

ORIGINALDecision No. 50892

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HASLETT WAREHOUSE COMPANY, a corpora-)
 tion, for a certificate of public) Application No. 35376
 convenience and necessity to operate)
 as a highway common carrier for the)
 transportation of property.)

Marvin Handler, for applicant.

Gordon, Knapp and Gill by Joseph C. Gill, for Pacific Freight Lines and Pacific Freight Lines Express; Bertram S. Silver and Edward M. Berol by Bertram S. Silver, for Highway Transport, Inc., and Highway Transport Express; Francis X. Vieira, for Reilly Truck Lines; Douglas Brookman, for Merchants Express Corporation, California Motor Express, Ltd., Valley Express Co. and Valley Motor Lines, Inc.; Frederick W. Mielke, for Delta Lines, Inc., protestants.

O P I N I O N

By its application filed April 23, 1954, Haslett Warehouse Company, a corporation, presently authorized to transport general commodities as a highway common carrier between points within the San Francisco Bay area, requests authority to extend service to Stockton, Sacramento, Turlock, San Jose and intermediate points. The proposed service would be restricted to the transportation of shipments:

- (1) Which originate at warehouses operated by applicant in San Francisco and Oakland; or
- (2) Which move through Haslett Warehouse Company distribution terminals in San Francisco and Oakland, provided said shipments have had a prior haul by rail or line-haul truck service.

Public hearings were held before Examiner Thomas E. Daly at San Francisco and the matter was submitted on November 16, 1954, upon the receipt of transcript and the filing of certain late exhibits.

The record discloses that applicant was incorporated February 16, 1898. Since prior to 1917 it has operated as a highway common carrier under the grandfather provisions of Section 1063 of the Public Utilities Code, as amended, serving San Francisco, Oakland, Albany, Emeryville, Piedmont, Berkeley, Alameda, Melrose and Fruitvale. By Decision No. 48008, dated December 2, 1952, on Application No. 32504, this service was extended to many other Bay area points. In addition to its certificated authority applicant also has radial highway common carrier, highway contract carrier, city carrier and household goods carrier permits. Warehouse distribution operations are conducted in seven locations in San Francisco, three in Oakland, two in Sacramento and three in Stockton. Applicant owns and operates 145 pieces of motor equipment. It also owns and operates two distribution terminals, one in San Francisco and the other in Oakland.

In addition to transporting shipments which originate at its warehouses, authority is sought to transport shipments moving through applicant's San Francisco and Oakland distribution terminals provided said shipments have a prior movement by rail or line-haul truck. As justification for such authority applicant alleges that carload and truckload shipments are often consigned in care of applicant for distribution both within the Bay area and in the extended area. Some of these customers, applicant claims, are also depositors in its warehouses and frequently make shipments to the proposed area which will consist of merchandise taken from storage and consolidated with merchandise arriving by rail or line-haul truck.

Applicant contends that the transportation phase of its operations is closely related to its warehousing and distribution services. Meeting the demands of its customers for a completely unified service has assertedly created doubts as to the legal status of its permitted operations. It therefore requests that the whole of its transportation service be converted to certificated common

carrier status. Inasmuch as it proposes to render a limited common carrier service, applicant argues that certification can result in little if any diversion of traffic from any protestants. ✓

Past operation exhibits indicate that applicant has been transporting a substantial number of shipments originating at its Oakland and San Francisco facilities destined to the extended areas. Fourteen public witnesses testified on behalf of applicant. They testified that they are warehouse customers of applicant and found it a convenience to use its transportation service in conjunction with its warehouse facilities. They stated that applicant became in effect their shipping department to which they could transmit orders, have them filled from the stock on hand at the warehouses or from consignments arriving by rail or line-haul truck, and then shipped to their customers. This, the public witnesses asserted, minimized the amount of handling and resulted in an expeditious service. Applicant, they testified, has acquired a familiarity with their business needs and requirements as well as those of their respective customers. Because they relied upon applicant to handle their transportation matters they were, therefore, unfamiliar with the facts relating to the actual service performed. They did not know to what extent applicant turned shipments over to

other carriers rather than performing the service itself. These witnesses could only testify that they were completely satisfied with the present arrangement regardless of who actually transported their shipments.

Protestants limited their showing to evidence relating to terminals, equipment, financial status and the nature of their respective services. Although they protested the application in its entirety the weight of their protest was directed towards applicant's proposal to transport shipments from its distribution terminals. These shipments protestants contend have no connection with warehousing. It appears that their main concern is with applicant's possible acquisition of interstate authority to transport such shipments moving in interstate commerce by registration if the authority here sought is granted. They take the position that any certificate granted applicant should be limited to the transportation of shipments of merchandise currently in storage in a warehouse operated by applicant or shipments arriving by rail, or line-haul truck, consigned to a warehouse of applicant for storage and which, while in transit, are diverted from storage by the shipper.

The record discloses that applicant has operated rather extensively in the proposed area for the past year and a half. It further discloses that applicant's customers are receiving a combination warehousing and transportation service peculiar to their business needs and requirements. It is a service which includes the transportation of intrastate shipments moving through applicant's distribution terminals for the purpose of direct delivery or delivery after consolidation with merchandise taken from one of applicant's warehouses. The record shows that intrastate shipments are frequently marked "Care of Haslett Warehouse Company". Applicant receives no prior directions that said shipments are to go into storage. If

protestants' suggested restriction were imposed it would preclude applicant from transporting such shipments as well as prevent it from transporting shipments moving in interstate commerce. The intent and purpose of such a restriction does not appear to be a matter properly before this Commission. However, to assure that the transportation phase of the operation continues to be supplemental to that of warehousing and not an independent operation in itself, a restriction will be imposed. It will limit shipments moving through applicant's distribution terminals to those consigned to or originating from warehouse accounts of applicant.

After full consideration of the evidence the Commission is of the opinion and so finds that public convenience and necessity require that a certificate be issued.

ORDER

Application having been filed, a public hearing having been held thereon and based upon the evidence adduced therein,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Haslett Warehouse Company authorizing the establishment and operation of a service as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of shipments of general commodities, except uncrated household goods, petroleum products in bulk, livestock, and commodities requiring insulated equipment under mechanical refrigeration:

(a) Which originate at warehouses operated by applicant in San Francisco and/or Oakland for delivery to Sacramento, Stockton, Turlock and San Jose and intermediate points, on and along the routes hereinafter set forth;

(b) Which move through the present Haslett Warehouse Company distribution terminals in San Francisco and/or Oakland for delivery and distribution to the same points specified in (1)(a) above, provided said shipments move to or from a warehouse customer of applicant having a current storage account in one or more of its warehouses.

(2) The routes referred to in paragraph (1)(a) above are as follows:

- U. S. Highway No. 40 between San Francisco and Sacramento;
- U. S. Highway No. 50 between San Francisco and Stockton;
- State Highway No. 24 between San Francisco and Sacramento;
- U. S. Highways No. 50 and No. 99 between Sacramento and Stockton;
- U. S. Highway No. 99 between Stockton and Turlock;
- State Highway No. 4 between Pinole and Stockton;
- U. S. Highways No. 101 and No. 101 By-Pass between San Francisco and San Jose;
- State Highway No. 17 between Oakland and San Jose;
- State Highway No. 9 between Milpitas and Mountain View;
- San Mateo Bridge and its approaches;
- Dumbarton Bridge and its approaches.

Alternate Routes for operating convenience only:

State Highways No. 33 and No. 132 between U. S.

Highways No. 50 and No. 99;

State Highway No. 120 between U. S. Highways No. 5

No. 99;

State Highway No. 12 between U. S. Highway No. 40

and U. S. Highways No. 50 and No. 99.

(3) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

(a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate herein granted.

(b) Within sixty days after the effective date hereof and on not less than five days' notice to the Commission and the public applicant shall establish the service herein authorized and file in triplicate and concurrently make effective appropriate tariffs.

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

Dated at San Francisco, California, this 2/27 day of DECEMBER, 1954.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners