

62102

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of LOS ANGELES CITY EXPRESS, INC.,)
a California corporation, for a)
certificate of public convenience)
and necessity, authorizing removal)
of a certain restriction under its)
present certificate, and extension)
of its present authority and issu-)
ance of an in-lieu certificate.)

Application No. 42580
(Filed August 16, 1960)

Donald Murchison, for applicant.
Glanz, Russell & Schureman, by R. Y. Schureman,
for Desert Express and Victorville-Barstow
Truck Line, protestants.

O P I N I O N

The above-entitled application was filed on August 16, 1960, and copies thereof were mailed to the various competing carriers in and around Los Angeles, as shown by Exhibit "D" attached thereto. On November 1, 1960, the Commission, without a hearing, rendered Decision No. 60972 on said application. Said decision granted applicant all the authority it had requested. On November 7, 1960, the protestants, Desert Express and Victorville-Barstow Truck Lines, filed a petition for rehearing. Thereafter, the applicant and said protestants stipulated that Decision No. 60972 could be modified to delete certain authority and that

a hearing relative to the deleted authority could be held. On November 22, 1960, by Decision No. 61085 herein, the Commission made its "First Supplemental Order Modifying Decision No. 60972 and Dismissing Petition for Rehearing". By this order the original certificate granted by Decision No. 60972 herein was affirmed, with the exception that authority to serve the Marine Corps Base at Twentynine Palms, and authority to serve points north of Newhall and north of the San Bernardino National Forest were canceled, and a hearing was ordered on said portions of the application. Evidence relative to the said portions of the application was heard by Examiner Kent C. Rogers at Los Angeles on March 2, 1961, at which time submission was deferred to April 15, 1961, pending the filing by the applicant of Exhibit No. 13 on or before said date. This exhibit was filed on March 11, 1961, and no objections have been filed by protestants. The matter is ready for decision. Copies of the application and of the notice of hearing were served as required by the Commission.

Applicant is a highway common carrier engaged in the transportation of general commodities, with exceptions, (1) between points and places in the Los Angeles Basin Territory, and (2) between points and places in said territory, on the one hand, and, on the other hand, points and places located on and along and within ten miles laterally of the following routes:

- a. U. S. Highway 99 between Redlands and Coachella, inclusive.
- b. U. S. Highway 60 between Riverside and Beaumont, inclusive.

- c. State Highway 111 between the junction with U. S. Highway 99 near Whitewater and Mecca, inclusive.
- d. Unnumbered highway known as "Twentynine Palms Highway" between the junction with U. S. Highway 99 near Whitewater and Twentynine Palms, inclusive.

Said authority is subject to the restriction that no service shall be rendered to and from the Marine Corps Field Artillery Anti-Aircraft Training Center near Twentynine Palms (Decision No. 61085, supra).

In addition, applicant has radial highway common carrier, highway contract carrier, and city carrier permits issued by this Commission.

The Commission is requested herein to authorize applicant to conduct operations as a highway common carrier for the transportation of general commodities between the Los Angeles Basin Territory, on the one hand, and, on the other hand, all points located on and along and within ten miles laterally of the following routes:

- a. U. S. Highway 395 between San Bernardino and Kramer Junction, inclusive.
- b. U. S. Highways 66 and 91 between San Bernardino and Barstow, inclusive.
- c. State Highway 18 between Victorville and Apple Valley, inclusive.
- d. Unnumbered highway between Victorville and Barstow, inclusive.
- e. Unnumbered highway between Barstow and Camp Irwin, inclusive.
- f. U. S. Highway 466 between Barstow and Mojave, inclusive.
- g. U. S. Highway 6 between San Fernando and Mojave, inclusive, including the off-route points of Saugus, Newhall and Acton.
- h. Unnumbered highway between Rosamond and junction with U. S. Highway 466 via Edwards.

In addition, applicant requests that the restriction contained in Decision No. 61085, prohibiting service to or from the Marine Corps Field Artillery Anti-Aircraft Training Center near Twentynine Palms, be removed.

Applicant is presently a party to Western Tariff Bureau, Inc., Agent, Local, Joint and Proportional Freight Tariff No. 18-B, California P.U.C. No. 17, J. L. Beeler, Agent Series, in the publication of its rates and charges with respect to the commodities which it presently transports and between those points which it serves as a highway common carrier. In connection with the proposed service, applicant proposes to establish rates substantially in conformity with rates presently published in the above-described tariff.

The proposed service will be on call, but will be conducted daily, except Sundays and holidays, between one or more pairs of points proposed to be served. Saturday deliveries at the destination points will be provided.

Applicant now has a terminal in Los Angeles, and a new one will be completed there on or about August 31, 1961, to replace the existing one. This proposed terminal will accommodate 25 vehicles and will contain an office, a repair shop, and storage facilities. In addition, applicant will have a leased terminal in Banning, and, if the requested authority is granted, will secure terminals in Barstow and Lancaster before the end of 1961.

Applicant has approximately 55 pieces of equipment of all types with which to perform the service. It appears to be financially sound in that its total assets are valued at \$202,981,

and its total liabilities amount to \$137,299 (Exhibit No. 13). For the year ending December 31, 1960, its net profits over and above all expenses amounted to \$1,489.

The applicant's reasons for desiring the certificate are stated by its president to be that a certificate will give the applicant better operating procedures in that it will be better able to serve its customers and produce a lower net cost to them by virtue of the fact that the same customers are using the entire system, in one branch of which applicant has a certificate and in the other it has permits only. He further stated that this produces a chaotic condition in the applicant's office in segregating the certificated and permitted shipments. He also said that having the certificate will produce a lower office cost to applicant and make a smoother operation.

In support of the application applicant called three shipper witnesses; the Los Angeles territorial traffic manager of Sears Roebuck & Company, the warehouse supervisor of the Los Angeles Branch of Westinghouse Lamp Division, and the Los Angeles distributing station manager of Stanley Home Products.

The witness for Sears testified that his company has warehouses in Los Angeles; that it uses applicant's services to provide transportation for its freight between the Los Angeles warehouses and retail stores in Lancaster, Victorville, and Barstow, and that, in addition, it has applicant transport shipments to customers on and within ten miles of Highway 6 between San Fernando and Mojave; that as far as the retail stores are concerned the applicant's drivers carry keys and place the shipments in the

stores during the night; that Victorville-Barstow Truck Line renders service to customers along Highways 66, 91, and 466 between Mojave, Barstow, and San Bernardino; that the service of both carriers is good, but that the applicant has been carrying shipments to points in the Los Angeles Basin Territory, and that in order to make a rounded service it lets applicant carry the store shipments to Barstow and Victorville; that he did not know that Victorville-Barstow Truck Lines served along Highway 6, and that he has tried Desert Express but that Desert Express charges a \$3 fee for service to off-route points and for that reason Sears had stopped using Desert Express. This witness further testified that Sears prefers a contract carrier for service to the stores, that is, Sears branch offices in Lancaster, Barstow, and Victorville.

The warehouse supervisor of the Westinghouse Lamp Division testified that this company ships approximately 6,000 pounds a month to the territory involved; that it has been using applicant for about three months; that the reason it uses the applicant is that the Westinghouse Lamp Division has limited dock space and must have the desert shipments out by one o'clock each day, and that the other carriers cannot pick up before three p.m.

The distributing station manager of Stanley Home Products Company testified that this company ships 4,000 to 5,000 pounds of household brushes, chemicals, and toilet preparations into the desert each month; that the company needs overnight services; that it has used Desert Express, Victorville-Barstow Truck Line, and Pacific Motor Trucking Company; that Pacific Motor Trucking Company gave poor service; that Desert Express service

was satisfactory and that Victorville-Barstow Truck Line does not pick up at his place of business. The evidence shows that Victorville-Barstow Truck Line does, in fact, pick up at the witness's place of business. The witness further testified that the reason Desert Express is no longer used is that approximately 18 months ago it added a \$3 service charge to shipments in the desert outside of cities and off the main highways.

The evidence by the applicant's president shows that applicant has only a few customers in the desert; that Sears provides approximately 50 percent of the company's tonnage in that area; that May Co., Ford Motor Company, and Louis Milani Foods, Inc., provide 25 percent and that the balance is tonnage furnished by Stanley Home Products, Westinghouse Electric, Canvas Specialty Company, West Coast Glass Company, Ryder Elliott Corporation, and a few other shippers.

The vice-president and general manager of Victorville-Barstow Truck Line and the president of Desert Express, both companies being highway common carriers, appeared as witnesses.

Victorville-Barstow Truck Line is authorized to transport general commodities, with exceptions, between the Los Angeles Territory (not the Los Angeles Basin) and all the desert area proposed to be served by applicant, including territory nine miles laterally of the routes used, and the Twentynine Palms Marine Corps Training Center. It has approximately 67 pieces of equipment and has been rendering service since 1933. Its trucks are in the Los Angeles warehouses of Sears, the Stanley Home Products shop and the Westinghouse Lamp Division shop each day, and it is ready,

willing and able to provide service to the desert as required by the witnesses. Its witness further said that the company has terminals in Los Angeles, San Bernardino, and Barstow, and that traffic to the desert has been decreasing annually for the past few years. He said the company provides a direct pickup at the mentioned places of business; provides an off-route service, and would like to have the business now shipped by applicant's witnesses, including Sears stores, and the shipments to the on-route and off-route points.

Desert Express provides service between the Los Angeles Basin Territory, the San Francisco Bay area, and the desert area involved. It has terminals in Bakersfield, Los Angeles, and Oakland, and agencies in Lancaster, Victorville, Bridgeport and San Francisco. It has over 100 pieces of equipment of all types. It renders an overnight service between the points here involved to the Los Angeles Territory. Its witness said that originally Desert Express and Victorville-Barstow Truck Lines were the only carriers in the desert area; that between 1949 and 1959 Hilliard Truck Lines, United Parcel Service, Scott Transportation, West Transportation, Doudell Truck Lines and Miles Transportation commenced serving in the area; that the application for certificates by Reliable Delivery Service has been heard and is under submission by the Commission;

and that in the past two or three years airplane assembly or manufacturing plants at Lancaster and Palmdale have been closed.

Upon consideration of the evidence, the Commission finds and concludes that applicant has failed to establish that public convenience and necessity require the proposed service. The portion of the application not granted by Decision No. 61085 will be denied.

O R D E R

A public hearing having been held, evidence received and considered, and good cause appearing,

IT IS ORDERED that Application No. 42580, except to the extent granted by Decision No. 61085, dated November 22, 1960, in Application No. 42580 be, and the same hereby is, denied.

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

Dated at San Francisco, California, this 6th day of June, 1961.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners