ORIGINAL

Decision No. 47105

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of W. W. MILES, PAT L. NOIST, and KEN D. ANDERSON, doing business as MOTOR TRANSPORT SYSTEM, a copartnership,) for a certificate of public convenience) and necessity to operate as a highway common carrier for the transportation of property.

Application No. 30262

Edward M. Berol, for applicants.
Willard S. Johnson, for H. Christenson Co.; Theo Peters
doing business as Ted Peters; J. A. Nevis, doing business as Joe A. Nevis Trucking, protestants. Frederick E. Fuhrman, for Southern Pacific Company; Pacific Motor Trucking Company and Northwestern Pacific Railway Company, protestants.

L. H. Bissinger, for Southern Pacific Company; Pacific Motor Trucking Company; Northwestern Pacific Railway Company and Pacific Electric Railway Company, protestants.

F. A. Jacobus, J. B. Kramer and William F. Brooks, for The Atchison, Topeka & Santa Fe Railway Company and Santa Fe Transportation Company, protestants.

Lafayette J. Smallpage and Hugh Gordon, for Lillie

Transportation Company, protestant.
Willard S. Johnson and Llvod R. Guerra, for Western

Truck Lines, Ltd., protestant.

Gordon, Knapp & Gill, by Wyman C. Knapp, for Pacific Freight Lines; Pacific Freight Lines Express; Asbury Transportation Company; Southern California Freight Lines; Southern California Freight Forwarders; L. L. Mockenhaupt, doing business as Victorville-Barstow Truck Lines, and Charles P. Hart, doing business as Hart Transportation Company, protestants.

Raymond Tremaine and Gordon, Knapp & Gill, by Wyman C.

Knapp, for Charles F. MacGregor, protestant.

Marvin Handler, for Winans Brothers and Hawkey Lumber

Company, protestants.

D. R. Jacobs, for Santa Fe Transportation Company, protestant.

Arlo D. Poe and Gordon, Knapp & Gill, by Wyman C. Knapp, for California Cartage Company and California Cartage Express, protestants.

Douglas Brookman, for Common Carrier Conference of Truck Owners Association of California; Valley Express Company; Valley Motor Lines, Inc.; California Motor Express; California Motor Transport Co. Ltd.; Delta Lines, Inc.; Highway Transport, Inc.; Intercity Transport Lines; Clark Bros. Motor Transport, Inc.; Oregon-Nevada-California Fast Freight, Inc.; Callison Truck Lines; Hills Transportation Company; Savage Transportation Company; Coast Line Truck Service, Inc.; E. J. Willig Truck Transportation Co.; Nielsen Freight Lines; Bonded Drayage Service, and Merchants Express Corporation, protestants.

James L. Roncy, for S & W Fine Foods, Inc., interested party.

within a radius of 50 miles of said routes, subject to the following restrictions:

Applicant shall not transport any shipment weighing less than 4,000 pounds when such shipment moves between any two points on said route, or a shipment of less than 10,000 pounds when such shipment moves to or from a point within 25 miles laterally of said route; or a shipment of less than 20,000 pounds when such shipment moves to or from a point more than 25 miles laterally from said route.

And subject to the further restriction that as to shipments moving between the Los Angeles territory, on the one hand, and the San Francisco territory, on the other hand, applicant will not transport any shipment weighing less than 10,000 pounds.

3. Between the Los Angeles territory and Eureka, via U. S. Highways 101 or 101-A, serving all intermediate points, with the right to make lateral departures therefrom within a radius of 50 miles of said routes, subject to the following restriction:

Applicant shall not transport any shipment weighing less than 10,000 pounds between the Los Angeles Territory, on the one hand, and the San Francisco Territory, on the other; and as between other points on and along said route, applicant shall not transport shipments weighing less than 30,000 pounds; and applicant shall not transport any shipment having both origin and destination between:

- a. Points on U. S. Highway 101 between San Jose and San Francisco, inclusive; and
- b. San Francisco and East Bay points, Richmond on the north to Hayward on the south, inclusive; and
- c. Points in Los Angeles Territory, as described in Highway Carriers' Tariff No. 2.
- 4. Between the Los Angeles Territory, on the one hand, and Calexico, on the other hand, serving all intermediate points, via U. S. Highway 99, with the right to make lateral departures therefrom within a radius of 50 miles of said route, subject to the following restriction:

Applicant shall not transport any shipment weighing less than 20,000 pounds; and it shall not transport any shipment to or from an off-route point weighing less than 30,000 pounds.

5. Between the Los Angeles territory, on the one hand, and the San Diego territory, on the other hand, serving all intermediate points, via U.S. Highway 101, with the right to make lateral departures therefrom within a radius of 50 miles of said route, subject to the following restriction:

Applicant will not transport any shipment criginating at or destined to any point on or along said route south of Los Angeles weighing less than 30,000 pounds.

6. Between Sacramento territory and Redding, serving all intermediate points, via U. S. Highways 99-E and 99, with the right to make lateral departures therefrom within a radius of 50 miles of said route, subject to the following restriction:

Applicant shall not transport any shipment weighing less than 20,000 pounds; and it shall not transport any shipment to or from an off-route point weighing less than 30,000 pounds.

7. Between Salinas and San Francisco territory, on the one hand, and points between San Francisco and Sacramento, on the other hand, via U. S. Highways 101 and 40, with the right to make lateral departures therefrom within a radius of 50 miles of said routes, subject to the following restriction:

Applicant shall not transport any shipment weighing less than 20,000 pounds, and it shall not transport any shipment to or from an off-route point weighing less than 30,000 pounds.

8. Between Salinas and Madera, serving all intermediate points, via U. S. Highway 101 and State Highway 152, with the right to make lateral departures therefrom within a radius of 50 miles of said route, subject to the following restriction:

Applicant shall not transport any shipment weighing less than 20,000 pounds; and it shall not transport any shipment to or from an off-route point weighing less than 30,000 pounds.

The term "Applicant shall not transport any shipment weighing less than 4,000 pounds" includes the term "or any shipment which shall carry a charge lower than that applicable to a shipment of not less than 4,000 pounds". The same meaning applies to shipments of 10,000, 20,000 or 30,000 pounds, where used.

J. Christenson Co., Ted Peters Trucking Company, J. A. Nevis, doing business as Joe A. Nevis Trucking, Southern Pacific Company, Pacific Motor Trucking Company, Northwestern Pacific Railroad Company, Pacific Electric Railway Company, Pacific Motor Transport Company, The Atchison, Topeka & Santa Fe Railway Company,

Santa Fe Transportation Company, Lillie Transportation Co., Inc., Pacific Freight Lines, Pacific Freight Lines Express, Western Truck Lines, Southern California Freight Lines, Southern California Freight Forwarders, L. L. Mockenhaupt, doing business as Victorville-Barstow Truck Lines, California Cartage Company, California Cartage Express, Charles P. Hart, doing business as Hart Transportation Company, Winans Brothers, Hawkey Lumber Transportation, Asbury Transportation Company and Common Carrier Conference of Truck Owners Association of California, consisting of Valley Express Company, California Motor Express, Delta Lines, Inc., Highway Transport, Inc., Intercity Transport Lines, Clark Bros. Motor Transport, Inc., Oregon-Nevada-California Fast Freight, Inc., Callison Truck Lines, Hills Transportation Co., Savage Transportation Company, Coast Line Truck Service, Inc., E. J. Willig Truck Transportation Co., Nielsen Freight Lines, Bonded Drayage Service, Merchants Express Corporation, Valley Motor Lines, Inc., and California Motor Transport Co., Ltd. opposed the granting of the application.

Public hearings were held at Los Angeles, San Francisco and Stockton before Examiners Gannon and Silverhart.

Applicants' partnership was formed January 1, 1948.

Thereafter, on March 18, 1948, they acquired permits to operate as a radial highway common carrier and highway contract carrier.

Since such date, applicants have been engaged in the transportation of property over the highways for compensation. The principal place of business is at Stockton with terminals located at Oakland, Stockton, Modesto, Los Angeles, Sacramento, Redwood City and Antioch. Joint terminal facilities are maintained with Miles & Sons Trucking Service, a copartnership, consisting of W. W. Miles and Pat L. Nolet, at Mountain View and Merced. Applicants' equipment consists

of 67 tractors, 39 full trailers, 86 semi-trailers, 27 dollies and 5 service cars. Approximately half of the trailers and semi-trailers are vans and the other half are open equipment. According to the record, when the need arises for additional and other equipment, it is made available to applicants by Miles & Sons Trucking Service which has 637 units of equipment. The Modesto, Merced and Mountain View terminals are furnished with maintenance and service shops.

Applicants' income statement for the year 1949 shows an operating revenue of \$1,742,095.50 and operating expense of \$1,713,100.10. Applicants' balance sheet, as of December 31, 1949, discloses current assets of \$229,048.22, total assets of \$487,639.51, current liabilities of \$165,179.14, long term obligations of \$208,934.82, and partnership capital of \$106,163.57. A statement of applicants' gross revenue sets forth a total of \$920,433.12 for 1948, \$1,742,095.50 for 1949, and \$2,225,430.01 for 1950.

The proposed service will generally continue applicants' present operating procedures. Scheduled service will be offered leaving San Francisco Bay Area points at 6 p.m., arriving at Los Angeles territory at 8 a.m., departing from Stockton at 7 p.m., reaching Los Angeles territory at 8 a.m., and leaving Sacramento at 6 p.m., arriving at Los Angeles territory at 8 a.m. An on-call service will be afforded to all other points here involved. Service, embracing split deliveries and split pick ups, will be provided 24 hours a day, each day, including Saturdays, Sundays and holidays. Applicants propose to publish the rates and adopt such rules and regulations as are contained in the Commission's Highway Carriers' Tariff No. 2 together with commodity rates on paper and paper articles, metals or metal articles, electrical appliances or

equipment and parts, wire, roofing, petroleum products, canned goods, gypsum, lime and plaster, fruits and vegetables dried or evaporated, iron or steel, coffee, nuts, soap and other articles, glassware, floor coverings, rubber goods and other articles, lumber and its products, salt, sugar, rice and can tops, as described in Pacific South Coast Freight Bureau Tariff.

Exhibits Nos. 6, 14, 15, 18, 19, 20 and 21 covering varying periods in 1949 and 1950 showed that applicants transported shipments of such commedities as box shock, reofing, cement pipe, cans, moulding, dog food, lime, beans, paper boxes, wire, lubricating oil, empty drums, water heaters, copper cable, bottle caps, jars, bottles, machinery, paint, flour fibreboard, tires, insecticides, books, pipe, sugar, salt, rice, canned goods, sash, coffee, tea, gasoline, castings, batteries, siding, cement and canned milk, and that the overwhelming majority of such shipments were 20,000 pounds or more. Further, these exhibits disclosed that applicants had engaged in substantial transportation activities between points falling within the routes designated in the application as numbers 1, 2 and 3. Such exhibits also indicated that applicants had moved few or no shipments between points within the routes set forth in the application as numbers 4, 5, 6, 7 and 8.

Representatives of business concerns and industries making and receiving shipments, to and from, various points encompassed within the scope of the application, testified in support thereof. Such testimony indicated that most of them had used and are using applicants' service; that applicants furnish trucks at such times, in such numbers and types as required by the exigencies of their businesses; that time in transit is important and overnight service with next morning delivery is

wanted; that applicants have given service on Saturdays and Sundays and that such service is necessary; that they make shipments to off-highway points to which no common carrier service is available; that they use the split pick up and split delivery shipment privilege made available by applicants; that their shipments were made predominantly in truck load lets and in weights of 20,000 pounds or more; that the service hitherto rendered by applicants is needed and will be used, if authorized. Several of these witnesses stated that they utilized the services of existing common carriers to points to which they did not employ the applicants and that such services were satisfactory.

Protestants Pacific Electric Railway Company, Northwestern Pacific Railroad Company, Pacific Motor Transport Company,
Lillic Transportation Company, Western Truck Lines, Valley Express
Company, Highway Transport, Inc., Clark Bros. Motor Transport, Inc.,
Oregon-Nevada-California Fast Freight, Inc., Callison Truck Lines,
Coast Line Truck Service, Inc., E. J. Willig Truck Transportation
Co., Nielsen Freight Lines, Bonded Drayage Service, Valley Motor
Lines, Inc., L. L. Mockenhaupt, did not testify or offer any
witnesses in their behalf.

Protestants Santa Fe Transportation Company, The Atchison, Topeka & Santa Fe Railway Company, California Cartage Company, California Cartage Express, Charles P. Hart Transportation Company, Southern California Freight Lines, Southern California Freight

Forwarders, Charles F. MacGreger, Pacific Freight Lines, Pacific Freight Lines Express, J. Christenson Co., Winans Bros., Hawkey Lumber Transportation, Intercity Transport Lines, Intercity Motor Lines, J. A. Nevis, California Motor Transport Co., Ltd., California Motor Express, Southern Pacific Company, Pacific Motor

Trucking Company, Ted Peters Trucking Company, Delta Lines, Inc., Merchants Express Corporation, Hills Transportation Company, Savage Transportation Company and Asbury Transportation Company testified as to the areas served and type of service rendered.

Santa Fe Transportation Company called several shippers making shipments from San Francisco to Los Angeles and from Los Angeles to such points as Fresno, Bakersfield and San Diego. These witnesses testified that they used the service provided by Santa Fe Transportation Company and four other highway common carriers; that such service has been satisfactory and they have no need for additional highway common carrier service.

It should be noted here that the Commission has heretofore discussed the weight to be given public witness testimony. The Commission in the matter of San Diego Fast Freight, Inc., Decision No. 46550, dated December 18, 1951, in Application No. 31516, reported in 51 Cal PUC 327, said:

"As to the public witnesses produced by applicant we are impressed with the strong desire they have expressed to have applicant's services. As to the public witnesses produced by protestants we observe that there appears to be no doubt but that protestants are providing satisfactory services to a number of shippers. However, in a public convenience and necessity matter all of the shippers must be considered. It does not follow from the fact that a good many shippers are now receiving satisfactory service and need nothing additional in that respect that all shippers are in the same position. When, as in this case, the testimony of a number of shippers is very favorable to applicant that testimony should be given weight in a determination of public convenience and necessity." (Underscoring added).

The evidence of applicants' past operations, taken together with the testimony of the public witnesses, does not establish a public need for applicants to furnish a transportation service of the spread and sweep contemplated by the application.

While the evidence discloses a consequential call for transportation to points and places located off the main highways, it also indicates a paucity of demand for such transportation in excess of 25 miles from said highways.

Further, the record in this proceeding demonstrates:

- 1. That applicants not only have not transported commodities in insulated equipment provided with mechanical temperature control systems but that there is presently no public need requiring such a service by applicants.
- 2. That applicants have not transported shipments of iron and steel articles and tin plate, having their origin or destination at Pittsburg.

After careful consideration of the entire record in this proceeding, the Commission finds that public convenience and necessity require the establishment and operation of a service by applicants as a highway common carrier for the transportation of general commodities between the points set forth in and subject to the conditions and limitations contained in the ensuing order.

Counsel for Southern Pacific Company contended that granting the application would work a violation of Section 3542 of the Public Utilities Code in that W. W. Miles, Pat L. Nolet and Ken D. Anderson would be authorized to conduct a highway common carrier service when, at the same time, the said Miles and Nolet are the two partners who comprise, control and operate Miles & Son Trucking Service, a highway contract carrier.

It may be readily discerned that Section 3542 does not sustain such contention. By its language, Section 3542 forbids, not the ownership or control of both a common carrier and a highway contract carrier, by the same person or corporation, but the very act of engaging in the transportation of property both as a common

carrier and a highway contract carrier of the same commodities between the same points.

The record is barren of any evidence indicating that W. W. Miles and Pat L. Nolet, doing business as Miles & Sons Trucking Service, a highway contract carrier, and the applicants, W. W. Miles, Pat L. Nolet and Ken D. Anderson, if a certificate were issued to them, intended to and will transport the same commodities between the same points both as a common carrier and as a highway contract carrier.

To deny the application upon the ground that they might do so prospectively, would oviolence to the presumption "that the law has been obeyed" (Section 1963 (33) C.C.P.). In the event that hereafter, there is in fact, a violation of Section 3542, any person aggrieved thereby, may then seek relief from this Commission in a proper and appropriate proceeding.

Applicants are 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.

ORDER

Public hearings having been had and based upon the evidence therein adduced,

- (1) That a certificate of public convenience and necessity is granted to W. W. Miles, Pat L. Nolet and Ken D. Anderson, authorizing them to operate as a highway common carrier, as defined by Section 213 of the Public Utilities Code, for the transportation of general commodities between:
- (a) The Los Angeles territory (as described in Appendix "A" attached hereto) and the Sacramento territory (more particularly described in Appendix "B" of this order), including all intermediate points, ever and along U. S. Highway 99, with the right to make lateral departures therefrom within a radius of 25 miles of said route.
- (b) The Los Angeles territory (as described in Appendix "A" hereof) and the San Francisco territory (as more particularly delineated in Appendix "C" attached hereto), including all intermediate points, over and along U. S. Highways 99, 50 and 40, with the right to make lateral departures therefrom within a radius of 25 miles of said routes.
- (c) The Los Angeles territory (as described in Appendix "A" hereof) and Eureka, including all intermediate points, over and along U. S. Highways 101 or 101-A, with the right to make lateral departures therefrom within a radius of 25 miles of said route.
- (2) That the certificate herein granted is subject to the following conditions and limitations:
 - (a). Applicants shall not transport any shipments of livestock, uncrated furniture, household goods and personal effects, explosives, articles of extraordinary value, petroleum products in bulk, and poultry and unprocessed agricultural commodities.
 - (b) Applicant shall not transport any shipments in insulated vehicles, equipped with mechanical temperature control systems.

A.30262 - 晃 * (c) Applicants shall not transport any shipments of iron and steel articles and tin plate, having their origin or destination at Pittsburg. (d) Applicants shall not transport any shipments having both origin and destination between: Points on U. S. Highway 101 between San Jose and San Francisco, inclusive. San Francisco and East Bay points, Richmond, on the north, to Hayward, on the south, inclusive. Points in the Los Angeles territory as described in Appendix "A" hereof. 3. (c) Applicants shall not transport any shipments of less than 20,000 pounds or subject to a charge lower than applicable on a shipment of 20,000 pounds, between the points set forth in paragraph (1)(a) above. (f) Applicants shall not transport any shipments of less than 20,000 pounds or subject to a charge lower than applicable on a shipment of 20,000 pounds, between the points contained in paragraph (1)(b) hereof. (g) Applicants shall not transport any shipments of less than 30,000 pounds or subject to a charge lower than applicable on a shipment of 30,000 pounds, between the Los Angeles territory, as hereinabove described, and Eureka, and intermediate points, except that applicants may transport shipments of not less than 20,000 pounds or subject to a charge not lower than applicable on a shipment of 20,000 pounds, between the said Los Angeles territory, on the one hand, and the San Francisco territory, as hereinbefore described, on the other hand. (3) That in providing service pursuant to the certificate herein granted, applicants shall comply with and observe the following service regulations: (a) Within 30 days after the effective date hereof, applicants shall file a written acceptance of the certificate herein granted. (b) Within 60 days after the effective date hereof, and on not less than 5 days' notice to the Commission and the public, applicants shall establish the service herein authorized and file in triplicate, and concurrently make effective, appropriate tariffs and time tables. -13A.30262 - 🗩 *

(4) That in all other respects the application, as amended, is denied.

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

Dated at family Transcent, California, this 5th day of _______, 1952.

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Jacobs Aula

Commissioners

APPENDIX . "A"

LOS ANGELES TERRITORY includes that area embraced by the following boundary: 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. ? 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 Ximeno Street; southerly along Ximeno 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 "E"

SACRAMENTO TERRITORY includes all of the City of Sacramento, also territory located within one mile of the city limits and the territory bounded as follows: Beginning at the point where Highway U. S. 40-Highway U. S. 99E (Del Paso Boulevard) intersects the northern city limits of Sacramento along said highway to Rio Linda Boulevard, northeasterly along Rio Linda Boulevard to Nogales Avenue, southeasterly along Nogales Avenue to 10th Street, southerly along 10th Street to East El Camino Avenue, casterly along East El Camino Avenue to 11th Street, southerly along 11th Street to Bassetlaw Avenue, southeasterly along Bassetlaw Avenue to its junction with Swanston Road at Swanston Station including the plants of C. Swanston & Son, Lumbermen's Supply, Inc., Sacramento Wool Company, Sacramento Feed Company and the Essex Lumber Company, returning westerly along Bassetlaw Avenue to its junction with Highway U. S. 40-99E (Del Paso Boulevard) and along Del Paso Boulevard to point of beginning.

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APPENDIX "C"

SAN FRANCISCO TERRITORY includes that 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 I mile west of U. S. Highway No. 101; southerly along an imaginary line I 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 Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College 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 boundary line; northerly along said boundary line to the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue; northerly along 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.