

**ORIGINAL**

Decision No. 72507

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of M AND M TRANSFER COMPANY, a  
California corporation, for an  
Extension of its Certificate  
of Public Convenience and Neces-  
sity to operate as a highway  
common carrier for the transporta-  
tion of property to, from and  
between points and places in the  
Los Angeles Basin Territory.

Application No. 48327  
(Filed March 17, 1966)

Charlton A. Mewborn, for applicant.  
Arthur H. Glanz, for Alco Trans-  
portation Company, Boulevard  
Transportation Company, California  
Cartage Company, California Motor  
Transport Co., Delta Lines, Inc.,  
Desert Express, Di Salvo Trucking  
Company, Oregon-Nevada-California  
Fast Freight, Pacific Inter-  
mountain Express Co., Pacific  
Motor Trucking Company, Ringsby-  
Pacific, Ltd., Shippers Express  
Company, Southern California Freight  
Lines, Inc., Sterling Transit Co., Inc.,  
T.I.M.E. Freight, Inc., Walkup's  
Merchants Express, and Willig Freight  
Lines; Russell & Schureman by R. Y.  
Schureman, for Brake Delivery Service,  
Burton Truck & Transfer Co., City  
Transfer, Inc., G & H Transportation, Inc.,  
Griley Security Freight Lines, Robert C.  
Napier Trucking, Inc., Qwikway Trucking Co.,  
S & M Freight Lines, and Swift Trans-  
portation Company; Phil Jacobson, for  
Progressive Transportation Company;  
protestants.

O P I N I O N

M & M Transfer Company, a corporation, (M&M) seeks authority to serve, as a certificated highway common carrier, to, from, and between all points in the Los Angeles Basin Territory (Basin).<sup>1/</sup> Public hearings were held before Examiner Robert Barnett at Los Angeles on July 12, 1966, August 11 and 12, 1966, November 2, 1966, and January 4, 1967. Copies of the application and the notices of hearing were served in accordance with the Commission's procedural rules. Protestants are certificated carriers presently serving in the area sought to be served by M&M.

M&M is a highway common carrier engaged in the transportation of general commodities with the usual exceptions between all points in the Los Angeles Territory (Territory).<sup>2/</sup> M&M seeks to extend its certificated authority to transport general commodities with the usual exceptions to include the Basin. M&M has been serving the Basin under radial highway common carrier and highway contract carrier permits. It filed this application because it is of the opinion that its service to the Basin is increasing in frequency and may be approaching that of a certificated carrier.

M&M intends to register its proposed new rights, if granted, with the Interstate Commerce Commission (I.C.C.), and, therefore, requests a finding that public convenience and necessity

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<sup>1/</sup> Described in Item No. 270 of MRT No. 2.

<sup>2/</sup> Described in Item No. 270-3 of MRT No. 2.

require that it be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized to be conducted.

M&M's Evidence

M&M introduced evidence through its president and seven witnesses.

M&M's president testified that the company started business in 1944 in Torrance, California, and has been in business continually thereafter. The population of Torrance in 1944 was approximately 12,000; today it is approximately 140,000. The commodities that represent the bulk of its carriage are: plastics, rubber, iron, steel, machinery, aluminum, and various other metals; usually shipped in truckload quantities. Because of the growth of Los Angeles and its environs, many of the shippers that M&M serves, who required service only within the Territory, now require service to the Basin. M&M has transported the Basin-bound traffic pursuant to its permits. In recent years this service to the Basin has become more and more frequent until it is now a daily service. Because shipments within the Territory and to the Basin are carried under different authority, separate freight bills must be issued for the different types of service; this is costly and inconvenient to both the carrier and the shipper. Also, this arrangement precludes split-pickup and split-delivery service on shipments which are picked up or delivered partly within the Territory and partly within the Basin.

A representative of Union Carbide Corporation testified that his company has been using M&M for over twelve years for

shipments of general commodities and chemical products from its Torrance plant. Recently a problem has arisen with split-delivery shipments. In prior years most of Union Carbide's shipments were within the Territory and all component parts of a shipment could be transported under M&M's certificate. More recently Union Carbide has been shipping with greater frequency into the Basin, which shipments M&M carries under its permits. Some of these shipments could be combined with other shipments going into the Territory and thereby obtain lower rates, e.g. split-deliveries. But, as certificated and permitted shipments cannot be combined to obtain the benefits of lower rates transportation costs are higher than necessary.

A representative of Reynolds Metals Company testified that its Torrance plant supplies the Basin with aluminum extrusions. They try to combine shipments to take advantage of split-delivery benefits. Because M&M does not have certificated authority to all points in the Basin often shipments cannot be combined to effectuate savings in freight charges, to the detriment of Reynolds Metals. M&M is needed by Reynolds Metals because they have equipment available when needed, can provide flatbed equipment which other carriers have not been able to do, their drivers are familiar with the care required of the specialized products of Reynolds, and they have special equipment to facilitate the handling of the products.

A representative of General Pipe and Supply Company testified that since 1965 it has used M&M for shipments of truckload quantities of steel and steel products from Compton to the Basin. The company does not want to be deprived of the benefits of split-delivery charges and therefore supports M&M's application. General Pipe ships at least twice a week into the Basin via M&M.

A representative of California Metal, a manufacturer of pipe, testified that one of its major customers is moving from the Territory to the Basin. M&M will be required to transport freight daily to this customer. M&M gives good service and understands California Metal's method of operation.

A representative of Temcor, a manufacturer of freeway signs and steel products, testified that it uses M&M's service into the Basin on a daily basis. M&M has been used for fifteen years and provides good service.

A representative of Central Industrial Engineering Company testified that his company fabricates steel products and uses M&M to haul them from plants in South Gate and Santa Fe Springs to job sites. M&M has been used for over eight years. M&M knows the company's needs, commodities, and how to safely handle the specialized material transported. Having one plant in M&M's certificated area and one plant in M&M's permitted area has caused freight rates to be higher than necessary because Central Industrial cannot take advantage of the split-pickup and split-delivery provisions of various tariffs.

A representative of American Pecco Corporation, testified that his company uses M&M to transport construction equipment,

scaffolding, cranes, and horizontal beams. They have two plants, one in Torrance and one in Santa Fe Springs. Equipment moves between the two plants, and to job sites, on a daily basis. Split-pickup and split-delivery service are needed. M&M does a good job in transporting equipment but charges more for the service than some other carriers because split-pickup and split-delivery service cannot be utilized. Therefore, American Pecco would like to see M&M certificated into the Basin.

All of M&M's shipper witnesses testified to M&M's good service. Also, the shippers said that they would not divert traffic from other carriers to M&M if the certificate was granted. The shippers want M&M to be certificated in order to reduce multiple billing and to provide split-pickup and delivery service where it is now unavailable. This, in turn, would reduce freight costs.

#### Protestant's Evidence

A representative of Pacific Motor Trucking Company (Pacific) testified that his company operates as a certificated carrier of general commodities in the area where M&M seeks certification. Pacific, or its predecessors, has been in business since the beginning of the trucking industry in California. Pacific has a terminal near Torrance from which it offers daily pickup and delivery service. Pacific utilizes radio-dispatched trucks to render prompt service to customers who need late pickups or who have second pickups after the regular route truck has already called. Pickups and deliveries start at 7:00 a.m. and continue, sometimes, to 8:00 p.m. Freight is picked up and delivered to a local terminal where it is transferred to line-haul equipment for

delivery to a terminal near the destination point. There the freight is transferred to local delivery trucks. Shipments of sufficiently large weight move directly to destination without transfer. Pacific distributes advertising material and has twelve salesmen in the Los Angeles area soliciting new business. Pacific transports freight for many of the shippers presented by M&M, and has had no complaints. Pacific has an extensive safety program and employs two safety directors who continually check equipment and facilities to insure that high standards of safety are maintained. Pacific opposes M&M's application because it believes that there are enough common carriers serving the area to provide adequate service to the public. Adding more carriers tends to dilute the traffic, which increases the cost of pickup and delivery thereby forcing freight rates higher. In some areas where Pacific is required to perform daily service two trucks are needed to perform efficiently. Yet both trucks are often only half full. If M&M's shipper witnesses used Pacific on shipments to the Territory and the Basin they would obtain the benefits of split-pickup and delivery service.

Representatives of Southern California Freight Lines, Brake Delivery Service, Griley Security Freight Lines, City Transfer, Inc., Burton Truck and Transfer Company, and S & M Freight Lines, all certificated highway carriers of general commodities, also testified in opposition to granting M&M's application. Their testimony was similar to that given by Pacific, and, being essentially cumulative, will not be set forth herein.

Discussion

Protestants assert that the evidence shows that M&M does not seek to engage in the transportation of general commodities but rather to handle a limited class of traffic. Only a small number of shippers testified in support of the application and they shipped a limited number of commodities to relatively few locations in the sought area. But, to establish public convenience and necessity in connection with the proposed service it is not necessary that M&M, or shipper witnesses on its behalf, present evidence regarding service to each and every location within the sought area. Nor is it necessary, in order to qualify to transport general commodities, to present evidence that a large variety of the commodities listed in MRT No. 2 will be transported into the sought area. To require such proof would place an undue burden on M&M which it is unlikely that it could meet with a reasonable number of shipper witnesses. Although the witnesses who testified in support of the application were few in number and the evidence they presented was somewhat limited, nevertheless a representative showing has been made which is sufficient to support M&M's request to operate as a certificated carrier in the Basin.

The record does not support protestants' argument that the proposed service would, if granted, dilute the amount of traffic now available to them. Of course, some dilution of traffic might occur but it is no more than speculation to say that protestants, or any of them, will be affected to a significant degree. There are thousands of carriers competing for business in the Basin.



Protestants also claim that they can accommodate all demands for service from, to, and within the sought area and that no additional carrier is needed. No one seriously disputes the fact that protestants can accommodate all demands for service imposed upon them, either with present equipment or with equipment they would be more than willing to acquire if the service required it. However, to accept these arguments would forevermore preclude the entry of any additional carrier into the sought area.

When protestants train their sights on M&M they take aim at the wrong target. Their salvos should be directed at the permitted carriers. As one witness for protestants put it, "Every time I turn around I hear of a new truck line." The witness was referring primarily to permitted carriers, not certificated. Relatively few certificated carriers are operating in the Basin compared to the thousands of permitted carriers. If M&M's application were denied not a decimal point would quiver on protestants' balance sheets.

And there are other, perhaps more compelling, reasons to grant the sought authority. When we granted a certificate of public convenience and necessity to M&M to operate in the Territory it was expected that M&M would actively solicit business, which could result in taking business away from other carriers in this area; in effect, M&M was expected to scramble and grow. M&M has lived up to expectations. It is not fair to take this business away from M&M and give it to its competitors. And it is no answer, in this case, to say that M&M should grow only within its certificated area; not outside of it. Such a view does not consider the facts of transportation life.

When a shipper moves his plant, or expands, he is entitled to, and expects, freight service to the new area at the lowest legal rate. If his present carrier cannot provide this service sufficient reason would be shown to change carriers. So, in effect, M&M would be harming itself when it provided service that contributed to the growth and expansion of its customers. By refusing to let M&M expand into the sought area we are actually restricting it in its presently certificated area. We recognize that this argument of following the business, might support applications for ever expanding certificates but this extreme is avoided by considering each case on its own merits. There are other factors, such as ability, fitness, need for monopolistic practice in area, that can vary the result.

Protestants assert that this Commission cannot find that M&M should be permitted to engage in transportation in interstate and foreign commerce within the limits of the intrastate authority granted because M&M has not caused to be published in the Federal Register notice of the filing of this application. M&M admits failure to so publish but claims that all who were interested had actual notice and therefore the publishing requirement was met. Further, M&M claims that protestants waived their right to notice in the Federal Register by failing to object to the introduction of evidence concerning interstate and foreign commerce at the hearing. We will not discuss the waiver argument - except to say in passing that protestants could not waive the rights of those persons who might have appeared had notice in the Federal Register been given - because failure to publish a notice of

intent in the Federal Register precludes finding that M&M should be granted authority in interstate and foreign commerce. In this situation actual notice is not equivalent to publication. Merely serving notice on all certificated carriers in the Basin, if all were in fact served, is not notice to all interested persons.

Section 206(a) (6) of the Interstate Commerce Act provides that a carrier may obtain interstate and foreign commerce rights co-extensive with its intrastate rights if at the time of issuance of an intrastate certificate of public convenience and necessity such certificate recites that it was issued after notice to interested persons through publication in the Federal Register.<sup>3/</sup>

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"(6) On and after October 15, 1962 no certificate of public convenience and necessity under this chapter shall be required for operations in interstate or foreign commerce by a common carrier by motor vehicle operating solely within a single State and not controlled by, controlling, or under a common control with any carrier engaged in operations outside such State, if such carrier has obtained from the commission of such State authorized to issue such certificates, a certificate of public convenience and necessity authorizing motor vehicle common carrier operations in intrastate commerce and such certificate recites that it was issued after notice to interested persons through publication in the Federal Register of the filing of the application and of the desire of the applicant also to engage in transportation in interstate and foreign commerce within the limits of the intrastate authority granted, that reasonable opportunity was afforded interested persons to be heard, that the State commission has duly considered the question of the proposed interstate and foreign commerce operations and has found that public convenience and necessity require that the carrier authorized to engage in intrastate operations also be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized to be conducted. Such operations in interstate and foreign commerce shall, however, be subject to all other applicable requirements of this Act and the regulations prescribed hereunder." (Interstate Commerce Act, Section 206(a) (6) (Emphasis added).

This statutory authority has been implemented by rules promulgated by the Interstate Commerce Commission (I.C.C. Practice and Procedure, Special Rules of Practice, Section 1.245). The I.C.C. rules provide for registration of the state certificate with the I.C.C. and for protests to such registration by parties who opposed such authorization at the state commission hearing. The I.C.C. will then hold a hearing and review the state commission's determination of the need for the applicant's services in interstate and foreign commerce. (I.C.C. Special Rules of Practice Section 1.245(d)(e)(1),(f).)

An extended discussion of the history of Section 206(a)(6), its legislative background, and its application may be found in Re John E. Dugan (1965) 99 MCC 557. In Dugan, the I.C.C. reviewed a finding of the Kansas State Corporation Commission that a motor carrier should operate in interstate and foreign commerce within the limits of the intrastate authority granted. In asserting I.C.C. authority to review the state decision, as to its interstate and foreign aspects, the I.C.C. said "entry of motor carriers into interstate transportation should be based on affirmative findings by a regulatory board or commission that a public need exists for such interstate service. (108 Cong. Rec. 1361.) In the case of a single State motor carrier ~~desirous~~ of availing itself of the advantages of the Section 206(a)(6) procedures, the initial determination of this issue shall be made by the State Commission, and such determination is reviewable by this Commission upon petition of any party in interest who opposed the interstate aspect of the application in the State

proceeding. Such review shall be based upon the record made before the State Commission." (99 MCC at 565.) The I.C.C. determines if the state certificate contains the data and recitals required by Section 205(a)(6).

In original proceedings before it for interstate rights, the I.C.C. has held that evidence of interstate need cannot be shown unless there was prior publication in the Federal Register and, if evidence is admitted without prior publication, that evidence will not be considered in determining need. (Re Oco Trans.Co. (1956) 69 MCC 285.) However, failure to publish does not irrevocably preclude a grant of interstate rights; the failure may be corrected. The I.C.C. procedure has been to withhold the grant of authority for a period of time to permit publication in the Federal Register so that interested parties may file appropriate protests or other pleadings. (Moffatt Trucking, LTD, (1957) 73 MCC 327, 328-29.) We have no reason to doubt that the I.C.C. will apply the same publication standards to a review of our grant of interstate rights as it applies in its own original proceedings. Our procedure is as flexible as that of the I.C.C. We shall issue M&M a certificate of public convenience and necessity but shall not refer to interstate or foreign authority. If, prior to the effective date of our order, M&M causes proper notice to be published in the Federal Register and files an amendment to its application setting this forth, and no protests are received, we shall amend our order to include the findings required by the I.C.C. If protest is made we shall reopen this proceeding to take testimony limited to the need for M&M's transportation service in interstate and foreign commerce within the limits of the intrastate authority granted herein.

Findings of Fact

1. M&M operates as a highway common carrier in the Los Angeles Territory pursuant to a certificate of public convenience and necessity issued by this Commission for the transportation of general commodities.

2. M&M operates in the Los Angeles Basin Territory pursuant to radial highway common carrier and contract carrier permits issued by this Commission.

3. M&M seeks certification as a carrier of general commodities, with the usual exceptions, in the Los Angeles Basin Territory. M&M has been providing daily service of general commodities from the Los Angeles Territory to the Los Angeles Basin Territory. This service is approaching, if it is not already, a certificated carrier type of service.

4. The witnesses who appeared for M&M desire that it be authorized to render the service it seeks authority to perform; M&M provides a personalized and special service which they do not obtain from other carriers. They now use M&M's services to a great extent to and from the sought area.

5. Some of M&M's customers have moved portions of their operations from the Territory to the Basin; these customers require common carrier service to the Basin. Also, consignees of these customers have moved from the Territory to the Basin and these consignees require common carrier service. These changes are the result of natural growth and it would be unfair to deprive M&M of this traffic.

6. Under present authority M&M cannot perform split-pickup or split-delivery service when one component part of a shipment is to be picked up or delivered in the Territory and the other component part in the Basin. In this situation each component part must be rated separately, often resulting in higher transportation costs and the preparation of two or more freight bills. Granting the sought authority will remedy this situation thereby reducing the transportation costs of many of M&M's customers, and the expenses of M&M.

7. The protesting carriers will not be materially affected by the expansion of M&M's certificated service.

8. M&M has the experience, equipment, personnel, and financial resources to institute and maintain the service authorized herein.

9. Public convenience and necessity require that the proposed service be authorized to the extent set forth in the following order.

10. M&M did not cause to be published in the Federal Register notice of the filing of this application.

The Commission concludes that the application should be granted to the extent set forth in the following order and that in all other respects it should be denied.

M&M Transfer Company, a corporation, 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 M and M Transfer Company, 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, B and C 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.

3. If, prior to the effective date of this order, M and M Transfer Company gives proper notice to interested persons through publication in the Federal Register of the filing of this application and of its desire to engage in transportation in interstate and foreign commerce within the limits of the intrastate authority granted herein, and it files an amendment to this application stating that it has complied with this ordering paragraph, and no protest is made, this order shall be amended to include the findings required by Section 206(a)(6) of the Interstate Commerce Act. If protest is made we shall reopen this proceeding to take testimony limited to the need for its transportation service in interstate and foreign commerce within the limits of the intrastate authority granted herein.

4. The certificate of public convenience and necessity granted in Paragraph 1 of this order shall supersede all existing certificates of public convenience and necessity authorizing the

transportation of general commodities heretofore granted to or acquired by M and M Transfer Company, a corporation, and presently possessed by it, which certificates are revoked effective concurrently with the effective date of the tariff filings required by Paragraph 2 (b) hereof.

5. In all other respects Application No. 48327 is denied.

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

Dated at San Francisco, California, this 31st day of MAY, 1967.

Robert E. Mitchell  
President  
William L. Bernard  
Augustus  
William Spencer Jr.  
Paul P. Monahan  
Commissioners

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Appendix A

M AND M TRANSFER COMPANY Original Page 1  
(a corporation)

M and M Transfer Company, a corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport general commodities, with exceptions hereinafter noted, as follows:

1. In intrastate, interstate, and foreign commerce, between all points and places within the Los Angeles Territory as described in Appendix B.

2. In intrastate commerce, between all points and places within the Los Angeles Basin Territory as described in Appendix C.

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. Commodities requiring protection from heat by the use of ice (either water or solidified carbon dioxide) or by mechanical refrigeration.

Issued by California Public Utilities Commission.

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Appendix A

M AND M TRANSFER COMPANY Original Page 2  
(a corporation)

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.
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.

Issued by California Public Utilities Commission.

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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 Pasadena; easterly along Foothill Boulevard from the intersection of Foothill Boulevard and the 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.

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. 113, approximately two miles west of Chatsworth; easterly along State Highway No. 113 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 3.2 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; southwestwesterly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U.S. Highway No. 60; southwestwesterly 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; southwestwesterly 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 shore line of the Pacific Ocean to point of beginning.