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# ORIGINAL

Decision No. 47877

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 R. KARLSON and G. KARLSON, doing )  
 business as KARLSON BROS. TRUCKING )  
 SERVICE, for a certificate of public ) Application No. 32276  
 convenience and necessity to operate )  
 as a highway common carrier between )  
 various points in California. )

Willard Johnson, for applicants.  
Norman Moon, for Merchants Express Corporation; Ray T. Harris and Frederick W. Mielke, for Delta Lines, Inc.;  
Robert Walker and Matthew H. Witteman, for The Atchison, Topeka & Santa Fe Railway Company and Santa Fe Transportation Company; Douglas Brookman, for California Motor Express, Ltd. and California Motor Transport Co., Ltd., protestants.  
Marvin Handler, for Riske Trucking, J. P. Spaenhower, Lodi Truck Service, and Guy Warren Transportation Company;  
C. A. Millen, for Valley Express Company and Valley Motor Lines; Marquam George, for Moreno Bros. Trucking Company; and E. J. Muzio, for Motor Transport System, interested parties. ✓

### O P I N I O N

By their application as amended R. Karlson and G. Karlson, doing business as Karlson Bros. Trucking Service, seek authority to establish an on-call service as a highway common carrier for the transportation of general commodities, subject to certain exceptions, (1)

(1) On August 22, 1952, applicants filed an amendment to their application as follows:

"(a) The term General Commodities, when used in this application is not intended to include livestock, uncrated household goods, liquid petroleum products in bulk, in tank trucks and tank trailers, products requiring refrigeration in transit, fresh dairy products, shipments of fresh fruits or vegetables having origin in fields of growth and consigned to cold storage, canneries, packing houses, or other processing facilities or shipments of iron, steel, or iron and steel articles and tin plate from or to Pittsburg, California.

"(b) The service proposed to be rendered from and to Sharpe General Depot, Lathrop and Sharpe-Sub-Depot, Lathrop, and Sharpe Sub-Depot, Lyoth, is restricted to the transportation of lumber and forest products as defined in Highway Carriers' Tariff No. 2."

in shipments of 20,000 pounds or more or where transportation charges are based upon a minimum of 20,000 pounds and empty pallets in any quantity -

(a) Between San Francisco Territory as defined in Item 270 Series of Highway Carriers' Tariff No. 2, on the one hand, and, on the other hand, points and places on or within 15 miles laterally of the following named routes:

- (1) U. S. Highway 40 between San Pablo and Sacramento;<sup>(2)</sup>
- (2) U. S. Highway 99 between Sacramento and Merced;<sup>(2)</sup>
- (3) U. S. Highway 50 between Dublin and Stockton;
- (4) State Highway 120 between its intersection with U. S. Highway 50 near Manteca, and junction with State Highway 108 at Yosemite Junction;
- (5) State Highway 108<sup>(3)</sup> between Yosemite Junction and Sonora;<sup>(2)</sup>
- (6) State Highway 12 between Suisun-Fairfield and Lodi;
- (7) State Highway 4 between Pinole and Stockton;
- (8) State Highway 33 between its intersection with U. S. Highway 50 near Tracy, and Newman;
- (9) U. S. Highway 101 and State Highway 148 between San Francisco and Vallejo.

(b) Locally between all points on or within 15 miles laterally of the highways specified in subparagraphs (1) through (9) above.

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(2) Service is proposed from, to, and between all points within 15 miles of Sacramento and Merced, and within 25 miles of Sonora.

(3) Service is proposed from, to, and between all points within 25 miles of Sacramento and Merced, and within 25 miles of Sonora.

Applicants seek further authority to operate over the following alternate routes:

- (a) Any and all streets, roads and highways within San Francisco Territory;
- (b) State Highway 33 between Newman and Los Banos;
- (c) U. S. Highway 101 between San Jose and Gilroy; State Highway 152 between Gilroy and intersection with an unnumbered county road approximately 9 miles east of Dos Palos Wye; thence over said unnumbered county road between said intersection and Merced;
- (d) State Highway 140 between Merced and Gustine;
- (e) State Highway 132 between Modesto and Vernalis;
- (f) State Highway 24 between Oakland and Sacramento.

Appearances in protest to the granting of the authority sought were made by Riske Trucking Company, Lodi Truck Service, Guy Warren Transportation Company, Merchants Express Corporation, Delta Lines, Inc., Atchison, Topeka and Santa Fe Railway Company and Santa Fe Transportation Company, California Motor Express, Ltd., and California Motor Transport Co., Ltd. Appearances as interested parties were entered by Valley Express Company, Moreno Bros. Trucking, and Motor Transport System. The appearances of Riske Trucking, J. P. Spaenhower, Lodi Truck Service and Guy Warren Transportation Company were changed to that of interested parties upon a stipulation by counsel to the effect that applicants did not propose to transport shipments to or from governmental installations located at Lathrop and Lyoth with the exception of lumber and forest products.

Public hearings were held before Examiner Daly at Stockton and San Francisco with the matter being submitted on September 23, 1952, following oral argument.

Applicants have been actively engaged in the transportation business since 1930. According to applicant G. Karlson their operations have been conducted under a radial highway common carrier permit and have steadily increased over the years. As a result of this increase applicants claim to be doubtful as to the exact scope of operations which may be performed under said permit.

Applicants own and maintain a three and one-half acre terminal at Manteca, they own and operate approximately 140 pieces of equipment and show a gross revenue of \$670,289.46 with a net profit of \$32,732.66 for the calendar year of 1951.

Their past operations it was stated encompass the area described in their application. Generally the nature of these operations consists of serving lumber mills located within twenty-five miles of Sonora, the transportation of farm equipment and supplies to and between farms and ranches located within fifteen miles laterally of the routes sought, shipments of fruits and vegetables during harvest seasons, shipments of lumber and lumber products, empty cans, fertilizer and recent shipments of general commodities for the Central Valley Hardware Company.

Forty public witnesses testified on behalf of the proposed service. Nineteen of these witnesses stated they had used applicants' service at one time or another and found it satisfactory. For the most part these witnesses represented businesses which made almost exclusive use of permitted carriers and/or proprietary equipment. Although there was testimony to the effect that highway common carriers had been used on truckload shipments their principal use was on less-than-truckload shipments. However, those who had used the certificated carriers stated that they were satisfactory. In the instances where the certificated services had not been used, the witnesses for the most part testified that they were unaware of the services provided by said carriers and had no occasion to inquire

into the nature or extent of the services available.

The motivating factors influencing the testimony of the various witnesses may be briefly summarized as follows:

(1) Desire to substitute applicants' proposed service for the use of their own trucks in the event business should increase.

(2) Desire to use applicants' service in the transportation of heavy tractors and farming equipment between farms.

(3) Desire to use applicants' service on overwidth shipments.

(4) Desire to use applicants' service in the event contemplated expansions or new ventures are put into effect.

(5) Desire to use applicants' service on shipments of building materials to construction sites.

(6) Desire to use applicants' service on shipments of farm supplies to farms which are located substantial distances from the highways.

(7) Desire to use applicants as a stand-by or supplemental service. Seven witnesses testified that during harvest seasons the permitted carriers are busily engaged in hauling seasonal crops and frequently do not have sufficient equipment to handle the usual and ordinary demands of their regular accounts. In these circumstances it was asserted that it would be a convenience to have applicants' service available. However, two witnesses who had used applicants' service in the past testified that it was necessary to discontinue such use because applicants likewise were unable to provide equipment to meet commitments during harvest seasons. Although these witnesses testified they desired to use applicants as a stand-by service there was no evidence to show that they found it

necessary to use any of the available existing certificated carriers on those occasions when the permitted carriers were unable to provide service.

Exhibit No. 10 consisted of a statement listing 142 selected shipments transported by applicants from January 27, 1951, through April 28, 1952. Although the exhibit reflected shipments to a substantial number of points within the proposed area the greatest frequency between any two points was approximately eight shipments during the fifteen months considered.

Exhibit No. 12 consisted of a list of all shipments transported by applicants during the years 1946 through the first six months of 1952, inclusive, except shipments of commodities for which a certificate is not sought. The total number of shipments for the period considered amounted to about 1856. Many of these individual shipments required anywhere from two to thirty-six truckload movements. The following is a tabulation of the number of shipments transported during each year with the multi-truckload shipments destined to one consignee considered as a single shipment:

<u>Year</u>	<u>Number of Shipments</u>	<u>Monthly Average</u>
1946	86	7
1947	181	5
1948	922	76
1949	102	8½
1950	170	14
1951	274	23
First six months of 1952	122	20

The greatest number of shipments were handled during 1948, when applicants handled a substantial number of shipments of building blocks from French Camp for the Basalt Rock Company. During the same year applicants transported many shipments of empty boxes for Hunts Foods, Inc. Disregarding the year 1948 which apparently does not constitute a true reflection of applicants' past operations,

in view of the fact that the movement of building blocks was of a temporary nature, the years considered indicate a rather limited operation within the wide area covered by the application.

Protestants introduced operating testimony indicating their operative rights and the nature of the service which they offer. Briefly, they offer a daily overnight service. They maintain terminals at all major points, with agency depots at many of the smaller points. They own and operate fleets of pickup and delivery equipment and a variety of line-haul equipment. They possess limited lateral rights exclusive of authorized pickup and delivery areas. It is their contention that the granting of the authority here sought would result in diversion of traffic from the certificated carriers. No single existing carrier provides a service that would cover the area here proposed to be served, nor would the combined existing services reach the wide lateral areas as herein proposed.

The exhibits reflecting applicants' past operations do show service to a wide area, but the frequency of service is extremely sporadic when the size of the area served is considered and the fact that only 274 shipments were transported during 1951 and only 102 shipments during 1949.

Based upon the record here established, the Commission is of the opinion and finds that public convenience and necessity has not been shown. The application will therefore be denied.

O R D E R

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

IT IS ORDERED that Application No. 32276 be and it is hereby denied.

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

Dated at San Francisco California, this 28th day of October, 1952.

R. J. [Signature]  
President

Justice J. Cassin

[Signature]

[Signature]  
Commissioners