

ORIGINAL

Decision No. 80252

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
KERN VALLEY TRUCKING, a corporation,  
for an extended and in lieu certificate  
of public convenience and necessity as  
a highway common carrier of general  
commodities, with specified exceptions,  
between points in the Los Angeles Basin  
Territory, on the one hand, and on the  
other, Sacramento, including service  
at various intermediate and off-route  
points, pursuant to Sections 1063-1064  
of the California Public Utilities Code.

Application No. 53060  
(Filed December 17, 1971)

Russell & Schureman, by R. Y. Schureman, Attorney at  
Law, for Kern Valley Trucking, applicant.

O P I N I O N

This is an application by Kern Valley Trucking, a corporation (hereinafter referred to as Kern Valley), seeking an extended and in lieu certificate of public convenience and necessity to operate as a highway common carrier. Kern Valley also seeks herein corresponding authority to the intrastate authority herein requested leading to a certificate of registration to conduct operations in interstate or foreign commerce under Section 206(a)(6) of the Interstate Commerce Act.

A duly noticed public hearing was held in this matter before Examiner Jarvis in San Francisco on May 9, 1972, and the matter was submitted on that date. Originally, Pacific Motor Trucking Company and Victorville-Barstow Truck Line notified the Commission of their protests to the application. However, these protests were withdrawn prior to the public hearing.

Kern Valley presently holds intrastate and interstate authority to operate as a highway common carrier for the transportation of general commodities, with limited exceptions, between the Los Angeles Territory and the City of Sacramento, serving various intermediate and off-route points. The purpose of this application is to enlarge its operating authority in the Los Angeles area from the Los Angeles Territory to a major portion of the Los Angeles Basin Territory. Kern Valley proposes to retain in its tariff the restriction prohibiting local service in the Los Angeles area.

The record indicates that Kern Valley operates terminals in Los Angeles, Bakersfield, Fresno, Stockton, Sacramento and Lancaster. It has approximately 207 units of operating equipment. It had gross operating revenues of \$3,173,692 for the 12 months ending December 31, 1971. It had a net worth of \$418,585 as of December 31, 1971.

The record also discloses that Kern Valley and Haslett Company, a highway common carrier with intrastate and interstate operating authority which includes the San Francisco East Bay Cartage Zone (hereinafter referred to as Haslett), have established joint operations and published joint through rates between their respective service areas. Witnesses for Kern Valley and Haslett testified that, if the authority requested herein is granted, the joint operations and rates would be expanded to cover the additional area. Kern Valley and Haslett each operates three schedules a day in the interline service. Each derives approximately \$500,000 a year in gross revenues from the service. Approximately 10 percent of the interline traffic consists of shipments in interstate or foreign commerce.

The evidence indicates that many shippers who currently use Kern Valley have moved all or part of their operations to the eastern portion of the Los Angeles Basin. Kern Valley requests the

expanded operating authority so that it can continue to serve these shippers. The evidence also indicates that many of the shippers who are involved in the interline traffic generated by Haslett are customers of Haslett Warehouse Company, a related organization. Because of the joint rate arrangement between Haslett and Kern Valley, the Haslett Warehouse has difficulty in obtaining adequate common carrier service from other carriers to the portions of the Los Angeles Basin which Kern Valley is not authorized to serve. It is often necessary to use the interline arrangement and then have Kern Valley interline again in Los Angeles with a third carrier. This is uneconomical and causes delays in the shipments. Granting the requested authority would eliminate this problem.

The Commission makes the following findings and conclusions.

Findings of Fact

1. Kern Valley presently holds authority from this Commission and the Interstate Commerce Commission authorizing it to operate as a highway common carrier for the transportation of general commodities, with limited exceptions, between the Los Angeles Territory and the City of Sacramento, serving various intermediate and off-route points.
2. Kern Valley operates terminals in Los Angeles, Bakersfield, Fresno, Stockton, Sacramento and Lancaster.
3. Kern Valley operates approximately 207 units of operating equipment.
4. Kern Valley had gross operating revenues of \$3,173,692 for the 12-month period ending December 31, 1971.
5. Kern Valley had a net worth of \$413,585 as of December 31, 1971.
6. Kern Valley and Haslett have established joint operations and joint through rates between their respective service areas.
7. Many shippers who presently use the service of Kern Valley have moved all or a part of their operations to the eastern portion of the Los Angeles Basin, an area which Kern Valley presently does not have authority to serve.

8. Many of the shippers who are involved in the interline traffic generated by Haslett are customers of Haslett Warehouse Company, a related organization. Because of the joint rate arrangement between Haslett and Kern Valley, Haslett Warehouse has difficulty in obtaining adequate common carrier service from other carriers to the portions of the Los Angeles Basin which Kern Valley is not authorized to serve. It is often necessary to use the interline arrangement and then have Kern Valley interline again in Los Angeles with a third carrier. Such a procedure is uneconomical and causes delays in the shipments.

9. Kern Valley has the ability, including financial ability, to provide the intrastate and interstate service for which authority is herein requested.

10. Notice that this application was filed and that it seeks interstate rights was published in the Federal Register on January 19, 1972.

11. Public convenience and necessity require Kern Valley's service for the transportation of shipments moving in intrastate and interstate or foreign commerce between the points and over the routes more particularly set forth in Appendix A attached hereto and by this reference made a part hereof.

12. To avoid confusion among the shipping public and assist the Commission in the performance of its regulatory functions, all of Kern Valley's intrastate operating rights should be restated in an in lieu certificate of public convenience and necessity.

Conclusions of Law

1. Kern Valley should be granted a certificate of public convenience and necessity to operate as a highway common carrier between the points and over the routes more particularly set forth in Appendix A attached hereto and by this reference made a part hereof.

2. All of Kern Valley's intrastate operating authority should be restated in an in lieu certificate of public convenience and necessity.

Applicant 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 Kern Valley Trucking, 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 Appendix A attached hereto and made a part hereof.

2. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificates of public convenience and necessity granted by Decision No. 70059 in Application No. 47134 and Decision No. 74777 in Application No. 50534, which certificates are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3(b) hereof.

3. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations. Failure so to do may result in a cancellation of the operating authority granted by this decision.

- (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-Series.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and amend its tariffs on file to reflect the authority granted herein.
- (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-Series.
- (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.
- (f) Applicant shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

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

Dated at Los Angeles, California, this 18th day of JULY, 1972.

Yusuf L. Stinson  
President  
William J. Stinson, Jr.  
William J. Stinson, Jr.  
William J. Stinson, Jr.  
William J. Stinson, Jr.  
Commissioners

Kern Valley Trucking, a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a highway common carrier, as defined in Section 213 of the Public Utilities Code, for the transportation of general commodities, EXCEPT used household goods and personal effects, motor vehicles in truckaway service, livestock, commodities requiring refrigeration or temperature control, commodities in bulk, in tank, dump or hopper-type vehicles, commodities requiring mixing in transit and logs, as follows:

## I

1. BETWEEN the portion of the Los Angeles Basin Territory, as described in Section II below, and Wheeler Ridge, inclusive; via Interstate Highway 5 including points within 10 miles laterally therefrom. (SEE EXCEPTIONS 1 and 2)
2. BETWEEN Wheeler Ridge and Fresno, inclusive; via State Highway 99 including points within 25 miles laterally therefrom.  
INCLUDING points within a 10 mile radius of the following:
  - a. The junction of State Highways 99 and 180 within the City of Fresno.
  - b. The junction of State Highways 198 and 41 near Lemoore.
  - c. The junction of State Highway 130 and County Road J-19, Fresno County (also known as Valley Road) near Squaw Valley.
3. BETWEEN Fresno and Dunnigan, inclusive, via State Highway 99 and Interstate Highway 5 including points and places within a twenty mile radius of the corporate limits of the City of Sacramento (SEE EXCEPTION 2), and including the off-route points of Escalon, Riverbank and Oakdale.

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4. BETWEEN Fresno and Lincoln, inclusive, via State Highway 99, Interstate Highway 80 and State Highway 65 including points and places within a twenty mile radius of the corporate limits of the City of Sacramento (SEE EXCEPTION 2), and including the off-route points of Escalon, Riverbank and Oakdale.
5. Interstate Highways 5 and 205 between Stockton and Tracy, inclusive.
6. State Highway 33 between junction with Interstate Highway 205 near Tracy and Maricopa, including the off-route points of Huron, Kettleman City and Ford City.
7. State Highway 14, including points within ten miles laterally therefrom, between its junction with Interstate Highway 5 near San Fernando, and a point five miles north of Lancaster, inclusive including the off-route points of Quartz Hill, Pearblossom and Rosamond (SEE EXCEPTION 1).
8. Through routes and rates may be established between any and all points specified in subparagraphs 1 through 7 above.
9. For operating convenience only, applicant is authorized to traverse State Highway 14 between a point thereon five miles north of Lancaster and Mojave, and State Highway 58 between Mojave and a point thereon twenty-five miles east of State Highway 99, serving no points or places on or laterally from State Highways 14 and 58.

EXCEPTIONS:

1. Applicant is not authorized to serve Newhall, Saugus and Castaic or the off-route point of Rosamond except in conjunction with split delivery shipments.
2. Applicant is not authorized to provide local service between points:
  - a. Within the described portion of the Los Angeles Basin Territory (See Section II, page 3).
  - b. Within a 20-mile radius of the corporate limits of the City of Sacramento.

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## II

The portion of Los Angeles Basin Territory for which authority is granted herein includes that area embraced by the following boundaries:

Beginning at the intersection of Sunset Boulevard and State Highway 1; thence northeasterly on Sunset Boulevard to Interstate Highway 405; thence northerly along Interstate Highway 405 to Chatsworth Street; northeasterly along Chatsworth Street to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary to Maclay Avenue; northeasterly along Maclay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundaries to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street; southerly along Bryant Street to and including the unincorporated community of Yucaipa; westerly along Yucaipa Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to and including the City of Redlands; westerly along Interstate Highway 10 to Interstate Highway 15 (U. S. Highway 395); southerly along Interstate Highway 15 to State Highway 91; southwesterly along State Highway 91 to State Highway 55; southerly along State Highway 55 to the Pacific Ocean; westerly and northerly along the shoreline of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and State Highway 1; thence northerly along an imaginary line to point of beginning.

(END OF APPENDIX A)

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