

62906

Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 COAST CARTAGE CO., a corporation,)
 for a certificate of public con-)
 venience and necessity as a highway)
 common carrier of property.)

Application No. 43164
 Filed February 21, 1961

Ivan McWhinney, for applicant.
Graham James & Rolph, by Boris H. Lakusta and Leo J. Vander Lans, for California Motor Express, Ltd., and California Motor Transport Co., Ltd., Delta Lines, Inc., Interlines Motor Express, Merchants Express of California, Oregon-Nevada-California Fast Freight and Southern California Freight Lines, Pacific Motor Trucking Co., Shippers Express, Sterling Transit Co., Inc., Valley Express Co. and Valley Motor Lines, Inc., Willig Freight Lines, California Cartage, and Boulevard Transportation Co., protestants.

O P I N I O N

This application was heard before Examiner Robert D. DeWolf at Los Angeles, California, on May 2, 1961, and July 7, 1961, and was submitted on July 7, 1961, subject to the filing of concurrent briefs, which are now filed. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. The protestants are California Motor Express, Ltd., and California Motor Transport Co., Ltd., Delta Lines, Inc., Interlines Motor Express, Merchants Express of California, Oregon-Nevada-California Fast Freight and Southern California Freight Lines, Pacific Motor Trucking Co., Shippers Express, Sterling Transit Co., Inc., Valley Express Co. and Valley Motor Lines, Inc.,

Willig Freight Lines, California Cartage, and Boulevard Transportation Co. Five of the protestants appeared at the hearing and submitted testimony in protest to the application.

Applicant is a highway permit carrier engaged in the transportation of general commodities in the Los Angeles Basin Territory. Applicant requests authorization to conduct operations as a highway common carrier for the transportation of general commodities in the Los Angeles Basin Territory.

Applicant proposes to provide service on schedule on a daily basis and to publish a tariff with rates and charges substantially in conformity with minimum rates, rules and regulations prescribed by the Commission.

Applicant has been engaged in the transportation business for more than ten years and is now operating twenty-eight vehicles and maintains a terminal at 4647 East 49th Street, Los Angeles 58, California. Applicant's net worth is \$76,689.93 and, as of November 30, 1960, it had a net profit of \$16,092.98 on total revenues of \$375,471.77. Applicant presently is serving fifteen major shippers and the proposed service will result in operating economies and conveniences to the shippers through a closer relationship between the shipper and the carrier, a scheduled daily pickup service, less congestion at the shipper's dock, less paper work and other benefits. The entire Los Angeles Basin Territory has become a single integrated economic and commercial area for direct daily and overnight service and applicant avers that intermediate transfers by its shippers within the territory cause delay and dock congestion.

Applicant presented four shipper witnesses who testified in support of the application. Each has substantial need for the proposed service to give them a single line operation for regular service to all points in the proposed territory and to reduce time in transit, dock congestion and otherwise improve the present service.

One witness testified to a particular problem in his business of processing feathers, down and pillows. This shipper testified to difficulty in getting freight moved as a one hour's delay would congest its shipping dock and its warehouse would not hold one day's supply. He testified this applicant rendered good service and the larger carriers would avoid the product.

Exhibits Nos. 1 and 2 introduced in evidence are the balance sheet and profit and loss statement of applicant, dated March 31, 1961.

Exhibits Nos. 3 through 28 were introduced by the protestants and show their authority to operate as common carriers and the extent of their operations, and also points lists, advertising brochures, terminal information, and statistics regarding their authority, accounts and rates. Protestants testified they have truck capacity and offer daily overnight service sufficient to handle additional freight in the proposed area.

The record herein shows that the applicant is providing a necessary and specialized service for approximately 15 customers who receive, when they need it, same-day delivery service. They are satisfied with the applicant's services which they are receiving,

want such services continued and will use them if a certificate is granted.

Upon consideration of the evidence, the Commission finds and concludes as follows:

1. Applicant possesses the experience, equipment, personnel and financial resources to institute and maintain the proposed service.

2. Public convenience and necessity require that the application be granted as set forth in the ensuing order.

Coast Cartage Co. is hereby placed on 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled 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

Public hearings having been held and based upon the evidence therein adduced,

IT IS ORDERED:

1. That a certificate of public convenience and necessity be and it is granted to Coast Cartage Co., a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and

over the routes more particularly set forth in Appendices A and B attached hereto and hereby 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 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 and insurance requirements of the Commission's General Order No. 100-B. 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 Orders Nos. 99 and 100-B, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, and on 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 Los Angeles, California, this 5th day of December, 1961.

President

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate
-5- in the disposition of this proceeding.

Coast Cartage Co., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport general commodities to, from, and between all points in the Los Angeles Basin Territory as described in Appendix B attached hereto. Applicant shall not transport any shipments of:

1. Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of Item No. 10-C of Minimum Rate Tariff No. 4-A.
2. Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses and bus chassis.
3. Livestock, viz.: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags or swine.
4. Commodities requiring protection from heat by the use of ice (either water or solidified carbon dioxide) or by mechanical refrigeration.
5. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.

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6. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Logs.

End of Appendix A

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LOS ANGELES BASIN TERRITORY includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway No. 118, approximately two miles west of Chatsworth; easterly along State Highway No. 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary to McClay Avenue; northeasterly along McClay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucaipa; southerly along said county road to and including the unincorporated community of Yucaipa; westerly along Redlands Boulevard to U. S. Highway No. 99; northwesterly along U. S. Highway No. 99 to the corporate boundary of the City of Redlands; westerly and northerly along said corporate boundary to Brookside Avenue; westerly along Brookside Avenue to Barton Avenue; westerly along Barton Avenue and its prolongation to Palm Avenue; westerly along Palm Avenue to La Cadena Drive; southwesterly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U. S. Highway No. 60; southwesterly along U. S. Highways Nos. 60 and 395 to the county road approximately one mile north of Perris; easterly along said county road via Nuevo and Lakeview to the corporate boundary of the City of San Jacinto; easterly, southerly and westerly along said corporate boundary to San Jacinto Avenue; southerly along San Jacinto Avenue to State Highway No. 74; westerly along State Highway No. 74 to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to the right of way of The Atchison, Topeka & Santa Fe Railway Company; southwesterly along said right of way to Washington Avenue; southerly along Washington Avenue, through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to the County road intersecting U. S. Highway No. 395, 2.1 miles north of the unincorporated community of Temecula; southerly along said county road to U. S. Highway No. 395; southeasterly along U. S. Highway No. 395 to the Riverside County-San Diego County boundary line; westerly along said boundary line to the Orange County-San Diego County boundary line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning.