry Steward is hereby placed on 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 had and the Commission, upon the evidence received, having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be and it is hereby granted to Harry Steward, 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, for the transportation of automotive parts and accessories; automotive materials, supplies and tools; automotive gas and diesel engines and parts; and agricultural implements and parts between the Los Angeles metropolitan area known as Zone 1, as described in the appendix to this order, and El Segundo, on the one hand, and

- (a) Wasco, serving all intermediate points Gorman and north;
- (b) Santa Barbara, serving Oxnard, Carpinteria and Ventura as intermediate points;

- (c) Colton, serving Pomona and Ontario as intermediate points and Covina as a lateral point;
- (d) Riverside, serving San Bernardino and Colton as intermediate points and Fontana as a lateral point; and
- (e) San Diego, serving Oceanside as an intermediate point and La Mesa as a lateral point,

on the other hand,

(2) That the certificate herein granted is subject to the condition that the aggregate weight of shipments which Harry Steward may accept for transportation on any single day from any one consignor consigned to any one consignee at any one destination shall not exceed 2,000 pounds.

(3) That in providing service pursuant to the certificate herein granted, Harry Steward 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 after the effective date hereof.
- (b) Applicant shall commence the service herein authorized within a period of not exceeding 60 days after the effective date hereof and 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 on not less than 5 days' notice to the Commission and the public.
- (c) Subject to the authority of the Commission to change or modify them by further order, applicant shall conduct operations pursuant to the certificate herein granted over and along the following routes:

Between Los Angeles and Wasco - U. S. Highway 99 to Lerdo Highway, Lerdo Highway to Shafter, unnamed highway paralleling right-of-way of The Atchison, Topeka and Santa Fe Railway Company to Pond Avenue, and Pond Avenue to Wasco.

Between Los Angeles and Santa Barbara - U. S. Highways 101-A and 101.

Between Los Angeles and Colton - U. S. Highway 99, including Covina as a lateral point.

Between Ontario and San Bernardino - Euclid Avenue and U. S. Highway 66, including Fontana as a lateral point.

Between San Bernardino via Riverside and connection with U. S. Highway 99. - "E" Street, Colton Avenue, 8th Street, La Cadena Drive and Main Street to Riverside, U. S. Highway 60 and Etiwanda Avenue.

Between Los Angeles and La Mesa - State Highway 10, and U. S. Highways 101-Bypass, 101 and 80.

Between Los Angeles and El Segundo - Vermont Avenue and Imperial Highway.

This order shall become effective 20 days after the date hereof.

Dated at San Francisco, California, this 21st day of June, 1949.

R. Z. [Signature]
Justus J. [Signature]
[Signature]
[Signature]
[Signature]
COMMISSIONERS

A P P E N D I X

Description of Los Angeles Zone 1.

Beginning at the intersection of 92nd Street and Alameda Street, thence southerly on Alameda Street to Century Boulevard, easterly on Century Boulevard to Santa Fe Avenue, northerly on Santa Fe Avenue to Tweedy Boulevard, easterly on Tweedy Boulevard to Stanford Avenue, northerly on Stanford Avenue to Southern Avenue, easterly on Southern Avenue to Atlantic Avenue, southerly on Atlantic Avenue to Stewart and Grey Road, easterly on Stewart and Grey Road to the west bank of the Los Angeles River, northerly along the west bank of the Los Angeles River to Gage Avenue, easterly on Gage Avenue to Garfield Avenue, northeasterly on Garfield Avenue to Anaheim Telegraph Road, southeasterly on Anaheim Telegraph Road to Church Street, northeasterly on Church Street and its prolongation across The Atchison, Topeka and Santa Fe right of way to Vail Avenue, northeasterly on Vail Avenue to Ferguson Drive, westerly on Ferguson Drive to Gerhart Street, northerly on Gerhart Street to Hubbard Avenue, westerly on Hubbard Avenue and its prolongation to Eastern Avenue, southerly on Eastern Avenue to Whittier Boulevard, westerly on Whittier Boulevard to Downey Road, northerly on Downey Road to Hubbard Avenue, westerly on Hubbard Avenue to Indiana Street, northerly on Indiana Street and its prolongation to City Terrace Drive, northerly on City Terrace Drive to Ramona Boulevard, northeasterly on Ramona Boulevard to Eastern Avenue, northerly on Eastern Avenue and Marianna Avenue to Valley Boulevard, westerly on Valley Boulevard to Mission Road, northeasterly on Mission Road to North Broadway, westerly on North Broadway to Griffin Avenue, northerly on Griffin Avenue to Avenue 35, westerly on Avenue 35 to Pasadena Avenue, northerly on Pasadena Avenue to North Figueroa Street, southwesterly on North Figueroa Street to Amabel Street, northwesterly on Amabel Street and Isabel Street to Macon Street, southwesterly on Macon Street to Cypress Avenue, northwesterly on Cypress Avenue and its prolongation to the intersection of San Fernando Road and Eagle Rock Boulevard, northwesterly on San Fernando Road to Edward Avenue, northerly on Edward Avenue to Marguerite Street, southwesterly on Marguerite Street to West Avenue 32, northwesterly on West Avenue 32 to the boundary of Forest Lawn Memorial Park, southwesterly and northwesterly along the boundary of Forest Lawn Memorial Park to Rosslyn Street, southwesterly on Rosslyn Street to San Fernando Road, southeasterly on San Fernando Road to Tyburn Street, southwesterly on Tyburn Street and its prolongation across the Southern Pacific Company right of way to Casitas Avenue, southeasterly on Casitas Avenue to Fletcher Drive, southwesterly on Fletcher Drive to Glendale Boulevard, northwesterly on Glendale Boulevard and Rowena Avenue to Hyperion Avenue, southwesterly on Hyperion Avenue to Fountain Avenue, westerly on Fountain Avenue to Normandie Avenue, southerly on Normandie Avenue to Wilshire Boulevard, westerly on Wilshire Boulevard to Irolo Street, southerly on Irolo Street to Olympic Boulevard, westerly on Olympic Boulevard to Victoria Avenue, southerly on Victoria Avenue to Exposition Boulevard, easterly on Exposition Boulevard to Crenshaw Boulevard, southerly on Crenshaw Boulevard to Stocker Street, westerly on Stocker Street to Victoria

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Avenue to Slauson Avenue, westerly on Slauson Avenue to Brynhurst Avenue, southerly on Brynhurst Avenue to 59th Street, easterly on 59th Street to Van Ness Avenue, southerly on Van Ness Avenue to 74th Street, easterly on 74th Street to Normandie Avenue, southerly on Normandie Avenue to 88th Street, easterly on 88th Street to Hoover Street, northerly on Hoover Street to 87th Street, easterly on 87th Street to Figueroa Street, southerly on Figueroa Street to 88th Street, easterly on 88th Street to San Pedro Street, northerly on San Pedro Street to 87th Place, easterly on 87th Place to Maie Avenue, Southerly on Maie Avenue to 92nd Street, easterly on 92nd Street to point of beginning.

End of Appendix