

ORIGINAL

Decision No. 43164

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Applications of)	
(1) COAST VAN LINES, INC.;)	
(2) HAROLD W. SQUIER, A. E. DEAN)	Applications Nos.
and RALPH JOHNSON:)	
(3) YELLOWAY VAN LINES, INC. —)	(1) 27877
for certificates of public convenience)	(2) 28035
and necessity to transport household)	(3) 28061
goods and related articles between)	
various points in California.)	

James J. Broz and Marquam C. George, for Coast Van Lines, Inc.
John I. Pierce, for Squier, Dean and Johnson.
Frank Loughran, for Yelloway Van Lines, Inc.
Berol & Handler, by Marvin Handler, for Bekins Van Lines, Inc.
 Bekins Van & Storage Company, Baker's Transfer & Storage,
 and George Baker (Baker Stanton Transfer & Storage), pro-
 testants.

Jackson W. Kendall, for Bekins Van Lines, Inc., protestant.

Gordon, Knapp & Hennessy, by Wyann C. Knapp and
John E. Hennessy, for Lyon Van Lines, Inc., Lyon Van &
 Storage Company, W. Ray James (James Van Lines), Calmay
 Van Lines, Inc., and A. M. Griggs (Griggs Van Lines),
 protestants.

Harold J. Blaine, for Lyon Van Lines, Inc., and Lyon Van &
 Storage Company, protestants.

J. M. Souby, Jr., for The Atchison, Topeka & Santa Fe Railway
 Company, protestant in No. 28035.

E. W. Turcotte, for Melvin A. Pixley (Furniture Fast Freight,
 Furniture Freight Forwarders) and Retail Furniture Associa-
 tion of California, Inc., protestants in Nos. 27877 and
 28035 as to movement of new furniture.

Omar E. Pullen, for Retail Furniture Association of California,
 Inc., protestant in No. 28035 as to movement of new furni-
 ture.

Irving M. Liner, for U. C. Express & Storage Company, protestant.

OPINION

The three applicants in this consolidated proceeding seek certificates of public convenience and necessity to establish highway common carrier truck service for the transportation of used household goods and related articles within territory of the State of California extending from Yreka to San Diego, over the main highways and within 20 to 30 miles laterally of main routes. The

applications are opposed by the principal certificated highway carriers of used household goods operating between the localities which the several applicants desire to serve.⁽¹⁾

Public hearings were held before Examiner Gregory at San Francisco and Los Angeles on 18 days between April 14, 1947, and September 23, 1948. Briefs were filed on February 5, 1949. The record includes 1588 pages of transcribed testimony and 149 exhibits. Forty witnesses testified, including operating officials of the several applicants and protestants, apartment-house managers, representatives of industrial firms, individual shippers, industrial research specialists, bankers, public officials and several carriers of used household goods holding radial highway common and city

(1) The applicants and chief protestants will sometimes be referred to as follows:

Applicants

Coast Van Lines, Inc. - Coast (Filed 9/27/46)
Squier, Dean and Johnson (Admiral Van Lines) - Admiral
(Filed 11/27/46)
Yelloway Van Lines, Inc. - Yelloway (Filed 12/10/46)

Protestants (remaining after early amendments to applications)

Lyon Van Lines, Inc. - Lyon
Bekins Van Lines, Inc. - Bekins
Calmay Van Lines, Inc. - Calmay
W. Ray James (James Van Lines) - James
A. M. Griggs (Griggs Van Lines) - Griggs
Baker's Transfer & Storage - Baker's

Firms Associated with Applicants or Protestants

<u>Firm</u>	
Coast Van & Storage, Inc.	Coast
Market Street Van & Storage	Coast
Griffin-Cummins Furniture Co., Inc.	Coast
Columbia Van Lines	Admiral
National Van & Storage	Admiral
National Transfer & Storage	Admiral
Richmond Transfer & Storage	Admiral
Nevil Storage Company	Yelloway
James Transfer & Storage Company	James
San Jose Moving & Storage Company	James
Lyon Van & Storage Company	Lyon
Bekins Van & Storage Company	Bekins

carrier permits. On the whole, the evidence presents a fairly comprehensive survey of the used household goods moving industry in California from the latter part of World War II to the time the record was closed in 1948. The shift from wartime stresses on industry and the general population to the postwar readjustment, as it has affected the household goods transportation business, is made manifest by the record. We now turn to a general description of the applicants and their proposals.

Coast Van Lines, Inc. is one of a group of four California corporations controlled by Timothy Griffin and James Cummins, who have long been identified with the household goods moving and storage business in San Francisco and, more recently, in Los Angeles. In 1943 Griffin and Cummins endeavored to acquire the highway common carrier operative rights of one Carpenter (Argonne Van Lines) between San Diego, Los Angeles and the San Francisco Bay Area, and actually did purchase Carpenter's warehouse in San Francisco. While these negotiations were pending the Griffin-Cummins interests bought the Coast properties, consisting of a "grandfather" right to transport used household goods between Los Angeles and San Diego,

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- (2) Until September, 1948, Griffin and Cummins were president and secretary, respectively, as well as principal stockholders, of the four companies; namely, Market Street Van & Storage, Inc., Griffin-Cummins Furniture Co., Inc., (a non-carrier), both of San Francisco; Coast Van & Storage, Inc., (a non-carrier Los Angeles affiliate acting as holding company for Coast Van Lines, Inc. terminal properties), and Coast, the applicant, whose headquarters are in Los Angeles. In September, 1948, Griffin took over active control of Coast Van Lines, Inc., and Cummins assumed the presidency of Market Street Van & Storage, Inc. The effect of this change on Coast's proposal was not indicated on the record.

certain terminal properties in Los Angeles, and a number of trucks. The Carpenter negotiations later fell through, leaving Coast's new owners with no certificated link between Los Angeles and San Francisco but with radial and city carrier operations and terminal properties in both cities. That circumstance, together with increasing business during the closing years of the war and immediately after, motivated the filing of the present application, according to Cummins' testimony.⁽³⁾

As finally amended, the Coast application seeks a certificate as follows: (a) between San Francisco, Oakland, Los Angeles, Long Beach, Los Angeles Harbor and intermediate points, via San Francisco Bay Bridge, California Highways Nos. 17, 4, 9, 152, 126, and 118, and U. S. Highways Nos. 50, 99, 101 and 101-A; (b) between San Francisco, Oakland, Sacramento and intermediate points, via San Francisco Bay Bridge, California Highway No. 4 and U. S. Highways Nos. 40, 50 and 99; also, to and from all points within 20 miles laterally of main highways and within 20 miles radially of terminal points. A number of secondary highways in the San Joaquin Valley would be used for operating convenience.

Applicant's main terminal is at Los Angeles. At San Francisco it is proposed either to use the facilities of Market Street Van and Storage for pickups, deliveries and loading of linehaul vans, or to secure an independent terminal. At Sacramento a local carrier's terminal would be used but applicant's traffic between San Francisco and that city would be transported by Liberty Van Lines, a competing highway common carrier. Agents would be

(3) The Carpenter rights were later acquired by Calmay Van Lines, Inc., originally one of the applicants in this proceeding. Following acquisition of these rights Calmay secured a dismissal of its application and thereafter participated in the case as a protestant to the other three applications.

employed at a number of intermediate points to solicit shipments weighing over 1000 pounds for long distance hauls by Coast. These agents would also perform terminal services, such as packing, temporary storage and local pickups and deliveries. Telephone directory advertising would be used to acquaint the public with applicant's facilities. Service is proposed on an "on-call" basis, although applicant expects to operate five days a week between Los Angeles and San Francisco as a result of increased business, a part of which, Cummins testified, would result from diversions from existing carriers, including protestants. Cummins stated that, "because of a competitive market", the rates to be charged would be those prescribed as minimum by the Commission.

Applicant has available for the proposed service seven tractors, five trucks and seven semi-trailers and expects to purchase additional units if the certificate is granted. The financial data submitted in support of the application, covering the period from 1944 to August 31, 1947, indicates that Coast has suffered recurring net losses from carrier operations while enjoying operating profits on non-carrier business. It has been the practice of the owners of the four companies to transfer funds to whichever firm was in need of them. Such advances have been mainly for the benefit of Coast Van Lines, Inc.

(4) Applicant believed that the intermediate joint traffic would be of comparatively minor significance and did not appear to attach much importance to rendering service at intermediate points. Cummins stated (Tr. p. 752): "... we are just asking between San Francisco and Los Angeles."

Coast produced certain "economic" evidence in support of its application, as well as testimony from a variety of public witnesses, including apartment house managers, organizational and individual shippers, a local van and storage company operator (who⁽⁵⁾ was a prospective Coast agent at San Jose) and two civic officials. The economic testimony, it was agreed by counsel, would be considered as having been introduced on behalf of all applicants. The testimony of other public witnesses produced by Coast, it was further agreed, would also be deemed to apply to Yelloway. Admiral's witnesses testified on behalf of that applicant alone.

Messrs. Squier, Dean and Johnson are the principal officials or owners of their respective moving and storage companies; namely, Columbia Van Lines, Inc., located in Los Angeles, National Van and Storage and National Transfer and Storage, with headquarters in San Diego, and Richmond Transfer and Storage Company (a partnership), whose operations are based at Richmond. Columbia holds radial, contract and city carrier permits and serves the entire state of California, although its principal operations are between Los Angeles and San Diego and Los Angeles and San Francisco. It has three warehouses in Los Angeles. National holds radial and city carrier permits, and also has an interstate certificate to operate within a 50-mile radius of downtown San Diego. National owns and leases warehouse facilities at San Diego. Richmond has radial and city carrier permits, and also has an interstate certificate to transport used household goods and general commodities within 30 miles of Richmond. The partnership owns and leases warehouse facilities at Richmond. All the carriers associated in this

(5) Testimony of officials of the Los Angeles and San Francisco Chambers of Commerce and of the Los Angeles City Planning Department related to population and industrial expansion in various parts of the state and housing needs in the San Francisco Bay area. A member of the San Francisco Board of Supervisors and the president of the Central Council of Civic Clubs of San Francisco offered resolutions of those bodies in support of the Coast application. The shipper witnesses had used the service of Coast or its affiliates, or of some of the protestants or their affiliates, at one time or another.

particular application have maintained close operating connections and their road equipment is interchangeable.

On April 12, 1947, six months after filing their original application herein, Squier, Dean and Johnson formed a partnership, under the name of Admiral Van Lines, to become effective upon the granting of a certificate and contemplating a contribution of funds and equipment from the various interests represented by the partners. The partnership agreement provides for incorporation of the firm should a certificate issue. The proposal, generally speaking, is that the individual carriers represented in the partnership would continue to render service under their existing operative authority but would use Admiral's certificate for long distance movements. Terminal facilities and equipment of the several carriers at Richmond, Los Angeles and San Diego would be utilized for pickups and deliveries. Agents would be employed at intermediate points having a population of 6000 or more. The agents would perform local terminal services and solicit traffic for long distance moves by Admiral. Service is proposed on an "on-call" basis, with a minimum of one trip per week between termini in each direction. Applicant proposes to route its equipment generally via U. S. Highways 99 or 101 between the San Francisco Bay Area and Los Angeles and by the principal highways between Los Angeles and San Diego. Service is contemplated within 30 miles laterally of the routes traversed and within a radius of 30 miles of termini. No rate statement was offered by this applicant, other than Johnson's declaration that compensatory rates would be charged. The application, however, indicates that rates would be on the basis of those prescribed as minimum by the Commission.

Admiral's application was supported by the testimony of three local moving and storage operators located at Los Angeles,

San Diego and San Bernardino, and by a representative of a large oil company who had charge of transportation and storage of household goods and personal effects of employees moving to various points in California and to foreign destinations. About 10% of this traffic moved in intrastate commerce in California and has been handled principally by Richmond Transfer and Storage in connection with Columbia and National. Market Street Van and Storage, Bekins, Lyon and James have also participated in the transportation.

The three local carriers testified to calls made by them upon Bekins, Lyon or James for movement of light-weight shipments to various points, in some instances off the main highways. In the case of the Los Angeles local mover the calls were anonymous and related to purely fictitious shipments, none of which, however, was turned down by the carrier requested to perform the service. In another instance Bekins and Lyon were asked by the San Diego mover to handle a rush shipment weighing 500 pounds from San Diego to a point off the main highway 15 miles from Modesto. The shipment had already been moved by National when the calls were made. Both Bekins and Lyon were willing to perform the service, Bekins stating it would be necessary to set off the shipment at Modesto for delivery beyond by a local carrier, while Lyon said it would have to be handled on a 1000 pound minimum basis due to the off-highway destination. The local mover did not desire to haul the shipment himself as he did not have enough tonnage to warrant the trip. The San Bernardino mover (a Lyon agent) testified to a delay by Lyon in picking up a small shipment from his warehouse destined to San Jose, but that Lyon's service was "excellent" on a shipment to Modesto handled on the same van.

The application of Yellowway Van Lines, Inc. differs in

some respects from the others. James A. Nevil, sole stockholder of Yellowway (a California corporation) is also sole owner of Nevil Storage Company. Yellowway holds interstate authority to transport household goods between points in California, Oregon and Washington, while Nevil Storage Company has an interstate right, limited to within 50 miles of San Francisco, and radial and city carrier permits.

This applicant proposes to inaugurate an intrastate, unscheduled, on-call service between Calexico and San Diego, on the south, through Los Angeles, San Francisco (via U. S. Highways 99 and 101), Sacramento and Yreka (via U. S. Highway 99), and within 20 miles laterally of the highways, in connection with its interstate service which is now operated on the basis of about two trips per week over the main routes. In the conduct of its interstate transportation applicant frequently has empty space on its vans. Nevil's testimony indicates that the certificate is sought herein primarily for the purpose of filling out the vans with California traffic in the course of their interstate runs. Applicant and Nevil Storage Company share terminal facilities at San Francisco and Los Angeles. Agents would be located at intermediate points along the main routes, but no specific arrangements have as yet been made in that connection.

Applicant's financial statements, as of December 31, 1946, show total assets of \$66,131.67, including goodwill (capitalized at \$4,100), and total liabilities of \$47,150.20, including an item of \$31,037.96 payable to Nevil Storage Company for advances for operating costs and equipment loans. The latter item had increased to \$34,737.45 as of March 31, 1947.

The service, facilities and operating experience of protestants Bekins, Lyon, James, Calmay and Griggs were detailed by testimony and documentary material offered by officials of those concerns. Bekins and Lyon for many years have operated throughout the entire territory proposed to be served by applicants. James' certificated operations, with headquarters at San Jose, cover the territory from Petaluma, Woodland and Lincoln, on the north, to Seal Beach, La Habra and Azusa, on the south, and include the San Francisco and Los Angeles metropolitan areas (served via U. S. Highway No. 101), with lateral rights ranging from 5 to 30 miles on either side of the highways. Calmay, incorporated in 1947, commenced over-the-road operations (based at Los Angeles) in March, 1948, following purchase of the rights of W. L. Carpenter (Argonne Van Lines) generally between San Francisco, Oakland and Sacramento, on the north, and San Diego, on the south, via U. S. Highways Nos. 99 and 101. Calmay also conducts certain east-west operations between various communities north of Los Angeles and between San Francisco, Sacramento and Stockton. Griggs, located at Santa Barbara, has served the territory between Santa Barbara and Los Angeles for the past 17 years on a twice-weekly scheduled operation, with pickups and deliveries 30 miles on each side of the highways.

Protestants' certificated operations are generally of an on-call nature, although frequent trips are made between the various points served. ⁽⁶⁾ With the exception of James, who solicits

(6) For example: Bekins offers service ranging from on-call, between various communities in an east-west direction, to daily (except Sundays and holidays) overnight express runs between San Diego, Los Angeles, San Francisco and Sacramento. Lyon operates daily between Los Angeles and San Francisco, two or three times per week between San Francisco, Oakland, Sacramento and Stockton, and at least twice a week between Los Angeles and San Diego, besides maintaining other services to handle agency tonnage and special shipments. James runs twice a week between the San Francisco and Los Angeles metropolitan areas, about once a week between those areas and Monterey Bay points, and once a week to the Sacramento-Stockton area. While Calmay's certificated operations are on a non-scheduled basis, that carrier makes numerous trips per month over its routes.

business directly from shippers and other carriers, and Griggs, who has a telephone listing at Los Angeles for booking orders, the protestants maintain agency arrangements at many intermediate points to secure long distance traffic and to perform local terminal services. The Bekins, Lyon and James organizations have extensive terminal and warehouse facilities at strategic points along their routes, and operate large fleets of modern, well-equipped automotive equipment in their service. Calmay, since commencement of its operations, has added one truck, three tractors and three semi-trailers to its equipment and also utilizes the vehicles of its agents under trip lease arrangements. Griggs, a one-man concern with four employees, has two trucks.

The evidence indicates that the preponderance of traffic handled by protestants intrastate consists of shipments weighing less than 4,000 pounds, with a substantial number weighing less than 2,000 pounds. ⁽⁷⁾ The heavier shipments, according to the testimony of protestants' officials, are secured by the radial carriers who operate competitively over protestants' certificated routes. In addition to diversion of heavy traffic by the radial carriers,

(7) The following figures are illustrative:

<u>Carrier</u>	<u>Period</u>	<u>Number of Shipments Studied</u>	<u>Average Weight of Shipment (Lbs)</u>
Bekins	1947	500 (consecutive)	1444
Lyon	Jan.-Mar., 1948	330* (intermediate points)	2230*
James	Jan.-Feb., 1948	all shipments	1206
	May, 1948	all shipments	1633
Calmay	August, 1948	*85 (from 6 agents)	3336*

*Calculated figure

there is lively competition among the protestants themselves and with other certificated carriers at various points throughout the State.
(8)

The testimony of applicants and protestants alike indicates that, while high load factors were enjoyed during the war period and for a short time thereafter, traffic began to fall off in 1947 and continued downward in 1948. James Cummins, testifying on February 16, 1948, said he had noticed a decline of from 10 to 20 per cent in Coast's over-the-road business during the preceding three months and as compared with the same time a year before. Lyon introduced comparative figures for the first six months of 1947 and 1948 showing a decrease in average weight per month from 1,123,181 pounds to 1,095,570 pounds. Bekins' president testified that from 1945 to 1947 the average load experienced by his company declined from 9,084 pounds to 7,844 pounds, due in part, he stated, to re-establishment of normal service following lifting of maximum loading regulations imposed during and shortly after the war.

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- (8) The following tabulation indicates the number of highway common carriers shown by this record to be actively operating between the points named and intermediate points:

<u>BETWEEN</u>	<u>AND</u>	<u>NO. OF CARRIERS</u>
San Diego	Los Angeles	4
Calexico	Los Angeles	2
Los Angeles	Santa Barbara	5
Los Angeles	Fresno	3
Los Angeles	San Francisco (via U.S. 101)	4
Los Angeles	San Francisco (via U.S. 99)	3
Fresno	San Francisco	4
San Francisco	Stockton	5
San Francisco	Sacramento	5
Sacramento	Stockton	5
Sacramento	Yreka	2

Summary and Conclusions

These applications were filed during the closing months of 1946. The Coast and Admiral pleadings are based primarily on allegations of population and industrial growth, shortage of highway common carrier facilities in the household goods moving industry due to a "monopoly" enjoyed by a few carriers, public demand for additional common carrier lines and, finally, poor service by the existing certificated operators.

The rapid and widespread development of California during the war is a well-known social and economic fact and the available evidence seems to indicate continued growth for some time to come. Population and industrial indices, however, while affording useful information for many purposes, cannot of themselves be determinative of the question of need for new intrastate transportation services in a field as highly specialized and subject to such fluctuating public demand as the one here considered. That is particularly true when such increase in population appears to be largely a result of migration from other parts of the nation. While the nature of the showing of public need in cases involving specialized transportation, such as household goods moving, may differ somewhat from that encountered in proceedings involving regular movements of general commodities, the burden still rests upon an applicant, in either case, to establish by substantial evidence that a real public need exists for the service he proposes to render.

We have come to the conclusion, based upon careful study of this record and the briefs filed by the various parties, that none of the applicants has met the burden of establishing that the services proposed are necessary at this time. In reaching that

conclusion we are not unmindful of the substantial growth in population experienced by California in recent years. The evidence, however, indicates no lack of highway common carrier facilities. The major movement of used household goods and related articles is inherently radial highway common carriage within the meaning of the Ben Moore decision (27 C.R.C. 388). Only a limited number of carriers perform a profitable regular operation between fixed termini or over regular routes as certificated carriers. Applicants, other than Yelloway, have not demonstrated that they will or can operate as certificated carriers. In the case of Yelloway, the chief reason for requesting intrastate operating authority appears to be the desire of applicant to fill out empty space on equipment moving in interstate commerce⁽⁹⁾.

In the case of Coast, which now holds certificated rights between San Diego and Los Angeles, the failure to acquire the

(9) In a recent decision (Decision No. 43003, Application No. 27284), we said (p. 15):

"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."

Argonne rights north of Los Angeles was followed by the filing of its application herein. This applicant's proposal, amended several times during the hearings, is rendered more uncertain by reason of the realignment of its affiliations taking place last year. Admiral, a creature of its three radial parents, appears to be wholly dependent upon them for financial and other support. Its plans for intermediate point service were indefinite and vague.

On June 22, 1949, protestants Lyon, James, Calmay and Bekins filed a petition to reopen this proceeding for the receipt of evidence of changed circumstances deemed by petitioners to be material to the proper disposition of the applications. The decision reached herein makes it unnecessary to consider the issues raised by protestants and their petition will accordingly be denied.

The applications of Coast Van Lines, Inc., Messrs. Squier, Dean and Johnson and Yelloway Van Lines, Inc. will be denied.

O R D E R

Public hearing having been held on the applications of Coast Van Lines, Inc., Messrs. Squier, Dean and Johnson, and Yelloway Van Lines, Inc., for certificates of public convenience and necessity to transport used household goods and related articles between various points in the State of California, evidence and briefs having been received and considered, the applications

having been submitted for decision, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that each of said applications be and it is hereby denied.

IT IS FURTHER ORDERED that the petition of Lyon Van Lines, Inc., W. Ray James, Calmay Van Lines, Inc. and Bekins Van Lines, Inc., filed herein on June 22, 1949, be and it is hereby denied.

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

Dated at San Francisco, California, this 26th day of July, 1949.

R. E. Dintaman
James F. Gaeber
Frank L. Gaeber
Harold P. Kulo
Benjamin H. Patten
COMMISSIONERS