

Decision No. 52694

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ERNEST FORD, doing business as)
PRESTO DELIVERY SERVICE, to operate)
a highway common carrier service)
between Los Angeles and San Fernando,)
Santa Monica, Redondo Beach, Long)
Beach, Buena Park, Whittier, West)
Covina, Azusa and intermediate)
points.)

Application No. 36978

Donald Murchison for applicant.
Henry J. Bischoff for Southern California Freight
Lines and Southern California Freight Forwarders;
John H. Gordon for Southern Pacific Company,
Pacific Electric Railway Company, and Pacific
Motor Trucking Company; Robert W. Walker and
Henry M. Moffat for Santa Fe Transportation
Company; protestants.

O P I N I O N

The original application was filed by Ernest Ford, doing business as Presto Delivery Service. Before the date of hearing there was formed a California corporation called Presto Delivery Service, Inc. By the second amendment to the application said corporation was substituted as the applicant, after Ernest Ford had transferred his transportation business and assets, including his radial, contract and city permits, to the corporation. This matter will be considered as the application of the corporation, Presto Delivery Service, Inc.

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa, oral and documentary evidence having been adduced the matter was submitted for decision.

Applicant seeks authority to operate as a highway common

carrier of limited commodities,¹ generally, between Los Angeles City Drayage Area, on the one hand, and, on the other hand, Santa Monica, Long Beach, San Fernando, West Covina and Whittier, serving also intermediate and off-route points. Applicant has named numerous routes and off-route points proposed to be served. The authority requested would permit applicant to transport the named commodities from the said Los Angeles Drayage Area, on the one hand, to practically all points within an area bounded, generally, by the above named cities and their connecting highways, on the other hand. Applicant proposes to render a daily service, but does not propose any service between intermediate points nor between off-route points: All shipments would originate in the Los Angeles Drayage Area except return shipments from consignees to original shippers.

Applicant has not requested authority to sell or issue any of its shares of capital stock. However, it was testified that shares, when and if issued, will be owned equally by David H. Gould, Jr., and Ernest Ford. The business of the corporation is now being conducted by the officers elected by the directors named in the Articles of Incorporation. They are David H. Gould, Jr., Director and President, Ernest Ford, Director and Secretary-Treasurer, and Samuel Clyde Young, Director.

The evidence shows that Ernest Ford commenced operations as a permitted carrier in June 1954; that the gross monthly revenues

1 (1) Metal Polish; (2) Wooden Bowls; (3) Cosmetics; (4) Drugs; (5) Bottle Caps; (6) Toys; (7) Piece Goods; (8) Dry Goods; (9) Glassware and Pottery; (10) Auto Polish; (11) Furniture Polish; (12) Plastic Goods.

from July 1954 to September 1955 were as follows:

| | |
|-----------|-----------|
| July 1954 | \$ 521.39 |
| Aug. 1954 | 1,055.98 |
| Sep. 1954 | 1,257.57 |
| Oct. 1954 | 2,505.54 |
| Nov. 1954 | 2,165.18 |
| Dec. 1954 | 1,779.68 |
| Jan. 1955 | 836.24 |
| Feb. 1955 | 1,447.65 |
| Mar. 1955 | 1,725.02 |
| Apr. 1955 | 2,386.08 |
| May. 1955 | 2,115.16 |
| June 1955 | 2,970.48 |
| July 1955 | 2,879.07 |
| Aug. 1955 | 3,978.03 |
| Sep. 1955 | 5,750.66 |

that one-half of said revenue was derived from city drayage business and the other half from radial or contract business; and that present monthly gross revenues are much in excess of those shown in Exhibit No. 8.

Applicant operates five $1\frac{1}{2}$ -ton trucks and one 1-ton truck. The financial condition of applicant's predecessor Ernest Ford, doing business as Presto Delivery Service, as of August 31, 1955, was as follows: total assets, \$4,730.13; total liabilities, \$2,095.75; net worth; \$2,634.38; that as of November 1955 net worth had improved approximately \$2,000;² that Ernest Ford and David H. Gould, Jr., are experienced in the city drayage and permitted carrier transportation service; that applicant maintains an office and has dock facilities in Los Angeles, and employs five drivers, one dock hand, one mechanic, and one office employee.

Applicant has been daily transporting the commodities hereinabove named to many of the places proposed to be served. Six shipper witnesses testified in support of this application, the companies represented being shippers of cosmetics, toiletries, drugs,

² The revenue and expense for the first eight months of 1955 were \$18,107.18 and \$15,065.84, respectively. Expenses included compensation of \$2,289.47 to David H. Gould, Jr., as manager.

dry goods, piece goods, toys and construction kits, glassware, dishes and pottery. The tonnage shipped by each of said firms averaged between 6,000 and 40,000 lbs. per month.

Although one or more of the protestants serve the same points applicant proposes to serve, there is no evidence of record that applicant's present or proposed operation will adversely affect protestants' revenues to any material extent. We find that there is substantial evidence of public convenience and necessity, and that because of the kind and limited number of commodities proposed to be transported it would not be in the public interest to restrict applicant to a one-way operation. The application will be granted.

Presto Delivery Service, Inc., is 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 as to the number of rights which may be given.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found that public convenience and necessity so require,

IT IS ORDERED:

1. That a certificate of public convenience and necessity be, and it hereby is, granted to Presto Delivery Service, Inc., a California corporation, authorizing it to operate as a highway

common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of property between the points and places as more specifically set forth in Appendix A attached hereto and made a part hereof.

2. 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 hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed upon notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 99. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 99, may result in a cancellation of the operating authority granted by this decision.
- (b) Within sixty days after the effective date hereof, and upon not less than ten days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

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

Dated at San Francisco, California, this 28th day of February, 1956.

[Signature]
President

Justin Z. Casner

[Signature]

[Signature]

Commissioners
Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.

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APPENDIX A
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Presto Delivery Service, Inc., a corporation, by the certificate of public convenience and necessity granted in the above-numbered decision, is authorized to transport the following commodities:

1. Cellulose Derivative Plastics, as listed under that heading in Items Nos. 9655 through 9685 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplement No. 41 thereto.
2. Cloth, Dry Goods and Fabrics, as listed under that heading in Items Nos. 12555 through 12885 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 27, 41, 46 and 47 thereto.
3. Drugs, Medicines or Toilet Preparations, as listed under that heading in Items Nos. 15185 through 15500 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 27, 41, 46 and 47 thereto.
4. Games or Toys, as listed under that heading in Items Nos. 20670 through 20870 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 27, 41, 46 and 47 thereto.
5. Glassware, as listed under that heading in Items Nos. 21265 through 21585 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent; on the issue date thereof and Supplements Nos. 27, 41, 46 and 47 thereto.
6. Buffing and polishing compounds, wooden bowls, bottle caps, pottery, cellulose film and cellulose film products.

APPENDIX A
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between:

Los Angeles Drayage Area, as described in Items Nos. 30-B, 31, 32-A and 33 of Minimum Rate Tariff No. 5, on the one hand, and Santa Monica, Long Beach, San Fernando, West Covina, Whittier, and intermediate points, including any off-route points listed in Appendix B attached hereto, on the other hand, via the most direct or appropriate public streets, roads or highways connecting said points and places, subject, however, to the following conditions and restrictions:

Applicant shall not transport any property between any intermediate point or off-route point, on the one hand, and any other intermediate point or off-route point, on the other hand.

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APPENDIX B

OFF-ROUTE POINTS

| | | |
|-------------------|------------------|-------------------|
| Alhambra | Hawthorne | Redondo Beach |
| Altadena | Hermosa Beach | Rosemead |
| Arcadia | Highland Park | San Gabriel |
| Artesia | Hollydale | San Marino |
| Avalon | Hollywood | San Pedro |
| Azusa | Huntington Park | Sepulveda |
| Baldwin Park | Inglewood | Sherman Oaks |
| Bandini | La Canada | Sierra Madre |
| Bel Air Estates | La Crescenta | Signal Hill |
| Bell | La Habra Heights | South Gate |
| Bellflower | Lakewood | South Pasadena |
| Bell Gardens | Lawndale | South San Gabriel |
| Belvedere | Lennox | Studebaker |
| Beverly Glen | Lomita | Studio City |
| Beverly Hills | Los Nietos | Sunland |
| Boyle Heights | Lynwood | Sun Valley |
| Brentwood Heights | Manhattan Beach | Tarzana |
| Buena Park | Maywood | Temple City |
| Burbank | Moneta | Terminal Island |
| City Terrace | Monrovia | Torrance |
| Compton | Montebello | Tujunga |
| Culver City | Monterey Park | Universal City |
| Dominguez | Montrose | Van Nuys |
| Downey | North Hollywood | Venice |
| Eagle Rock | North Long Beach | Vernon |
| East Los Angeles | Northridge | Walteria |
| East San Pedro | Norwalk | Watts |
| El Monte | Ocean Park | Westchester |
| El Segundo | Pacoima | West Hollywood |
| Encino | Panorama City | West Los Angeles |
| Florence | Pasadena | Westwood |
| Gardena | Pico | Willowbrook |
| Glendale | Playa Del Rey | Wilmar |
| Glendora | | Wilmington |