

ORIGINALDecision No. 70842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTH CITY FREIGHT LINES, INC., for
a certificate of public convenience
and necessity to operate as a high-
way common carrier.

Application No. 47733
(Filed July 8, 1965)

Handler, Baker & Greene, by Raymond A. Greene, Jr.,
for applicant.
Graham, James & Rolph, by Boris H. Lakusta and
E. Myron Bull, Jr., for California Cartage
Company, Di Salvo Trucking Company, California
Motor Transport Company, Delta Lines, Inc.,
Ringsby-Pacific, Ltd., Garden City Transporta-
tion, Interlines-Blankenship Motor Express,
Walkup's Merchants Express, Nielsen Freight
Lines, Oregon-Nevada-California Fast Freight
and Southern California Freight Lines, Pacific
Motor Trucking Company, Shippers Express,
Sterling Transit Company, Inc., Warren Trans-
portation Company, Willig Freight Lines, T.I.M.E.
Freight, Inc.; and Scott Elder, for Trans-Bay Motor
Express Co., Beckman Express and Warehouse Co.,
and Stapel Truck Lines; protestants.

O P I N I O N

Duly noticed public hearings were held before Examiner Power, at Burlingame and San Francisco on November 2, 3, and 4 and December 9 and 16, 1965. On the last date the matter was orally argued and submitted.

Applicant South City Freight Lines, Inc. (South City) was incorporated in 1961 and commenced business in April of that year with one piece of equipment. At the time of the hearings it owned thirteen units and leased two others. For the first nine months of 1965 it grossed \$124,925.07 with a net profit after Federal Income Tax of \$4,472.63. Eight full-time drivers are employed and witness Livesey, its vice president, can drive when the need arises. Applicant's president works in the office and attends to administrative matters.

Applicant possesses three permits issued by this Commission. These authorize radial highway common carrier, contract carrier and city carrier services. They are statewide in territorial scope. All operations are now conducted under these permits.

By the instant application South City seeks a certificate as a highway common carrier in two areas designated by it as Areas A and B. Area A corresponds with the San Francisco Territory, as it is bounded and described in Item No. 270 Series in Minimum Rate Tariff No. 2, plus a five-mile strip around its perimeter. In Area A full service rights are requested for general commodities with standard exceptions.

Area B is a fringe area around Area A. Applicant describes it as points on, or within five miles laterally of, parts of certain highways. These are:

- (a) U. S. 101-San Francisco-Ignacio Junction
- (b) State 37 Ignacio Junction-Napa
- (c) U. S. 40-San Francisco-Vallejo
- (d) State 29-U. S. 40 Junction-Napa
- (e) State 4-Junction U. S. 40-Junction, State 21.
- (f) State 24-Oakland-Antioch
- (g) State 21-Dublin-Martinez
- (h) U. S. 50-San Francisco-Livermore

Sonoma, Moraga and Pleasanton are requested as off-route points. Applicant proposes to limit its certificated service within Area B to split-delivery shipments in which the pickup and one or more drops are in San Francisco Territory and one or more drops are in an Area B point.

Two groups of protestants appeared. The larger group is one principally composed of long-line carriers. Most of them have incidental authority to serve between the points involved in this application. The smaller group of protestants consists of carriers

with less extensive authority. Operations Officers as witnesses for six carrier protestants appeared and testified. They brought exhibits showing the operative rights, equipment, personnel, terminals and advertising activities of their respective companies. They testified that their companies would like to and could serve applicant's shippers. Each stated that if applicant is certified as requested in his opinion it would merely dilute existing traffic. The effectiveness of protestants' protest was blunted by applicant's case. Several of applicant's sponser-shippers had tried the service of some of the protestant carriers and had either abandoned it entirely in favor of applicant's superior short-haul service or retained protestant carriers' service for long hauls only. One of the protestants, Trans-Bay, could not at present legally provide the split-delivery that applicant seeks, in any event.

Public shipper witnesses were produced by applicant and gave strong supporting evidence. Their shipping points and commodities were as follows:

<u>Witness No.</u>	<u>Shipping Point</u>	<u>Commodities</u>
1	South San Francisco	Data Process Cards
2	South San Francisco	Wax Paper (wrappings)
3	Millbrae	Ball Bearings
4	Burlingame	Laundry and Cleaning Equipment
5	South San Francisco	Electric Lighting Fixtures and Supplies
6	San Francisco	Tile, Adhesives
7	Sunnyvale	School Paper Supplies
8	Burlingame	Sporting Goods and Accessories
9	Burlingame & Oakland	Laundry and Dry Cleaning Equipment
10	South San Francisco	Metal Containers
11	South San Francisco	Sausage Casings

<u>Witness No.</u>	<u>Shipping Point</u>	<u>Commodities</u>
12	South San Francisco	Childrens' Clothing, Toys, Novelties, Glassware
13	South San Francisco	Marine Electrical Equipment
14	South San Francisco	Shirts, Pajamas, Underwear, Sports- wear, Handkerchiefs, Ladies Blouses

These witnesses supported the application for many reasons. Among them were prompt service (same-day delivery), reliability, excellent claims experience, and the dependability of pickups. Many used services of protestants to areas outside the scope of this application.

The services of applicant as depicted by these witnesses was not typical of that provided by draymen in the area. Most of applicant's service is same day, and the same truck that picks up a shipment frequently delivers it. Late pickups are afforded first morning delivery.

The history of applicant strongly supports its application. It began operations in April, 1961. By November of 1963, the business had grown to such an extent that a staff transportation representative was moved to warn applicant that it was drifting into the shadowy area between lawful permitted carriage and unlawful highway common carriage.

So little time had been required for this expansion that applicant felt the need of caution. Its officers reviewed its operations for a year and a half before filing this application in July, 1965.

There is a substantial common carrier structure in the San Francisco Bay area not only with a large number of carriers but a variety of types and kinds of carriers. Even so, the fact that a

new organization can enter the field and so quickly build up a substantial following suggests that there are gaps in the available service of the existing and otherwise efficient carriers.

Applicant's growth has indeed been sizable. A freight bill study (Exhibit No. 7) reveals that on July 1, 1965 48 shipments were carried plus a master bill with six drops. They ranged in weight from 54 to 17,499 pounds with 20 shipments or components weighing more than 1000 pounds. This seems to have been a typical day. An analysis of the freight bill study by applicant's operating witness showed that in four months, July-October 1965 it moved 8,539,589 pounds of which 3,859,246 pounds was master billed.

Applicant would obviously start its proposed services with the customers it is now serving. There is little likelihood of immediate diversion from existing carriers, but some subsequent diversion might develop from carriers furnishing unsatisfactory service.

The Commission finds that:

1. Applicant has the necessary financial resources, facilities, equipment, experience and personnel to institute and maintain the service proposed in its application.
2. The institution of such a service by applicant will not injuriously withdraw traffic from the existing common carrier structure.
3. Public convenience and necessity require the proposed service.

The Commission concludes that the application should be granted.

South City Freight Lines, Inc. 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to South City Freight Lines, Inc., 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 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. Applicant is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it 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, applicant 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) Applicant shall maintain its 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.

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

Dated at San Francisco, California, this 15th day of JUNE, 1966.

Frederick C. Hallock
President

Robert E. Mitchell

George J. Hoover

Augustin

William L. Burch
Commissioners

South City Freight Lines, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport general commodities:

1. Between all points and places within San Francisco Territory as defined in Appendix B hereto attached and within 5 miles of the boundary thereof.
2. Between all points and places within the area described in Paragraph 1, on the one hand, and all points and places on and within 5 miles laterally of the following highways. (See Restriction.)
 - a. U.S. Highway 101 between San Francisco and the junction of said highway with State Highway 37 one mile north of Ignacio, inclusive;
 - b. State Highway 37 between Ignacio Junction and junction of said highway with State Highway 121, inclusive;
 - c. State Highway 121 between the junction of said highway with State Highway 37 and Napa, inclusive, including the off-route point of Sonoma;
 - d. U.S. Highway 40 between San Francisco and Vallejo, inclusive;
 - e. State Highway 29 between the junction of said highway with U.S. Highway 40 and Napa, inclusive;
 - f. State Highway 4 between the junction of said highway with U.S. Highway 40 and the junction of said highway with State Highway 21;
 - g. State Highway 24 between Oakland and Antioch, inclusive, including the off-route point of Moraga;
 - h. State Highway 21 between Dublin and Martinez, inclusive, and
 - i. U.S. Highway 50 between San Francisco and Livermore, inclusive, including the off-route point of Pleasanton.

Issued by California Public Utilities Commission.

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RESTRICTION: The transportation authorized in Paragraph 2 hereof shall be limited to split delivery shipments having point of origin within San Francisco Territory as described in Appendix B, attached hereto, and one or more points of destination on or within 5 miles laterally of the highways designated in Subparagraphs (a) to (i), inclusive, of said Paragraph 2.

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 Item No. 5 of Minimum Rate Tariff No. 4-B.
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. 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.
5. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Logs.

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8. Fresh fruits and vegetables.
9. Hay, Fodder and straw in machine-pressed bales.
10. New uncrated furniture.
11. Portland or similar cements, in bulk or packages, when loaded substantially to capacity of motor vehicle.

End of Appendix A

Issued by California Public Utilities Commission.

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SAN FRANCISCO TERRITORY

Beginning at the foot of Market Street in the City and County of San Francisco; thence northerly and westerly along the shoreline of San Francisco Bay; thence westerly and southerly along the Pacific Ocean shoreline to the extension of Belcrest Avenue; easterly on Belcrest Avenue to Skyline Drive; northerly on Skyline Drive to Gateway Drive; easterly and southerly along Gateway Drive to Hickey Boulevard; easterly on Hickey Boulevard to Skyline Boulevard (SSR 35); southerly along Skyline Boulevard to Sharp Park Road; westerly on Sharp Park Road to Ysabel Drive; southerly on Ysabel Drive to its end; thence easterly in a direct line to the end of County Jail Road; southerly and easterly along County Jail Road and its extension Moreland Drive to College Drive; easterly along College Drive to Skyline Boulevard; southerly along Skyline Boulevard to Crystal Springs Road; easterly on Crystal Springs Road to the intersection of said road and Polhemus Road; thence southeasterly in a direct line to the intersection of Parrott Drive and Bel Aire Drive; thence southerly on Parrott Drive to Cheviott Drive; thence southwesterly in a direct line to the intersection of Haskins and East Laurel Creek Road; westerly on East Laurel Creek Road to Bartlett Way; thence westerly and southerly on Bartlett Way to Naughton Avenue; easterly on Naughton Avenue to Hillcrest Drive; southerly on Hillcrest Drive to Belmont Canyon Road; easterly and southerly on Belmont Canyon Road to Ralston Avenue; northwesterly on Ralston Avenue to Hallmark Drive; southerly on Hallmark Drive to the intersection at Wemberley Drive; thence southerly in a direct line to the end of Barbara Way; southerly on Barbara Way to Malabar Road; southerly on Malabar Road and along its extension Crestview Drive to Brittain Avenue; northeasterly along Brittain Avenue to Alameda De Las Pulgas; southeasterly on Alameda De Las Pulgas to Howard Avenue; westerly on Howard Avenue to Thornhill Drive; westerly and southerly along Thornhill Drive to De Anza Avenue; westerly on De Anza Avenue to Terrace Road; southerly on Terrace Road to Eaton Avenue; easterly on Eaton Avenue to Roland Way; southerly on Roland Way to Bromley Drive; southeasterly on Bromley Drive to its extension Clifford Avenue; easterly and northerly along Clifford Avenue to Eaton Avenue; easterly on Eaton Avenue to Alameda De Las Pulgas; southeasterly on Alameda De Las Pulgas to Whipple Avenue; southwesterly on Whipple Avenue to Upland Road; westerly on Upland Road to Cordilleras Road; southerly on Cordilleras Road to Canyon Road; southerly and easterly along Canyon Road to Highland Avenue; westerly and southerly along Highland Avenue to Jefferson Avenue; southwesterly along Jefferson Avenue to Godetia Drive; thence westerly from the intersection at Jefferson Avenue and Godetia Drive to the end of Harcross Road; northeasterly on Harcross Road to Fernside Street; southeasterly on Fernside Street to Alameda De Las Pulgas; southeasterly on Alameda De Las Pulgas to Woodside Road; southwesterly on Woodside Road to Moore Road; easterly on Moore Road and its extension Reservoir Road to Walsh Road; northerly on Walsh Road to

SAN FRANCISCO TERRITORY - continued

Alameda De Las Pulgas; southeasterly on Alameda De Las Pulgas to Santa Cruz Avenue; along Santa Cruz Avenue and its continuation Junipero Serra Boulevard to its end at Arastradero Road; easterly on Arastradero Road to Manuella Avenue; southerly along Manuella Avenue to Estacada Drive; easterly on Estacada Drive to Miranda Road; southerly on Miranda Road to Fremont Road; easterly on Fremont Road to Edith Road; easterly on Edith Road to West Edith Avenue; westerly on West Edith Avenue to Lincoln Avenue; southeasterly on Lincoln Avenue to University Avenue; southeasterly along University Avenue to Fremont Avenue; southerly and easterly on Fremont Avenue to Grant Road; southeasterly on Grant Road to Foothill Boulevard; southerly on Foothill Boulevard and its continuation Stevens Canyon Road to Mount Eden Road; southeasterly on Mount Eden Road to Pierce Road; southerly on Pierce Road to Congress Springs Road (SSR 9); easterly on Congress Springs Road and its continuation Big Basin Way to 6th Street; southerly on 6th Street to Bollman Road; southerly along Bollman Road to the intersection with Belnap Drive; thence easterly from said intersection in a straight line to the end of Bainter Avenue; easterly on Bainter Avenue to Ravine Road; northeasterly on Ravine Road to Austin Way; easterly on Austin Way to Lancaster Road; southerly on Lancaster Road to Ojai Drive; southerly along Ojai Drive to its intersection with Lucky Road; thence southeasterly in a direct line to the intersection of Greenwood Road and Withey Road; easterly along Withey Road to Hernandez Avenue; southerly and easterly on Hernandez Avenue to Wissahickon Avenue; southerly on Wissahickon Avenue to Live Oak Avenue; westerly on Live Oak Avenue to Madrone Avenue; southerly on Madrone Avenue to its end; thence southeasterly in a straight line to the intersection of Laurel Avenue and Manzanita Avenue; easterly on Manzanita Avenue to Oak Knoll Road; southerly along Oak Knoll Road to its end; thence southeasterly in a straight line to the end of Wood Road; easterly on Wood Road to Santa Cruz Avenue; southerly on Santa Cruz Avenue to San Jose-Los Gatos Freeway (SSR 17); northeasterly on the San Jose-Los Gatos Freeway to East Main Street; easterly on East Main Street to Alpine Avenue; southeasterly on Alpine Avenue to Foster Road; northerly on Foster Road to Johnson Avenue; southeasterly on Johnson Avenue to Grove Street; easterly and northerly on Grove Street and its extension, Phillips Avenue to South Kennedy Road; easterly on South Kennedy Road to Kennedy Road; thence northeasterly in a straight line to the intersection of Shannon Road and Shannon Heights Road; northwesterly on Shannon Heights Road to Shannon Road; easterly along Shannon Road to Hicks Road; northerly on Hicks Road to Kooser Road; northeasterly on Kooser Road and its extension, Downer Avenue to Snell Road; northerly on Snell Road to Chynoweth Avenue; easterly on Chynoweth Avenue to Monterey Road (SSR 82); southeasterly on Monterey Road to Bayshore Freeway (U.S. Highway 101); northwesterly on Bayshore Freeway to Tully Road; northeasterly on Tully Road to Quimby Road; southeasterly on Quimby Road to White Road; northwesterly on White Road to Penitencia Creek Road; easterly on Penitencia Creek Road to Piedmont Road; northwesterly on Piedmont Road to Sierra Road; southwesterly on Sierra Road to Morrill Road; northwesterly on Morrill Road to Croyley Avenue; southwesterly on Croyley Avenue to No. Capitol Avenue; northwesterly on No. Capitol Avenue to Trimble Road; southwesterly on Trimble Road to Nimitz Freeway (Interstate 680, SSR 17); northwesterly on Nimitz Freeway to the Santa Clara

SAN FRANCISCO TERRITORY - continued

County Line; northeasterly along the Santa Clara County Line to Mission Peak; thence northerly in a direct line to the point where the Hetch Hetchy Water Line intersects the P G and E Power Line; thence westerly from said point in a straight line to the intersection of Interstate 680 (SSR 21) and Vargas Road; thence northwesterly along Vargas Road to Morrison Canyon Road; thence northwesterly in a straight line to the end of Old Niles Canyon Road; southeasterly along Old Niles Canyon Road to Niles Canyon Road; southeasterly along Niles Canyon Road to Mission Boulevard; northwesterly on Mission Boulevard (SSR 238) to Blanche Street; northeasterly on Blanche Street to Trevor Avenue; southeasterly on Trevor Avenue to Bernice Way; easterly and northerly on Bernice Way to Chicoine Avenue; northwesterly on Chicoine Avenue to MacDonald Way; northerly on MacDonald Way to its end; thence northwesterly in a direct line to the end of Faircliff Street; along Faircliff Street to Treeview Street; northwesterly on Treeview Street to its end; thence northwesterly in a direct line to Larrabee Street; northwesterly on Larrabee Street to Woodland Avenue; westerly on Woodland Avenue to Mission Boulevard; northwesterly on Mission Boulevard to Webster Street; easterly on Webster Street to East 17th Street; northerly on East 17th Street to Calhoun Street; westerly on Calhoun Street to Mission Boulevard; northwesterly on Mission Boulevard to Harder Road; easterly on Harder Road to its end; thence easterly in a straight line to the intersection of Grand View Avenue and Cotati Street; thence northeasterly on Cotati Street to Dobbel Avenue; northwesterly on Dobbel Avenue to Civic Avenue; northerly on Civic Avenue to Hayward Boulevard; northwesterly on Hayward Boulevard to Campus Drive; northeasterly and northwesterly on Campus Drive to 2nd Street; northwesterly on 2nd Street to E Street; easterly on E Street to 5th Street; northerly on 5th Street to D Street; easterly on D Street to 7th Street; thence northeasterly in a straight line to the intersection of Templeton and Hill Avenues; easterly on Hill Avenue to Vermont Street; northerly on Vermont Street to B Street; easterly on B Street to Center Street; northerly on Center Street to the San Lorenzo Creek; easterly and northerly along the San Lorenzo Creek to U.S. Highway 50; westerly on U.S. Highway 50 to Center Street; easterly and northerly on Center Street to Seaview Avenue; westerly on Seaview Avenue to Redwood Road; northerly on Redwood Road to the San Leandro Creek; westerly along the northern shores of the San Leandro Creek and Lake Chabot to the northernmost tip of Lake Chabot; thence northerly in a straight line to the intersection of Grass Valley Road and Skyline Boulevard; thence northwesterly along Skyline Boulevard and its extension Grizzly Peak Boulevard to Golf Course Drive; northerly along Golf Course Drive to Shasta Road; easterly on Shasta Road to Wildcat Canyon Road; easterly along Wildcat Canyon Road to San Pablo Dam Road; northwesterly along San Pablo Dam Road to Road 20; northwesterly on Road 20 to Eastshore Freeway (Interstate 80); northerly on Eastshore Freeway to Hilltop Drive; westerly on Hilltop Drive to San Pablo Avenue; northerly on San Pablo Avenue to Atlas Road; northwesterly on Atlas Road to Rachel Road; northeasterly on Rachel Road to Christine Drive; northwesterly on Christine Drive to its end; thence northerly in a straight line to the shoreline of San Pablo Bay; westerly and southwestwesterly along the shoreline of San Pablo Bay to the shoreline of San Francisco Bay; southeasterly along the shoreline of San Francisco Bay to Point Richmond; thence southerly along an imaginary line from Point Richmond to the foot of Market Street in the City and County of San Francisco, the point of beginning.

(End of Appendix B)

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