

ORIGINALDecision No. 51741

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }
 SOUTHERN CALIFORNIA FREIGHT LINES, }
 a corporation, for a certificate of }
 public convenience and necessity to }
 transport property by auto truck as }
 a highway common carrier. }

Application No. 32246

Additional Appearances

Daniel Baker, for protestants represented by
Edward M. Berol, Bertram S. Silver and
Marvin Handler.

William Meinhold and Frederick Fuhrman, by
Frederick Fuhrman, for Northwestern Pacific
 Railroad; Mabel R. Glass, for Glass Trans-
 portation Company; Cameron and Honberger,
 by Herbert Cameron, for A.T.L., Inc., doing
 business as Furniture Fast Freight;
C. A. Millen, for Valley Express Company and
 Valley Motor Lines, Inc., Frederick W. Mielke,
 for Delta Lines, Inc., Francis X. Vieira, for
 Reilley Truck Line, N. A. Gotelli Trucking
 Co., and Antonini Fruit Express; and Marvin
Handler, for Cal. Central Trucking Co., Inc.;
 protestants.

OPINION ON FINAL SUBMISSION

Applicant is a highway common carrier as defined in
 Section 213 of the Public Utilities Code of California. Prior
 to March 30, 1951, it had authority as such to serve, generally,
 the points south and east of Santa Monica and San Fernando, and
 between those points and the San Francisco Territory. Its author-
 ity in the territory south and east of Santa Monica and
 San Fernando, as set forth in numerous decisions of this Commis-
 sion, did not include many points therein, and varied as to lateral
 rights and commodities to be carried.

On March 30, 1951, Southern California Freight Lines filed the application herein. Amendments thereto were filed on June 22, 1951, July 5, 1951, and January 14, 1952. By the application, as amended, applicant sought authority (1) to transport commodities of all kinds between all points on designated highways in the State of California lying south and east of San Fernando and Santa Monica, and within five miles of said highways, (2) to transport commodities of all kinds, excepting used household goods, petroleum in bulk, animals or pets, money or valuable papers, precious metals or articles manufactured therefrom, jewelry, or articles of extraordinary value, when transported in shipments under 500 pounds in weight:

(1)
(a) Between Los Angeles and San Francisco via U. S. Highway 101, including U. S. Highway 101 alternate between Santa Monica and the intersection of said highway with U. S. Highway 101 at a point north and westerly of Oxnard, including State Highway 118 between San Fernando and the intersection of said highway with U. S. Highway 101 at a point approximately 4.1 miles east of Ventura, and including State Highway 126 between U. S. Highway 99 and the intersection of said highway with U. S. Highway 101 at a point approximately 2.5 miles east of Ventura, including alternate route via State Highway 150 from Santa Paula through Ojai to the intersection of said highway with U. S. Highway 399 west of Ojai, thence via U. S. Highway 399 to its intersection with U. S. Highway 101 in Ventura, and including State Highway 1 between Las Cruces and Pismo Beach, including State Highway 150

(1) Applicant has authority to serve between the San Francisco Territory and the Los Angeles Territory for the transportation of general commodities with exceptions which differ slightly from those proposed herein (Decision No. 43003, dated June 14, 1949, in Application No. 27232).

between Buellton and Lompoc, including State Highway 156 between the intersection of said highway with U. S. Highway 101 at a point approximately 11 miles south of Gilroy and the intersection of said State Highway 156 with State Highway 152 at a point approximately 12 miles east of Gilroy, including State Highway 25 between Hollister and the intersection of said highway with U. S. Highway 101 at a point approximately two miles south of Gilroy, and including State Highway 17 and State Highway 9 between San Jose and Oakland and U. S. Highway 40 between Oakland and San Francisco, and including San Mateo Bridge route between San Mateo and Mt. Eden and Hayward, and including the City of Alameda.

(b) Between Los Angeles and the Oregon boundary via U. S. Highway 99, including alternate route from the junction of U. S. Highways 99 and 6 southeast of Newhall, thence via U. S. Highway 6 and unnumbered highways through Newhall to Saugus, thence via unnumbered highway to its intersection with U. S. Highway 99 at a point 2.7 miles westerly of Saugus, including alternate route via State Highway 65 between the intersection of said highway with U. S. Highway 99, approximately 4 miles north of Bakersfield, via Ducor, Porterville, Lindsay, Exeter, to its intersection with State Highway 198, thence via State Highway 198 to Visalia, thence via unnumbered highways via Calgro, Orosi, Dinuba, Reedley, Sanger, and Clovis, thence via State Highway 168 and unnumbered highway to its junction with U. S. Highway 99 approximately 7.0 miles north of Fresno, including all areas lying within said route and U. S. Highway 99, including both U. S. Highway 99E and 99W between Sacramento and Red Bluff and all areas lying within said highway routes, and including Oroville and McCloud.

(c) Between Visalia and Lemoore via State Highway 198 via Hanford.

(d) Between Califa and Gilroy via State Highway 152 via Los Banos.

(e) Between Oakland and Stockton via U. S. Highway 50 via Tracy and San Leandro.

(f) Between Oakland and Sacramento via U. S. Highway 40 via Crockett and Richmond.

(g) Between Oakland and Antioch via U. S. Highway 40 to its Junction with State Highway 4 near Hercules and thence State Highway 4 via Pittsburg to Antioch, including unnumbered highway from its junction with State Highway 4 approximately 2 miles south of Martinez, to Martinez, unnumbered highway from Martinez via Port Chicago to its junction with State Highway 4 approximately 4 miles west of Pittsburg, and unnumbered highway between Port Chicago and its junction with State Highway 4 approximately 3 miles south of Port Chicago, and including State Highway 24 between the intersection of said highway with U. S. Highway 40 at Berkeley and the intersection of State Highway 24 with State Highway 4 at a point south of Port Chicago.

(h) Between San Francisco and Ukiah via U. S. Highway 101 via San Rafael, Petaluma, Santa Rosa, Healdsburg, Cloverdale, and Hopland including State Highway 29 and U. S. Highway 40 via Oakland, Richmond, Crockett, Vallejo, Napa, St. Helena, and Calistoga, and including Lakeport and Hopland via unnumbered highway, and including all areas lying within said highways U. S. 101, U. S. 40, and California 29 between San Francisco and Ukiah, and including Sebastopol.

(1) Between Ukiah and Marysville via Williams, Colusa, and Yuba City over State Highway 20.

On routes (a) through (1) above applicant proposed to provide service to, from, or between all points thereon and lying within five miles on each side thereof, as well as to or from all points thereon or five miles on each side thereof, to or from all points applicant proposed to serve lying south and east of Santa Monica or San Fernando.

In addition, applicant requested that on all routes it be given authority to transport commodities of all kinds excepting used household goods, petroleum in bulk, animals or pets, money or valuable papers, precious metals or stones or articles manufactured therefrom, jewelry, or other articles of extraordinary value, between all points more than five miles and not over ten miles of all highways and routes used, restricted to shipments weighing not less than 2,000 pounds but including any shipments carrying a charge applicable to shipments of not less than 2,000 pounds.

In addition to the routes proposed to be served, applicant requested that it be permitted to traverse, but not serve, several routes.

No service is proposed to be rendered between any two points included in or between the areas embraced in the San Francisco and Oakland pickup and delivery zones as defined in Items 260-7-E and 260-5.5-B, respectively, of Minimum Rate Tariff No. 2.

Thirty-six days of hearings were held in various places in California relative to applicant's proposal in so far as it

concerned shipments to or between points south of the northern borders of Kern and Santa Barbara Counties. The last hearing on this phase was held in Los Angeles on May 16, 1952. On March 24, 1953, the Commission granted applicant's requests concerning this phase except that it denied applicant any extension of authority north of Los Angeles County (Decision No. 48380, dated March 24, 1953, as amended by Decision No. 48528, dated April 28, 1953, and further amended by Decision No. 49183, dated October 6, 1953).

After the partial submission on May 16, 1952, further hearings were held before Examiner Kent C. Rogers in San Jose on October 22 and October 23, 1952, March 19, 1953, and February 19, 1954; in San Luis Obispo on January 20, 1953; in Paso Robles on January 21, 1953; in King City on January 22, 1953; in Salinas on February 17 and February 18, 1953; in Hollister on February 19, 1953; in Fresno on May 7 and May 8, 1953; in Stockton on November 19 and November 20, 1953, and February 17, 1954; in Los Angeles on March 16, 1954; and in San Francisco on December 9, December 10, and December 11, 1953, March 18, March 19, May 11, and May 12, 1954. On August 11, 1954, the matter was argued in San Francisco and submitted. The entire matter is ready for decision.

Rates

The rates applicant proposes to charge will be the minimum rates prescribed by the Commission on commodities with

(2) respect to which the Commission has set minimum rates. With respect to commodities on which the Commission has set no minimum rates, the applicant proposes to determine the class rating of the commodity in question from the regular freight classification and exception sheets, and to apply the minimum rate proscribed by the Commission for such class for the mileage involved.

Applicant's Operations and Facilities

Exhibits 3, 4, 4a, 107 and 108 set forth applicant's existing and proposed terminals, and its existing and proposed schedules for less than truck load traffic (truck loads move when ready).

In its application, applicant alleges that it proposes a scheduled service between all points on the proposed routes and within five miles thereof, and a prompt on-call service to all points five to ten miles off the highways. Its scheduled service between Los Angeles and any other point in its service area south and east of San Fernando and Santa Monica is overnight with some same day service.

In his argument to the Commission, applicant's attorney stated that the applicant's proposed time schedule will provide "overnight service between all points on its system, with two exceptions: first, between San Francisco and San Jose and intermediate points and Richmond and San Jose and intermediate points,

(2) Applicant tendered much testimony concerning the desires of various shippers to use applicant's services because of its lower minimum charges. That such evidence is valueless in determining public convenience and necessity is borne out by the recent authority given to applicant to increase its minimum charges in the area embraced by the first decision herein (Decision No. 50401 dated August 10, 1954, in Application No. 35444).

same day service will be provided on shipments picked up in the morning; the second exception is that second day service will be provided between points beyond San Bernardino and Santa Ana, on the one hand, and, on the other hand, points north of San Francisco and points north of Chico and Williams in the Sacramento Valley. Overnight service will be provided, for example, between points south and east of Los Angeles and all points as far south [north] as Sacramento and San Francisco." Applicant's attorney asked questions of many witnesses based on this offer of service, for example, the witness James Hodges with a place of business in Imperial (not a terminal point for applicant), was asked the following question (transcript pages 2551 and 2552): "one phase of this application involves a request by Southern California Freight Lines for authority to provide service in both directions between Imperial and the various points shown along the routes on this Exhibit 1 (map), which would include points up in the San Joaquin Valley and the Sacramento Valley and along the coast, and the proposal is to have a single line carrier service between Imperial and those points, and to provide next day delivery between points as far north as Sacramento and as far north as San Francisco bay area. Would that service be of benefit to your company?" Applicant's proposed time schedules show that it does not in fact propose such service but rather a second day service to Sacramento from Imperial. See Exhibit 3, Sections 21 and 17 and Exhibit 4, Section 52, for service through San Diego, or Exhibit 3, Section 21, and Section 30, and Exhibit 4, Section 52 for service, on a produce run which also carries general merchandise, via El Centro through Los Angeles to Sacramento.

Applicant's present terminals are shown on Exhibit No. 3. In the San Francisco Territory it has terminals at San Francisco, Oakland and San Jose. It proposes to add terminals at Bakersfield, Tulare, Fresno, Modesto, Stockton, Sacramento, Chico, Redding and Yreka, on U. S. Highway 99, and at Oxnard, Ventura, Santa Barbara, Santa Maria, San Luis Obispo, Salinas, Santa Rosa and Ukiah on U. S. Highway 101. In addition, agencies will be maintained on each highway at intermediate points.

As of July, 1951, applicant owned a total of 719 pieces of equipment including 206 pickup trucks, 39 diesel line tractors, 91 heavy gas tractors, and 269 sixteen to thirty-five foot semi-trailers. It has available about 170 line-haul diesel tractors owned by individuals who haul applicant's trailers between San Francisco and Los Angeles on either an hourly or percentage of revenue basis.

In order to operate the proposed schedules, applicant will acquire approximately 20 city trucks, 71 short line tractors, 27 shuttle tractors, 22 extra semis, 44 line semis, and 5 diesel tractors. In addition, it will lease extra diesel line-haul tractors as needed. The automotive equipment applicant will be required to purchase will cost an estimated \$825,000. Applicant will rent or purchase 18 terminals together with necessary equipment. If purchased, the land, buildings and equipment at each terminal will cost from \$6,000 to \$10,000. From the history of the applicant's operations under the authority of this Commission it appears that it has the ability to finance the proposal to the extent authorized herein.

Protestants

Many property carriers appeared and protested the application. Most of them have joint rates with other carriers; including the applicant, which enable them to offer to transport shipments originating at or destined to any point in their authorized territory, on the one hand, and originating at or destined to practically any place in the State of California, on the other hand. The following carriers presented evidence relative to their operations: Antonini Fruit Express, Antoni Truck lines, Associated Transportation Company, J. Christenson Co., Delta Lines, Inc., Fortier Transportation Co., N. A. Gotelli Trucking, Highway Transport Inc., Hawkey Lumber Transportation, Intercity Motor Lines, Kings County Truck Lines, Lodi Truck Service, Miles Motor Transport System, J. A. Nevis Trucking, Inc., Nielsen Freight Lines, Oregon-Nevada-California Fast Freight, Inc., Ted Peters Trucking Co., Inc.; Pacific Motor Trucking Company, Peninsula Motor Express, Pacific Freight Lines, Pacific Freight Lines Express, Reilly Truck Line, Santa Fe Transportation Company, Southern Pacific Company, Sacramento Freight Lines, Inc., Valley Motor Lines, Winans Brothers and West Berkeley Express and Draying Company.

In addition, protests, but with no affirmative evidence in support thereof, were filed by The Atchison, Topeka and Santa Fe Railway Company, Bekins Van Lines, James Van Lines, Lyon Van Lines, Inc., Merchants Express Corporation, California Motor Express, Ltd., California Motor Transport Co., Ltd.,

Highway Transport Express, Canton Transbay Express, Inc., Warren Transportation Co., Stockton Motor Express, Western Truck Lines, Ltd., Northwestern Pacific Railroad, Glass Transportation Co., Furniture Fast Freight and Cal-Central Trucking Co., Inc.

The evidence presented by the protestants shows that many of them are operating with unsatisfactory operating ratios and they are physically able to handle all the traffic in applicant's proposed service area. Opposed to this is the testimony of many shippers or receivers that the protesting carriers are not rendering services which are satisfactory to them.

Public Witness Testimony

Applicant presented approximately 460 public witnesses during the course of the hearings in this matter. About 100 of these were concerned solely with applicant's services south of the northern boundaries of Kern and Santa Barbara Counties and east of said territory. Several of the remaining witnesses presented irrelevant matter. As would be expected from the number of witnesses who testified at applicant's request, the types of commodities the witnesses deal in include most of the commodities applicant desires authority to carry, and no purpose would be served by the itemization thereof. The individual shipments range in weight from under 100 pounds to several truckloads.

From the evidence presented in support of the application it appears that many shippers and/or receivers of general commodities in applicant's proposed service area are dissatisfied with the highway common carriers operating therein. They complained of the existing carriers' pickup and delivery service, that shipments are lost or damaged, and that claims are not

processed quickly enough or are unjustly denied. In addition, many of the applicant's customers in its authorized service areas prefer its services to those of other carriers and want those services extended to the proposed service areas. Some of the witnesses are not now using the applicant's services as they are out of its authorized service area, but if the service were authorized and the proposed time in transit were maintained they would use the applicant's services as the proposed time in transit is allegedly less than that of the carriers used.

Blanket Wrapped Furniture

It does not appear that any of the protestants, except Furniture Fast Freight, carry new furniture uncrated and blanket wrapped. Representatives of approximately fifteen furniture stores testified that their stores need an overnight service for less-than-truckload shipments moving between various points on U. S. Highway 101 between Los Angeles and San Francisco, on U. S. Highway 99 between Los Angeles and Sacramento, and between points on U. S. Highway 101, on the one hand, and on U. S. Highway 99 on the other hand. They testified that Furniture Fast Freight is slow in delivery as it accumulates a truck load before shipments move, and that this results in delays of as much as two weeks. This, they said, causes the loss of many sales.

Farm Products Service

Applicant will provide a special farm products service with field pickups and deliveries to the principal markets in time for the opening thereof, usually from 1 a. m. to 2 a. m. Several witnesses having such shipments originating at the

various producing centers, such as the Imperial and Coachella Valleys or near U.S. Highways 99 and 101 or State Highway 1, testified that if they could get such a service, particularly on less-than-truckload movements, it would help them.

The record shows that applicant has long operated in southern California territory under broad and extensive rights. It also shows that applicant's rights were extended to allow it to provide service between southern California and the San Francisco Bay area and certain other points, but without authority generally to serve the intermediate points. As a result, the latter operations involve movements for considerable distances through areas where applicant may neither pick up nor deliver freight. These restrictions, it is clear, hamper applicant and prevent it from rendering a well rounded out service to the public, particularly to those shippers who have expressed a preference for its service. It appears that under the circumstances surrounding applicant's operations the public interest would be served by lifting the restrictions, thereby removing artificial and unnecessary barriers to the free flow of commerce and to the most efficient use of facilities and equipment. Within the general area extending southward from San Francisco and Sacramento along the two main routes traveled by applicant, the demand for service is shown by the evidence to be consistently heavy, not only between the principal industrial and commercial areas but also from and to points in the territory traversed in operating between the traffic centers. On this record, it follows that broad rights such as those proposed by applicant are necessary if

it is to meet reasonable public demand for a more efficient service. With respect to points north of San Francisco and Sacramento, applicant does not now provide service to this area. Moreover, the record shows that the demand for service from and to such points is much lighter and more irregular than from or to the points south of San Francisco and Sacramento. There is no basis on this record for concluding that applicant could operate effectively and efficiently or that there is a substantial need for additional service from and to such northern territory.

Upon the record herein, we are of the opinion and find that public convenience and necessity require that applicant be authorized to render a service as a highway common carrier to the extent indicated in the foregoing opinion and as set forth in the order which follows and that in all other respects the application should be denied.

O R D E R

An application having been filed, public hearings having been held thereon, the Commission being fully advised in the premises and it having found that public convenience and necessity so require,

A

IT IS ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Freight Lines, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for

the transportation of property, except used household goods, petroleum in bulk, animals or pets, money or valuable papers, precious metals or stones or articles manufactured therefrom, jewelry, or articles of extraordinary value, when transported in shipments under 500 pounds in weight:

(1) Between Los Angeles and San Jose, exclusive of San Jose, via U.S. Highway 101, and the following routes:

- (a) U.S. Highway 101 Alternate between Santa Monica and the intersection of said highway with U.S. Highway 101 at a point north and westerly of Oxnard.
- (b) State Highway 118 between San Fernando and the intersection of said highway with U.S. Highway 101 at a point approximately 4.1 miles east of Ventura.
- (c) State Highway 126 between U.S. Highway 99 and the intersection of said highway with U.S. Highway 101 at a point approximately 2.5 miles east of Ventura.
- (d) State Highway 150 from Santa Paula through Ojai to the intersection of said highway with U.S. Highway 399 west of Ojai, thence via U.S. Highway 399 to its intersection with U.S. Highway 101 in Ventura.
- (e) State Highway 1 between Las Cruces and Pismo Beach.
- (f) State Highway 150 between Buellton and Lompoc.
- (g) State Highway 156 between the intersection of said highway with U.S. Highway 101 at a point approximately 11 miles south of Gilroy and the intersection of said State Highway 156 with State Highway 152 at a point approximately 12 miles east of Gilroy.
- (h) State Highway 25 between Hollister and the intersection of said highway with U.S. Highway 101 at a point approximately two miles south of Gilroy.

(2) Between Los Angeles and Sacramento, including Sacramento, via U.S. Highway 99, and also the following routes:

- (a) From the junction of U.S. Highways 99 and 6 south-east of Newhall, thence via U.S. Highway 6 and unnumbered highways through Newhall to Saugus, thence via unnumbered highway to its intersection with U.S. Highway 99 at a point 2.7 miles westerly of Saugus.
- (b) State Highway 65 between the intersection of said highway with U.S. Highway 99 approximately four miles north of Bakersfield, via Ducor, Porterville, Lindsay, Exeter, to its intersection with State Highway 198, thence via State Highway 198 to Visalia, thence via unnumbered highways via Calgro, Orosi, Dinuba, Reedley, Sanger and Clovis, thence via State Highway 168 and unnumbered highway to its junction with U.S. Highway 99 approximately seven miles north of Fresno.

(3) Between Visalia and Lemoore via State Highway 198 via Hanford.

(4) The authority granted in ordering paragraph A shall apply (1) from, to or between all places situated on the routes shown therein and also within a radius of five miles laterally on each side of said routes, and (2) between all points on said routes and also within a radius of five miles thereof, on the one hand, and the San Francisco territory, as described in Item No. 270-A of Minimum Rate Tariff No. 2, on the other hand.

B

IT IS FURTHER ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Freight Lines authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of property, except used household

goods, petroleum in bulk, animals or pets, money or valuable papers, precious metals or stones or articles manufactured therefrom, jewelry, or other articles of extraordinary value, in shipments weighing or on which transportation charges are computed on a weight of not less than 2,000 pounds:

- (a) Between all points more than five miles but not over ten miles from highways and routes described in ordering paragraph A above.
- (b) Between said points, on the one hand, and the San Francisco Territory as described in Item No. 270-A of Minimum Rate Tariff No. 2, on the other hand, and
- (c) Between all points, places and routes authorized to be served by ordering paragraph A, on the one hand, and all points more than five miles but not over ten miles from said routes, on the other hand.

C

IT IS FURTHER ORDERED that the authority granted by paragraphs A and B of this order is subject to the following conditions and restrictions:

- (1) Applicant shall transport no property between points in applicant's service area lying south of the northern boundaries of Santa Monica and San Fernando, and east thereof, on the one hand, and points and places in Kern County, Ventura County or Santa Barbara County, on the other hand; nor shall applicant transport any shipments having both origin and destination within Kern, Ventura and Santa Barbara Counties.
- (2) Applicant shall transport no property having both origin and destination at any points on U.S. Highway 99 between Sacramento and Stockton, both inclusive, and including points laterally within 10 miles on each side of U.S. Highway 99 between Sacramento and Stockton, both inclusive.

- (3) Applicant shall transport no property between the San Francisco Territory as defined in Item No. 270-A of Minimum Rate Tariff No. 2, on the one hand, and points on U.S. Highway 99 between Sacramento and Stockton, both inclusive, and including points laterally within 10 miles on either side of U.S. Highway 99 between Sacramento and Stockton, both inclusive, on the other hand.

D

IT IS FURTHER ORDERED that in providing service pursuant to the certificates herein granted applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within sixty days after the effective date hereof, and upon 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 satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify the routes at any time, applicant shall conduct the operations herein authorized over any and all convenient routes unless otherwise shown.

E

IT IS FURTHER ORDERED that except as expressly granted by Decision No. 48380, dated March 24, 1953, in Application No. 32246, as amended by Decision No. 48258, dated April 28, 1953,

and further amended by Decision No. 49183, dated October 6, 1953;
and granted by this decision, Application No. 32246 is denied:

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

Dated at San Francisco, California,
this 9th day of July, 1955:

James J. Callahan
President
Ronald Untermyer
Michael D. Dade
C. H. Hardy

Commissioners

Commissioner Peter E. Mitchell, being
necessarily absent, did not participate
in the disposition of this proceeding.