

ORIGINALDecision No. 70202

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of JOSEPH MAINNI and MICHAEL RADO, a partnership, doing business as M & R TRUCKING SERVICE, for a certificate of public convenience and necessity to operate as a Highway Common Carrier for the transportation of hides, pelts and skins between San Francisco, Salinas, Red Bluff, Santa Rosa, Fresno and intermediate points.

Application No. 46994
(Filed September 22, 1964)

Kellogg & George, by Marquam C. George, for applicant.

Handler, Baker & Greene, by Daniel W. Baker, for Melhaff Trucking Company, Devine and Son Trucking Company and Lopes Trucking Service; Graham, James and Rolph, Boris H. Lakusta and E. Myron Bull, Jr., for California Motor Express, et al, protestants.

O P I N I O N

Duly noticed public hearings were held in San Francisco before Examiner Power on July 15 and 16, and September 15, 1965.

On the last named date the matter was submitted.

Applicants seek authority to carry hides, pelts and skins between Santa Rosa, Red Bluff, Sacramento, Visalia, Tulare, Soledad, Santa Cruz, Hollister and San Francisco. They include all the major highways in that area and seek to serve all intermediate points with 3-mile radial and lateral rights.

In support of their application, they produced applicant Rado, his accountant, and three shipper witnesses. These last were

1/ The others are California Motor Transport Company, T.I.M.E. Freight, Inc., Delta Lines, Inc., Di Salvo Trucking Company, Garden City Transportation Company, Walkup's Merchants Express, Oregon-Nevada-California Fast Freight, Southern California Freight Lines, Pacific Motor Trucking Company, Shippers' Express, Sterling Transit Co., Inc., Valley Express Co., Valley Motor Lines and Willig Freight Lines.

dealers in hides. One has his headquarters in Oakland, two in San Francisco. One financial exhibit was presented through the accountant. The facts developed through this presentation are contained in the following paragraphs.

The transportation of hides, pelts and skins is a specialized kind of service. Hides are taken from cattle, pelts from sheep and skins from calves as an incident to the slaughtering of these animals for meat. The commodities have a strong and offensive odor which lingers in the equipment. The result is that most commodities cannot be carried in equipment used to transport hides, pelts and skins. This is especially true of commodities consigned to retail stores for resale. Another undesirable feature lies in the fact that some shipments contain salt which gets into the juices on some of the lading and will damage the understructure and running gear of the trucks. As a result of these and other undesirable features of this transportation very few truckers will engage in it.

During the years following World War II the tanning industry has been migrating to Japan. Several years ago there were many tanning establishments in California. Not many are left. Today most of the hides go to docks for shipment to Japan. One of the shipper witnesses testified that ninety percent of the hides he bought went to the docks.

The partners have been handling these commodities for nearly twenty years. During the time when the movements were primarily intrastate, a permit would have been sufficient, now this is no longer true.

The partners-applicant employ no drivers. One or both participate in each movement. Subhaulers are engaged where necessary.

Promptness is very important since the hides are loaded by 16-man crews, apparently employed by the slaughter houses. Delays cost \$48 per hour. The M & R business is in excellent financial condition.

Protestants offered three witnesses. Two were general commodity haulers. One of these, whose operating rights extend into several states, had hauled hides from Yerington, Nevada to Woodland, California. This haul is outside the scope of the instant application. The other two were primarily California carriers. Neither devotes its services to hides, pelts and skins exclusively. One protestant witness had suffered a substantial loss of hide traffic. This loss was occasioned when one of his substantial customers commenced a proprietary operation with equipment leased from a for-hire carrier.

The following may be deduced from the record. For many years certain carriers have been servicing the hide trade. When the tanning was done in California permitted authority was sufficient. Now much of the tanning industry has moved outside the United States and common carrier authority is necessary. The trade has needed the services of these carriers for many years. It is reasonable to conclude that it will continue to need them.

The Commission finds that:

1. Public convenience and necessity will require the services proposed by applicants in intrastate commerce.
2. Public convenience and necessity will require the services proposed by applicants in interstate and foreign commerce.
3. Applicants have the experience, personnel, equipment, facilities and financial resources to institute and maintain the services they propose in their application.
4. Notice of this application appeared in the Federal Register of February 4, 1965 and all persons interested therein have had notice.

and an opportunity to be heard as required by the Interstate Commerce Act for registration under Section 206(a)(6) of said Act.

The Commission concludes that the application should be granted as provided by the following order.

Joseph Mainni and Michael Rado are 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Joseph Mainni and Michael Rado, authorizing them to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes particularly set forth in Appendix A attached hereto and made a part hereof.

2. In providing service pursuant to the certificate herein granted, applicants shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicants shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicants are placed on notice that they will be required, among other things, to

comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-D. Failure to comply with and observe the safety rules, or the provisions of General Order No. 100-D, may result in a cancellation of the operating authority granted by this decision.

- (b) Within one hundred twenty days after the effective date hereof, applicants shall establish the service herein authorized and file tariffs, in triplicate, in the Commission's office.
- (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 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.
- (e) Applicants shall maintain their accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

3. Joseph Mainni and Michael Rado are authorized to register the operating rights herein granted with the Interstate Commerce

Commission for the purpose of acquiring authority to perform the same transportation in interstate and foreign commerce as that authorized herein for intrastate commerce.

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

Dated at San Francisco, California, this 11th day of JANUARY, 1966.

Fredrick B. Halaloff
President
John E. Quill
George G. Trover
Augustus
William B. Bennett
Commissioners

Joseph Mainni and Michael Rado, by the certificate of public convenience and necessity granted by the decision noted in the margin are authorized to transport hides, pelts and skins between:

(a) San Francisco and Santa Rosa and all points intermediate thereto, and between said intermediate points via U. S. Highway 101.

(b) San Francisco and Soledad and all points intermediate thereto, and between said intermediate points via U.S. Highway 101.

(c) San Francisco and Red Bluff and all points intermediate thereto, and between said intermediate points via U. S. Highways 40 and 99W.

(d) San Francisco and Red Bluff and all points intermediate thereto, and between said intermediate points via U. S. Highways 40 and 99E.

(e) San Francisco and Sacramento and all points intermediate thereto, and between said intermediate points via U. S. Highway 50.

(f) San Francisco and Manteca and all points intermediate thereto, and between said intermediate points via U. S. Highway 50 and State Highway 120.

(g) San Francisco and Visalia and all points intermediate thereto, and between said intermediate points via U.S. Highway 50, State Highways 33 and 198.

(h) Stockton and Tulare and all points intermediate thereto and between said intermediate points via U.S. Highway 99.

(i) Oakland and Santa Cruz and all points intermediate thereto and between said intermediate points via State Highway 17.

(j) Santa Cruz and Hollister and all points intermediate thereto and between said intermediate points via State Highway 1, 152 and 156.

(k) Any and all routes and points set forth in paragraphs (a) through (j) inclusive.

Issued by California Public Utilities Commission.

Decision No. 70202, in Application No. 46994.

GH/AB

APPENDIX A

JOSEPH MAINNI and MICHAEL RADO
dba
M & R TRUCKING SERVICE

Original Page 2

(1) All points and places within three air miles of the routes and points set forth in paragraphs (a) through (j), inclusive.

For operating convenience only, all roads, streets and highways connecting the above points and routes.

(End of Appendix A)

Issued by California Public Utilities Commission.

Decision No. 70202, in Application No. 46994.