

Decision No. 59619

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED PARCEL SERVICE
for a certificate of public conven-
ience and necessity authorizing
extension of origin area for small
packages to include all points in
present delivery area.

Application No. 41377

Roger L. Ramsey, for applicant.
Glanz & Russell, by Theodore W. Russell and Arthur
Glanz, for Western Truck Lines, Ltd., protestant.
George W. Tackabury, for Railway Express Agency, Inc.,
protestant.
E. H. Griffiths, for Ace Delivery Service, interested
party.

O P I N I O N

United Parcel Service requests authority to extend its service for the delivery of small packages to various points within the State.

Public hearings were held before Examiner Thomas E. Daly at Los Angeles and San Francisco and the matter was submitted on November 6, 1959 upon the receipt of briefs and late-filed exhibits since filed and considered.

Applicant is presently authorized to transport small packages and parcels, not exceeding 70 pounds in weight or 120 inches in length and girth combined, from Los Angeles, Long Beach and Pasadena, and from San Francisco, Oakland, Alameda, Albany, Berkeley, El Cerrito, Emeryville and Piedmont to all points in a defined territory extending generally from Eureka and Redding on the north to San Ysidro and Calexico on the south.

By the instant application, applicant requests authority to transport packages and parcels not exceeding 50 pounds in weight

or 108 inches in length and girth combined, for manufacturers, manufacturers' agents, wholesalers, jobbers and commercial distributors between all points that it is presently authorized to serve and (a) points north of Arcata and Redding; (b) Fort Bragg area; (c) Lake County area; (d) Walnut Creek area; (e) Plymouth, San Andreas and Sonora area; (f) Half Moon Bay area; (g) Los Gatos area; (h) Empire and Hughson area; Huron; Lemoore and Caruthers area; Paso Robles; Terra Bella and Ducor area; McKittrick and Buttonwillow area; points north of Mojave to and including Bishop; Boron; Moorpark and Simi area; Fallbrook; Yucca Valley; Joshua Tree and Twentynine Palms area; points southeast of Indio to and including Desert Center and Blythe.

Applicant proposes service to, from and between all of its presently certificated points; to, from and between said points and points within the proposed area and to, from and between points within the proposed area. However, between presently certificated points, applicant would continue the existing weight and size limits of 70 pounds per package and 120 inches in length and girth combined.

The proposed rates and rules would be substantially the same as those now maintained and published by applicant. The basic rate to be charged would be 16 cents a package plus rates varying from 3 cents to 9 cents per pound, depending upon the point of destination. Included therein is insurance up to \$100 per package. An additional charge for C.O.D. collections would be 20 cents for each \$100 or fraction thereof. A weekly \$2.00 service charge would provide for an automatic daily pickup call.

The record indicates that applicant has extensive equipment and facilities designed for efficient and expeditious handling of small packages at the least possible cost. It further indicates that

applicant has the experience and financial ability to render the proposed extended service.

Applicant called 30 public witnesses, representing wide and diversified types of business. Because of the cumulative nature of the evidence, the testimony of 70 additional witnesses was stipulated. In general, they stated that they now use applicant in its presently certificated area and desire to make use of its extended service; that they presently use parcel post, but find it an inconvenience because of having to deliver packages to the post office and the necessity of having to split larger shipments into smaller ones so as to comply with the parcel post weight restrictions; that they do not make use of Railway Express Agency, Inc., (hereinafter at times referred to as R. E. A.), nor that of the existing certificated truck services on small shipments; that if the authority sought is granted, they would divert their small shipments from parcel post to applicant.

R. E. A. and Western Truck Lines, Ltd., (hereinafter at times referred to as Western), introduced evidence reflecting the nature of their operations. The protest of Western is directed toward the proposed extension of service between the Los Angeles area, on the one hand, and Bishop and Blythe, on the other hand.

It is the contention of R. E. A. that it will suffer a material loss of revenue if the application is granted. It also contends that its service is comparable to applicant's and that applicant would have nothing new to offer except lower rates. Western contends that the Bishop and Blythe area is sparsely settled and that the existing carriers should be allowed to continue to provide service without unneeded parallel service.

R. E. A. argues that applicant is in the nature of a selective carrier in that it limits its service to a limited portion

of the public and to the transportation of packages limited in size and weight. That because of the restricted nature of its operations, it can afford to provide service at lower rates and thus attract volume business. R. E. A. further argues that a difference in weight and size limitations as proposed will lead to public confusion; that if a certificate of public convenience and necessity should be granted over its protest, it should be granted only upon condition that applicant proceed forthwith to seek authority to reduce its 70-pound limitations under its existing authority to 50 pounds.

Applicant argues that R. E. A. has placed its service beyond the economic reach of small package shippers, through a series of increases in its minimum charge, and as a result the shipping public is forced to the inconvenient use of parcel post. Applicant further argues that Western Truck Lines is not an adequate or practical substitute for parcel post because its vehicles, facilities and method of operation are not suitable for the handling of small packages, and, as a result, such packages are made subject to the minimum rates applicable to 100-pound shipments. Applicant asserts that it proposed the lower size and weight limitations in an attempt to remove possible protests from other carriers. It does not expect too much confusion to result, but if uniformity is required it would be willing to set the limitation at 70 pounds and 120 inches of length and girth combined.

After consideration the Commission is of the opinion and so finds:

1. That applicant provides a highly specialized service for the transportation of small packages at reasonable rates.
2. That protestants will not suffer a material diversion of traffic if the authority herein requested is granted, because the bulk of such traffic is presently being handled by parcel post.

3. That public convenience and necessity require the granting of the authority sought.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

1. That in the place and stead of its existing operative rights, a certificate of public convenience and necessity is hereby granted to United Parcel Service authorizing the transportation of property between the points and over the routes set forth in Appendix A attached hereto and made a part hereof.

2. That concurrently with the inauguration of service authorized in ordering paragraph 1 hereof, the operating authority granted by Decision No. 56064, dated January 14, 1958, in Application No. 39431, and all prior operating authority, is hereby revoked.

3. That in providing service pursuant to the authority granted in ordering paragraph 1 hereof, 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 on 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 on not less than ten days' notice to the Commission and to the public, applicant shall establish the service herein authorized and shall 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 1st day of February, 1960.

Evelyn R. Page
President
John E. Doyle
Matthew J. Doyle
E. J. Fox
Theodore J. Gerner
Commissioners

United Parcel Service, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport packages or articles to, from and between the points as more particularly set forth in the territories described as follows:

TERRITORY A

- (a) All points within the territory comprehending Belvedere, Maywood, Bell, Huntington Park, South Gate, Lynwood, Hynes, Long Beach, Wilmington, San Pedro, Palos Verdes, Redondo, Hermosa, Manhattan Beach, El Segundo, Santa Monica, Pacific Palisades, Brentwood, Beverly Hills, Glendale, Pasadena, Altadena, San Marino, San Gabriel, Wilmar, Monterey Park, and all other intermediate points.
- (b) All points within the territory comprehending Upland, Ontario, Chino, Whittier, Brea, Fullerton, Olive, Orange, Tustin, Santa Ana, Garden Grove, Westminster, Artesia, Bellflower, San Fernando, Burbank, La Crescenta, La Canada, Flintridge, Montrose, and all other intermediate points, including all points within five miles of the main highways traveled in all the last described territory.
- (c) All points within the territory comprehending Cucamonga, Rialto, San Bernardino, Redlands, Colton, Corona, Arlington, Riverside, San Juan Capistrano, Oceanside, La Jolla, San Diego, Coronado, National City, Chula Vista, Huntington Beach, Newport Beach, Laguna Beach, Calabasas, Ventura, Carpinteria, Oxnard, Santa Paula, Fillmore, Santa Barbara and all intermediate points, including all points within five miles of the main highway traveled in all of the last described territory.
- (d) All points along the following routes, including points within five miles of the main highway traveled:

From Ventura to Ojai via U. S. Highway 399 and
State Highway 150.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

- (e) All points along the following routes, including all points within two miles of the main highway traveled:

Commencing at the intersection of U. S. Highway 101 and State Highway 78 about two miles south of Oceanside, thence via State Highway 78 to Escondido, thence via U. S. Highway 395 to San Diego.

From Escondido to Solano Beach via unnumbered road through Rancho Santa Fe.

From San Fernando to the junction of State Highway 126 and U. S. Highway 99 through Newhall and Saugus via U. S. Highway 6 and unnumbered roads.

From San Fernando to the junction of U. S. Highway 99 and State Highway 126 via U. S. Highway 99.

*From Oceanside to Fallbrook via unnumbered road.

*From Chatsworth to Fillmore through Santa Susana and Moorpark via State Highway 118 and unnumbered roads.

TERRITORY B includes all points along the following routes, including points within five miles of the main highway traveled:

From San Francisco to Santa Rosa via Highway 101.

From San Francisco to San Jose via Highway 101 and 101 Bypass; thence to Los Gatos via Highway 17.

From San Francisco to Vallejo and Sacramento via Highway 40; Vallejo to Napa via Highway 29.

From San Francisco to San Jose via Oakland and Highway 17.

From San Francisco to Stockton and Sacramento via Oakland and Highway 40, 4, 24, and 50 to Stockton, thence via Highway 99.

From San Francisco to Walnut Creek via Highways 9 and 21 through Hayward, Niles, Sunol and Danville; via Orinda; or via Martinez and Concord.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

From Napa to Vallejo through St. Helena, Calistoga, Boyes Springs, and Sonoma via State Highway 29, unnumbered road, and State Highways 12, 37 and 48.

From Santa Rosa to Cotati through Sebastopol via State Highway 12 and unnumbered road.

From Lodi to the junction of State Highways 24 and 4 through Isleton and Rio Vista via State Highways 12 and 24.

*From San Francisco to Half Moon Bay via State Highway 1.

*From Isleton to Sacramento via State Highway 24.

TERRITORY C includes all points along the following routes, including all points within two miles of the main highway traveled:

From the junction of U. S. Highway 99 and State Highway 166 to Manteca via U. S. Highway 99.

From the junction of U. S. Highway 99 and State Highway 166 to Greenfield through Maricopa and Taft via State Highway 166 and U. S. Highway 399.

From Greenfield to Bakersfield through Weed Patch, Arvin and Edison via U. S. Highway 99, unnumbered roads and U. S. Highway 466.

From Bakersfield to Famosa through Rosedale, Shafter and Wasco via State Highway 178, unnumbered roads and U. S. Highway 466.

From the junction of State Highway 190 and U. S. Highway 99 to Hanford through Porterville, Lindsay, Exeter and Visalia via State Highways 190, 65 and 198.

From Hanford to Tulare through Guernsey and Corcoran via unnumbered roads.

From Fresno to Kingsburg through Clovis, Sanger, Parlier, Reedley and Dinuba via State Highways 41, 168 and 180 and unnumbered roads.

From Modesto to Oakdale through Riverbank via unnumbered road.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

From Exeter to Visalia through Lemon Cove, Woodlake and Ivanhoe via State Highway 198 and unnumbered roads.

From Dinuba to Reedley through Orosi and Orange Cove via unnumbered roads.

From Fresno to Hanford through Kerman, Helm, Coalinga, Avenal, Kettleman City, Lemoore and Armona via State Highways 180, 145, 33, 41, 198 and unnumbered roads; and to Fowler through Caruthers, Riverdale, Grangeville and Laton via State Highway 41 and unnumbered roads.

From Tracy to Turlock through Patterson, Newman, Gustine and Irwin via State Highways 33, 140 and unnumbered road.

From Califa to Gustine through Los Banos via State Highways 152 and 33, and to Kerman and Helm through Dos Palos, Mendota and Tranquillity via State Highways 152, 33, 180 and unnumbered roads.

*From Bakersfield to Taft through Buttonwillow and McKittrick via State Highways 178 and 33.

*From the junction of U. S. Highway 99 and State Highway 65 to Porterville through Terra Bella, via State Highway 65.

*Offroute points of Conejo, Raisin, Burrel, Lanare, Huron, Westhaven and Murray, via the most convenient direct roads.

*From Modesto to Turlock through Empire, Hughson and Denair, via State Highway 132 and unnumbered roads.

TERRITORY D includes all points along the following routes including all points within two miles of the main highway traveled:

From Goleta to San Jose via U. S. Highway 101.

From Lompoc to Pismo Beach via State Highway 1.

From Carmel to Santa Cruz via State Highway 1, including the off-route points of Pebble Beach, Asilomar and Pacific Grove via the most convenient direct roads.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

From Monterey to Castroville through Salinas via unnumbered roads.

From Castroville to Hollister via State Highway 156.

From San Luis Obispo to Cayucos through Morro Bay via State Highway 1.

From Lompoc to Solvang through Buellton via State Highway 150.

* From Cayucos to Cambria via State Highway 1.

* From Santa Cruz to Los Gatos via State Highway 17, and to Boulder Creek through Felton and Ben Lomond via State Highway 9 and unnumbered road.

TERRITORY E includes all points along the following routes including all points within two miles of the main highway traveled:

From Sacramento to Vina through Roseville, Marysville, Yuba City, Gridley, Oroville, Paradise and Chico via U. S. Highway 99E, 40A and unnumbered roads; Roseville to Nevada City through Auburn via U. S. Highway 40 and State Highway 49.

From Davis to Richfield through Woodland, Williams and Orlando via U. S. Highway 99W; Orlando to Chico via State Highway 32; Williams to Yuba City via State Highway 20; Woodland to Broderick via State Highway 16.

All points within the territory north of Sacramento bounded on the north and west by the Sacramento County line, on the east by U. S. Highway 99E, and on the south by Territory B via the most convenient direct roads.

From Sacramento to Placerville via U. S. Highway 50, including the off-route points of Natoma and Folsom via unnumbered roads.

From Auburn to Grass Valley through Colfax via U. S. Highway 40 and unnumbered road.

From Woodland to Vacaville through Madison and Winters via State Highway 16 and unnumbered road; Winters to Davis via State Highway 128.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

From Santa Rosa to Piercy through Healdsburg, Ukiah, and Willits via U. S. Highway 101.

From Sebastopol to Monte Rio through Guerneville via State Highway 12, returning through Occidental and Freestone via unnumbered road.

- * From Hopland to Upper Lake through Lakeport via unnumbered road and State Highway 29; thence to Middletown through Clear Lake Oaks and Lower Lake via State Highways 20 and 53; thence to Finley through Kelseyville via State Highway 29.
- * From Willits to Fort Bragg via State Highway 20.
- * From Oakdale to Plymouth through Keystone, Sonora, Angels Camp, San Andreas, Jackson and Sutter Creek, via State Highways 120 and 49; Plymouth to Stockton through Ione and Lockeford via State Highway 104 and 88; Ione to Martell via State Highway 88; San Andreas to Clements via State Highway 12; offroute point of Linden via the most convenient direct roads.

TERRITORY F includes all points along the following routes, including all points within two miles of the main highway traveled.

From Redding to Richfield and to Vina through Red Bluff via U. S. Highways 99, 99E and 99W.

From Arcata to Piercy through Eureka and Garberville via U. S. Highway 101, including the off-route point of Ferndale via unnumbered road, and the off-route point of Korbelt via U. S. Highway 299.

- * From Arcata to the junction of U. S. Highway 101 and the California State boundary, through Klamath and Crescent City, via U. S. Highway 101.
- * From Redding to the junction of U. S. Highway 99 and the California State boundary, through Dunsmuir, Weed and Yreka, via U. S. Highway 99, including the off-route points of McCloud and Montague, via the most convenient direct roads.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

TERRITORY G includes all points along the following routes including all points within two miles of the main highway traveled:

From Riverside to Murrieta through Morena, Lakeview, San Jacinto, Hemet, Winchester, Perris and Elsinore via U. S. Highways 395 and 60, State Highways 71 and 74 and unnumbered roads.

From Redlands to Westmorland through Beaumont, Banning, Thousand Palms, Indio and Coachella via U. S. Highway 99, and to Calipatria through Palm Springs, Mecca and Niland via State Highway 111.

From Newhall to Mojave via U. S. Highway 6; Mojave to Rosamond through Edwards and Edwards Air Force Base via U. S. Highway 466 and unnumbered road.

From San Bernardino to Yermo through Victorville, Helendale and Barstow via U. S. Highway 91, including the off-route point of Daggett via U. S. Highway 66 and unnumbered road, and the off-route points of Apple Valley and Hesperia via State Highway 18 and unnumbered roads.

From North Palm Springs to Desert Hot Springs via unnumbered roads.

* From Mojave to Bartlett via U. S. Highway 6, including the off-route point of California City via unnumbered road; and from the junction of U. S. Highways 6 and 395 one mile west of Brown to Trona through Inyokern, China Lake and Ridgecrest, via U. S. Highway 395, State Highway 178 and unnumbered road.

* From Mojave to Boron via U. S. Highway 466.

* From North Palm Springs to Twentynine Palms through Yucca Valley and Joshua Tree via unnumbered road.

TERRITORY H includes all points along the following routes, including all points within two miles of the main highway traveled:

From Calexico to Westmorland and to Calipatria through El Centro and Brawley via State Highway 111 and U. S. Highway 99; El Centro to Holtville via U. S. Highway 80.

Issued by the California Public Utilities Commission.

Decision No. 59619, Application No. 41377.

* From Bartlett to Bishop via U. S. Highway 6.

* From Indio to Blythe via U. S. Highway 60.

CONDITIONS

The authority granted is subject to the following conditions:

- (a) Service shall be limited for manufacturers, manufacturers' agents, wholesalers, jobbers, and commercial distributors only.
- (b) Packages from Los Angeles, Long Beach, Pasadena, San Francisco, Oakland, Alameda, Albany, Berkeley, El Cerrito, Emeryville and Piedmont to all points and places heretofore mentioned and not marked by an asterisk shall not exceed 70 pounds in weight or 120 inches in length and girth combined. Packages destined to, from or between all other points shall not exceed 50 pounds in weight, or 108 inches in length and girth combined.
- (c) Rates shall be maintained on a "per package" basis as contrasted with the "per shipment" basis employed by general merchandise carriers.

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Decision No. 59619, Application No. 41377.