ORIGINAL

Decision N	٠Q.	- 65511
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of JOSEPH N. LE BOW, an individual, doing business as DESERT EMPIRE EXPRESS, for a certificate of public convenience and necessity to operate an automobile truck service as a highway common carrier for the transportation of commodities requiring protection from heat, from los Angeles Territory, on one hand, to Coachella and intermediate points, on the other hand.

Application No. 44397 (Filed April 27, 1962)

Turcotte & Goldsmith, by Jack O. Goldsmith, for applicant.

Donald Murchison and Errol R. French, for Milton C. Amundson, doing business as Milton's Express; Arthur H. Glanz, for Pacific Motor Trucking Company, Southern California Freight Lines, Merchants Express of California, and California Motor Transport Co., Ltd., protestants.

<u>opinion</u>

This application was heard before Examiner
Rogers in Los Angeles on August 7 and 8 and October 30 and 31,
1962, and was orally argued on November 20, 1962, after which
the matter was submitted. Copies of the application and notice
of hearing were served in accordance with the Commission's procedural rules. The protestants are Milton C. Amundson, doing
business as Milton's Express, Pacific Motor Trucking Company,
Southern California Freight Lines, Merchants Express of
California, and California Motor Transport Co., Ltd. The latter
two protestants presented no evidence.

Applicant is a highway permit carrier engaged in the transportation of commodities requiring protection from heat generally between Los Angeles, on the one hand, and Santa Barbara, San Diego, Indio and points intermediate, on the other hand. He requests authority to conduct operations as a highway common carrier "for the transportation of commodities requiring protection from heat by the use of ice (either water or solidified carbon dioxide) or by mechanical refrigeration" from, to and between points as follows:

From the Los Angeles Territory, as described in Minimum Rate Tariff No. 2, on the one hand, to Coachella, on the other hand, via each and all of the following routes:

- 1. U.S. Highway 99;
- U.S. Highway 60 to its intersection with U.S. Highway 99 near Coachella, thence via 99;
- 3. U.S. Highway 66 to its intersection with U.S. Highway 91 at San Bernardino, thence via 91 to its intersection with U.S. Highway 99, then via 99;
- 4. U.S. Highway 99 to its intersection with State Highway 111 near Whitewater, then via 111:
- 5. U.S. Highway 99 to its intersection with State Highway 71 at Pomona, thence via 71 to its intersection with U.S. Highway 91, then via 91 to its intersection with U.S. Highway 99, then via 99;

serving all intermediate points east of the eastern limits of the Los Angeles Territory on, and all off-route points within five miles, air line distance, laterally from, routes 1 to 5, inclusive, with no authority in the reverse direction except to return refused shipments.

Applicant proposes to assess and collect charges as set forth in Minimum Rate Tariff No. 2. He proposes to provide a service whereby shipments will be picked up Mondays through Fridays in the Los Angeles Territory, and delivered at destination points on Mondays through Saturdays on an overnight basis. In addition, during the period between October 1 and May 30 of each year, he proposes an early morning pickup with an afternoon delivery on Monday of each week.

Applicant commenced business as a subhauler for a certificated carrier in 1950. Subsequently, he and a partner secured a radial highway common carrier permit and carried general commodities. This business was continued for about two years and in 1955 applicant sold his interest in this business and secured a highway contract carrier permit. He then commenced a daily refrigerated service to San Diego and intermediate points of Yucaipa, Indio, and Coachella, all from Los Angeles. Subsequently, in addition to these points, he started delivering from Los Angeles to intermediate points as far west as Azusa and Covina, and within the past few months prior to the hearings he commenced service to points as far north as Santa Barbara.

Within 60 days prior to the hearings, applicant secured a city carrier permit and a radial highway common carrier permit, pursuant to which he claims to render the service for which he herein seeks a certificate. Previous to that time he operated under his contract carrier permit. At the time of the hearings he claimed to have 30 to 35 transportation contracts with shippers in the

Los Angeles Territory, but the record reflects that these contracts are simply transportation agreements and not exclusive contracts for carriage.

Applicant presently has 11 mechanically refrigerated van trucks, each of which has six inches of insulation on all sides, two tractors, and two 22-foot mechanically refrigerated trailers. Five of the trucks are equipped with meat racks. He has one terminal in Los Angeles from which all operations, including those between Los Angeles, on the one hand, and San Diego and Santa Barbara, on the other hand, are conducted. This terminal is leased. It contains an office and a 105' by 35' dock with five loading spots on each side.

In addition to himself, applicant employs 11 drivers and one billing clerk.

As of March 1, 1962, applicant's current assets were \$20,067, and his trucks and operating equipment were valued at \$29,720, with a depreciation reserve of \$4,042. His total current liabilities amounted to \$5,077, his long-term equipment obligations were \$8,527, and his investment in the business was \$34,757. For the year ending February 28, 1962, his net profits were \$14,516.

In support of his request, applicant alleges that he has been rendering a daily service to shippers in the proposed service area as a permitted carrier for a number of years; that the service is one-way, except for returned shipments; that he has performed the service in an efficient manner; that additional

shippers request his services; that a substantial number of shippers have expressed dissatisfaction with the service rendered by the existing highway common carriers; and that most of the existing carriers are not equipped to carry merchandise requiring protection from heat or refrigeration and do not desire less-than-truckload shipments of merchandise requiring refrigeration.

Applicant called 20 of his shippers in support of the application. A brief summary of their testimony is as follows:

1. A representative of Holly Sea Foods testified that this company is located in Los Angeles; that it handles fresh and frozen seafoods and frozen fruits and vegetables; that it ships to San Bernardino, the East Palm Springs area, Palm Desert and Cathedral City; that its customers include restaurants, hotels and clubs; that its shipments range in size from 50 to 300 pounds and that the total weights of the shipments vary between 500 and 1,000 pounds a day; that some shipments require 32 and some 0 temperatures; that it needs pickups five days a week between 3 p.m and 4 p.m., and deliveries, including Saturdays, as near 4 a.m. as possible; that it uses applicant for this service, as well as its own trucks; that Milton's Express has not been used to this area and that it gets better service by the applicant than with its own trucks; that it has not tried the protestant Southern California Freight Lines or Pacific Motor Trucking Company; that it likes the applicant's services with mechanical refrigeration and will continue to use applicant.

- 2. A representative of the Seafood Division of Young's Market Company of Los Angeles testified that this company handles fresh and frozen seafoods which it ships to restaurants, markets and army bases in the proposed service area; that the shipments range in weight from 50 to 300 pounds; that the fresh fish is shipped in boxes with wet ice and the frozen fish is shipped in packages; that it has its own trucks, but also uses applicant's trucks; that it has not been able to get other carriers to handle fresh fish; that Milton's Express has expressly refused to handle fresh fish with other merchandise; and that applicant is the only carrier it can find to carry its fresh fish shipments.
- 3. A representative of Davidson Meat Company testified that this company is located in Los Angeles; that it ships fresh and frozen meat and poultry to restaurants, hotels, and clubs to all points in the service area east of Banning and Riverside; that it ships 10,000 to 12,000 pounds a week in the winter but less in the summer; that it needs a pickup from 5 p.m. to 5:30 p.m.; and that during the summer it needs the proposed Monday same-day pickup and delivery; that it has been using the applicant for seven to eight years pursuant to an oral contract, has not looked for another carrier, and wants this service continued.
- 4. A representative of John P. Harding Market Company testified that this company ships corned beef products to wholesale meat jobbers in Pomona, Riverside, San Bernardino, and Palm Springs; that it ships these products in 50-pound cartons; that these products require refrigeration; that it ships approximately 1,500 pounds a week to this area and soon will ship 3,500 pounds a week; that it

needs a 3 p.m. to 4 p.m. pickup with an early morning delivery; that it has been in California for 1½ years and has been using the applicant during all of this time under an oral contract; and that when it started business it could get no other carrier.

- 5. A representative of Mayfair Markets of Vernon testified that this company furnishes fresh meats to 17 stores, including stores in Azusa, Cucamonga, Arlington, Riverside, Colton, San Bernardino, Ontario, Palm Springs, Indio, and Montelair; that these shipments must be under refrigeration; that most suppliers deliver direct in their own trucks but not always; and that the applicant furnishes such service as the company needs.
- 6. A representative of Pacific Packing Company testified this company is in Vernon; that it furnishes fresh meats requiring refrigeration to markets, jobbers, and restaurants at points east of San Bernardino and Riverside; that shipments range between 75 and 200 pounds and that it has several such shipments each day; that it has been using applicant for six years exclusively and is satisfied with the service it receives; that it has no contract, and has not tried any other carrier.
- 7. A representative of Freeman and Foster Meat Company of San Bernardino testified that this company ships from Los Angeles meats and frozen foods to its branches in Palm Springs and San Bernardino and makes some direct shipments to military bases in the proposed area; that it receives 10,000 to 25,000 pounds a week at San Bernardino and 2,000 to 15,000 pounds a week at Palm Springs; that it pays the freight on 90 percent of its shipments;

that it needs pickup five days a week at its los Angeles suppliers with six-day delivery by 6 a.m., and the seasonal same-day delivery on Monday; that it has been using the applicant for four years; that it has no contract with applicant; that it has tried other carriers, including Milton's Express, but that applicant's service is the most satisfactory.

- 8. A representative of Metropolitan Hotel Supply testified that this company is located in Vernon; that it furnishes fresh and frozen meats and poultry to restaurants and hotels in the proposed service area; that it ships 4,000 to 7,000 pounds a week in shipments ranging between 100 and 3,000 pounds; that it needs a daily pickup and a delivery between 4.a.m. and 7 a.m., as requested by various restaurants; that it has used the applicant since 1955 without any loss or damage and has used no other carrier.
- 9. A representative of Elgee Meat Company of Los Angeles testified that this company furnishes fresh and frozen meats to hotels, restaurants, and institutions at all points in the proposed service area; that its shipments vary from 100 to 1,200 pounds and that the total varies from 1,000 to 4,000 pounds a week; that it needs a late-afternoon pickup with next-morning delivery; that it has been using applicant for six or seven years, and that it receives a satisfactory service; that it had used Southern California Freight Lines, but that company did not furnish mechanical refrigeration and its representative told the witness that the company's shipments were made at its own risk.

- 10. A representative of Hoffman Bros. Packing Company of Los Angeles testified that this company ships fresh and frozen meats to chain markets and restaurant supply houses in the proposed service area; that its shipments total 4,000 to 15,000 pounds a week; that it has been using both applicant and Milton's Express for this service and that they are both good; and that it only uses Milton's for the big loads.
- 11. A representative of the Southern California Poultry
 Company of Los Angeles testified that this company ships fresh and
 frozen meats and poultry to all points in the proposed service area
 east of Pomona; that its shipments total 10,000 to 15,000 pounds a
 week, and the shipments vary from 500 to 3,000 pounds; that fresh
 poultry is shipped at 28° and dry ice will not hold a shipment at
 that temperature; that it has been using applicant from five to six
 years; that it has no contract; and that it uses Milton's Express on
 truckload shipments.
- 12. A representative of Armour's Food Service Company of
 Los Angeles testified that this company ships fresh and frozen meats
 and poultry and shortenings to hotels and restaurants in the proposed
 service area; that the shipments range from 100 to 4,000 pounds;
 that it requires deliveries prior to 8 a.m.; that applicant delivers
 between 6 a.m. and 7 a.m.; that it has been using the applicant for
 five to six years, as well as Milton's Express; and that both provide
 excellent service, but applicant's service is earlier.
- 13. A representative of Otto Schirmer's Sausage Kitchen of Los Angeles testified that this company ships smoked meats and

sausages to Palm Springs only two or three times a week; that the shipments range from 50 to 200 pounds; that it has been using applicant for this service for four years; that it is also using Milton's Express to other places; and that both services are excellent.

- of the City of Commerce testified that this company ships fresh and frozen poultry to restaurants and chain stores in the proposed service area; that the frozen shipments move at 0° and the fresh poultry at 30°; that the shipments vary from 100 to 300 pounds, and that it ships 250 to 5,000 pounds a day; that it ships six days a week; that it needs a late-afternoon pickup and an early-morning delivery; that it has been using the applicant for over five years, together with Milton's Express; that it has no contract; and that it is not familiar with other carriers.
- 15. A representative of Farmer John's Packing Company of Vernon testified that this company ships fresh and smoked meats and lard to jobbers and retailers in the proposed service area; that the shipments vary from 200 to 10,000 pounds; that shipments are made daily; that it has been using applicant for approximately ten years; that it also uses other carriers; and that it needs applicant's services.
- 16. A representative of Davidson-Chudakoff Company of Culver City testified that this company ships fresh and frozen meats and poultry and frozen fish, juices, mayonnaise, and sour cream to clubs, restaurants, hotels, hospitals, and military bases in the proposed service area; that its shipments total 8,000 to 30,000

pounds a week; that it must have six-day delivery, and that during the summer season it uses the same-day Monday pickup and delivery as furnished by applicant; and that it needs and will use the proposed service.

- 17. A representative of Phillips Poultry Company of Los Angeles testified that this company ships fresh and frezen poultry and eggs to hotels, restaurants, and night clubs in the proposed service area; that its shipments range from 100 to 1,000 pounds a week and a total between 5,000 and 6,000 pounds a month during the winter season; that it ships daily and needs a Saturday delivery service, with early-morning delivery; that it has used applicant exclusively for seven to eight years; that it has had no claims for damages, and is not familiar with the other carriers.
- 18. A representative of Karo Sea Foods of Los Angeles testified that this company ships fresh and frozen fish; that the fresh fish must be shipped in wet ice; that the shipments go to the desert area to chain markets, and total 1,000 to 2,000 pounds a week and the shipments vary from 150 to 300 pounds; that shipments are made five days a week but must be delivered six days a week; that it tried Milton's Express on the fresh fish and Milton's refused to carry the fresh fish as it would damage other merchandise; that other carriers used improper equipment or failed to pick up its shipments; and that applicant is the only carrier it can use and it has been using applicant for six months.
- 19. A representative of John Morrell and Company of Los Angeles testified that this company ships fresh and smoked meats to markets and jobbers throughout the proposed service area; that

the shipments total between 1,000 and 2,500 pounds a week; that it needs a Saturday delivery and a pickup on request; that it has used Milton's Express, but switched to applicant approximately one year ago and finds the applicant's service a little better.

20. A representative of Urban M. Patman, Inc., of Los Angeles testified that this company ships fresh, frozen, smoked and cured meats to hotels, restaurants, and clubs in the proposed service area; that it needs a Saturday delivery; that it has tried Milton's Express, but lost a customer as a result thereof for the alleged reason that Milton's did not have a fixed time for delivery; and that it has had applicant for 2-1/2 years and finds his services satisfactory.

Although five highway common carriers protested the granting of the requested authority, only three presented evidence in support of their protests:

1. The assistant to the general manager of Pacific Motor Trucking Company testified that this carrier serves virtually all of Southern California direct in its own equipment; that in the applicant's proposed service area it has terminals in los Angeles, Wilmington, San Bernardino, Ontario, and Indio; that it has 1,200 employees in the area; that it has many pieces of equipment, including 65 radio-equipped pickup trucks in los Angeles and between 50 and 70 pieces of refrigerated equipment; that it opposes the application and is of the opinion that adding

new carriers increases the cost of transportation and requires rate increases. The witness further testified that the refrigerated service is important to the protestant; that he did not know the percentage of the total business that comprises the refrigerated business; that he did not know of any refrigerated services performed by the protestant in the area in the past 30 days; that he could not recall any refrigerated shipments in the past six months; that he did not know of any refrigerated less-than-truckload shipments in the past 12 months as he, personally, did not receive the calls; and that he did not know if any refrigerated equipment was regularly stationed at Ontario, San Bernardino, or Indio. The witness further testified that there had been no Saturday deliveries of refrigerated commodities in applicant's proposed service area as there had been no requests for such service.

2. The general traffic manager of Southern California
Freight Lines testified that this company is under the management
of its affiliated company, Oregon-Nevada-California Fast Freight;
that it has authority to serve the applicant's proposed service
area; that in this area it has terminals in Hemet, Colton, Indio,
and Los Angeles; that it has a total of 1,872 vehicles, including
34 insulated vans and 55 mechanically refrigerated vans; that
these vehicles are assigned where needed in the system; that the
company does not solicit less-than-truckload traffic between
Los Angeles and Indio as the volume of such traffic is not sufficient; that it solicits truckload traffic for its refrigerated
equipment; that if there had been sufficient tonnage, it would

have carried less-than-truckload shipments of refrigerated commodities; and that it opposes the application as there are too many carriers now in the area. The witness made it clear that this company does not desire to handle less-than-truckload traffic of refrigerated commodities. The witness also said that the type of service proposed by applicant requires specially trained personnel to handle the shipments.

3. The general manager of Milton's Express testified that this carrier has one office in Los Angeles; that it has approximately 50 pieces of refrigerated equipment available of which it owns about 30 and leases approximately 20; that the majority of this equipment is mechanically refrigerated; that it serves the entire service area proposed to be served; that it regularly gives a Saturday delivery service and that it gives some same-day service where pickups are made by 9 a.m. to points as far east as San Bernardino and Riverside; that in the past eight years there has been an increase in the competition; that fresh fish is damaging to other lading and cannot be handled except in metal containers; that there are sufficient carriers in the area and that additional carriers could result in rate increases. The witness further testified that his company is ready and willing to handle all shipments for all of the applicant's witnesses, except the fresh fish in the improper containers and that the / company has never refused a shipment when properly packaged.

Findings

Upon consideration of the evidence the Commission finds that:

1. The applicant is experienced in the field of transporting commodities requiring refrigeration.

- 2. Applicant has the equipment, facilities, and personnel with which to render the proposed service.
- 3. Applicant's finances are adequate to enable him to continue operation.
- 4. The transportation of refrigerated food products is a specialized service requiring special skills, handling, and equipment and is a one-way operation, except for returned or rejected shipments.
- 5. Applicant carries shipments weighing 10,000 pounds, or less, only; that these shipments are being and have been carried for some time by the applicant; and that it does not appear that there will be any substantial diversion of traffic from any other carrier to the applicant.
- 6. Two of the protesting carriers are general commodity carriers, one will not carry refrigerated foods in less-thantruckload quantities, and the other has not carried any less-thantruckload traffic of commodities requiring refrigeration or temperature control in the proposed service area in the 12 months prior to the hearing; neither carrier provides a six-day-a-week delivery service as proposed by applicant and desired by many of the appearing witnesses.
- 7. The only specialized commodity carrier protestant transporting commodities requiring refrigeration or temperature control between points in the area which includes applicant's proposed service area, operates in direct competition with the applicant, but some of the applicant's witnesses had used this carrier but did not find his services as satisfactory as applicant's because of the delivery time and his refusal to accept fresh fish only in metal containers; others had used this carrier for truckload services only.

- 3. Protestants have failed to show that the certification of applicant as a common carrier for the transportation of less-than-carload shipments of commodities requiring refrigeration will result in higher transportation costs of presently certificated carriers and adversely affect the public by requiring rate increases.
- 9. Protestants do not provide service for the transportation of less-than-carload shipments of commodities requiring refrigeration which is adequate to meet the reasonable requirements of a substantial segment of the public in the area for which applicant seeks authorization.
- 10. Public convenience and necessity require the operation hereinafter authorized.

Upon the foregoing findings the Commission concludes that applicant should be granted a certificate of public convenience and necessity as a highway common carrier for the transportation of shipments of 10,000 pounds, or less, of the commodities specified in Appendix A herein, between the points set forth in said Appendix A. In all other respects the application will be desied.

Joseph N. Le Bow 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.

ORDER

IT IS ORDERED that:

- 1. A certificate of public convenience and necessity be and it is granted to Joseph N. Le Bow authorizing him 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 made a part hereof.
- 2. 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 he will be required, among other things, to file annual reports of his operations and to comply with and observe the safety rules and other regulations of the Commission's General Order Mo. 99 and insurance requirements of the Commission's General Order Mo. 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, applicant shall establish the service herein authorized and file in the Commission's office, in triplicate, tariffs satisfactory to the Commission.
 - c. The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public and the effective date of the tariff filings shall be concurrent with the establishment of the service herein authorized.
 - d. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-A.

3. In all other respects, Application No. 44397 is hereby denied.

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

Dated at <u>San Francisco</u>, California, this <u>Use</u> day of ______, 1963.

Freduick B. Arlahoff

Commissioners

President

Acting President

Allean le Blunch

Commissioners

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Joseph N. Le Bow, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport the commodities hereinafter listed FROM Los Angeles Territory as described in Appendix B attached hereto, on the one hand, TO Coachella serving all intermediate points on and within five miles laterally of the following highways, on the other hand:

- a. U. S. Highway 99 from the eastern boundary of the Los Angeles Territory to Coachella.
- b. U. S. Highway 60 from Pomona to Beaumont.
- c. U. S. Highway 66 from the eastern boundary of the Los Angeles Territory to San Bernardino.
- d. State Highway 111 from its intersection with U. S. Highway 99 near Whitewater to Coachella.
- e. State Highway 71 from Pomona to Corona.
- f. U. S. Highway 91 from Corona to San Bernardino.

Applicant may also transport refused or reject shipmonts, only in the reverse direction.

Lateral miles referred to in this appendix are statute miles of 5,280 feet each, measured in a straight line without regard to terrain features.

Applicant is authorized to transport the following commodities. (See Exception) The term "Itoms" as used below refers to the specific

Issued by California Public Utilities Commission.

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items published in Western Classification 78, J. P. Hackler, Tariff Publishing Officer, on the issue date thereof.

- 1. DAIRY PRODUCTS, viz.:
 - a. Oleomargarine, as described in Items 31775 through 31785.
 - b. Cheese, as described in Item 31810.
 - c. Eggs, as described in Items 31850 through 31880.
- 2. Poultry trimmings, as described in Item 37560.
- 3. FISH, FRESH OR FROZEN, as described in Items 38505 through 38575.
- 4. FOODSTUFFS, viz.:
 - a. Fish, as described in Items 39850 through 39870.
 - b. Fruit, fresh, cold pack, as described in Item 40050.
 - c. Juice, frozen, as described in Items 40170, 40200 and 40260.
 - d. Meats, cooked, cured or preserved, as described in Item 40350.
 - e. Table sauces, as described in Item 40990, viz.: Salad dressing or mayonnaise.
 - f. Vegetables, fresh or green, cold pack, as described in Item 41050.
- 5. MEATS, COOKED, CURED, FRESH OR PRESERVED; LARD; RENDERED PORK FATS; SHORTENING; OR DRESSED POULTRY, as described in Items 67780 through 68010.
- 6. Meats and poultry, frozon.

EXCEPTION: Transportation of the commodities described herein is limited to shipments transported at rates subject to a minimum weight not exceeding 10,000 pounds and shall be transported only when such commodities require protection from heat by the use of ice (either water or solidified carbon dioxide), by mechanical refrigeration, or by release of liquefied gases.

liquefied gases.
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APPENDIX B to Decision No. 65511

LOS ANGELES TERRITORY includes that area embraced by the following boundary: Beginning at the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northeasterly on Sunset Boulevard to State Highway No. 7; northerly along State Highway No. 7 to State Highway No. 118; northeasterly along State Highway No. 118 through and including the City of San Fernando; continuing northeasterly and southeasterly along State Highway No. 118 to and including the City of San Fernando; No. 118 to and including the City of Pasadena; easterly along Foothill Boulevard from the intersection of Foothill Boulevard and Michillinda Avenue to Valencia Way; northerly on Valencia Way to Hillcrest Boulevard; easterly and northeasterly along Hillcrest Boulevard to Grand Avenue; easterly and southerly along Grand Avenue to Greystone Avenue; easterly on Greystone Avenue to Oak Park Lane; easterly on Oak Park Lane and the prolongation thereof to the west side of the Sawpit Wash; southerly along the Sawpit Wash to the north side of the Pacific Electric Railway right of way; easterly along the north side of the Pacific Electric Railway right of way to Buena Vista Street; south and southerly on Buena Vista Street to its intersection with Meridian Street; due south along an imaginary line to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Beverly Boulevard; southeasterly on Beverly Boulevard to Painter Avenue in the City of Whittier; southerly on Painter Avenue to Telegraph Road; westerly on Telegraph Road to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Imperial Highway; westerly on Imperial Highway to State Highway No. 19; southerly along State Highway No. 19 to its intersection with U. S. Highway No. 101, Alternate, at Ximeno Street; southerly along Ximeno Street and its prolongation to the Pacific Ocean; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northerly along an imaginary line to point of beginning.