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ORIGINAL

Decision No. 81255

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
A. R. HOEHL, an Individual, doing)
business as FURNITURE TRANSPORT)
COMPANY, for a certificate of public)
convenience and necessity to operate)
as a highway common carrier for the)
transportation of property in)
intrastate commerce.)

Application No. 52576
(Filed April 23, 1971)

ORDER AMENDING FINDINGS
AND DENYING REHEARING

Protestant Lads Furniture Freight, Inc. filed a petition for reconsideration and rehearing of Decision No. 80915. By letter dated January 23, 1973 Protestants KKW Trucking, Inc. and Driskell Trucking, Inc. joined in said petition.

The Commission has considered each and every allegation in said petition and is of the opinion that the evidence supports the certificate granted in Decision No. 80915. Findings Nos. 5, 6, 7, 8, and 10 in Decision No. 80915 should be amended. The petition for rehearing should be denied. For the convenience of the parties, the findings of fact are restated below.

IT IS ORDERED that the findings in Decision No. 80915 are hereby deleted and the following findings, with changes indicated by underscoring, substituted therefor:

"1. The furniture manufacturing industry in the state of California is primarily located in the Los Angeles area.

"2. Distribution of the finished products is usually accomplished in the following manner:

"a. Cartoned or crated shipments are transported by the general freight carriers.

"b. Blanket-wrapped shipments are transported by both permitted and certificated carriers specializing in the handling of furniture.

"3. Blanket-wrapped service includes the use of high-cube vans, which are equipped with drop frames mounted on air-ride spring suspension to reduce road bounce. Each van is equipped with furniture pads and cloth strapping which are used to protectively wrap and secure the load. Such service minimizes damage and permits immediate inspection upon delivery.

"4. It is the accepted practice among the manufacturers to transport blanket-wrapped shipments in their own equipment to the carrier's terminal in order to save the pickup charge. Distribution by the carrier is made to retail stores throughout the state. Large shipments are handled in an expeditious manner with the transit time ranging from overnight to three days depending upon the point of destination. The time in transit on small shipments may take as long as four or five days. This results from the practice, for economic reasons, by many carriers, including protestants, of holding a small shipment destined to a certain area until it can be consolidated with other small shipments moving to the same area.

"5. For the past six years, applicant has been conducting a specialized service for the transportation of furniture and office equipment, both northbound and southbound, between various points within the state, pursuant to permits duly issued by the Commission. This business has grown to the point where applicant's operations are approaching that of a highway common carrier.

"6. Although the manufacturers ordinarily designate the carrier to be used they will honor customer requests for a specific carrier. A number of applicant's customers located in the San Francisco Bay Area have designated applicant to the manufacturers. Some customers of applicant are engaged in the contract furnishing of hotels and motels which require a transportation service coordinated to a strict delivery schedule and in some instances with the furniture being transported from the Los Angeles area and/or San Francisco Bay Area and set-in-place in accordance with prearranged markings.

"7. A good portion of applicant's service is the transportation of office furniture which is manufactured in plants located throughout the San Francisco Bay Area and the Los Angeles area. In many instances these shipments are destined directly to office buildings and must be set-in-place. Such service is frequently performed on weekends and holidays.

"8. Protestants are providing an adequate and satisfactory service for the manufacturers located in the Los Angeles area. Since most of the shipments are destined to retail stores, there is little demand upon them for a set-in-place service. The growth in applicant's business and the testimony of shipper witnesses in this case, demonstrate that applicant's service under its permits to retail stores and office, motel, and hotel furnishers is regarded by many customers as at least equal to that of protestants. While the grant of a certificate herein may have some adverse impact on protestants, we cannot find that it will cause such severe dilution of traffic as to create a financial emergency for protestants.

"9. As a smaller carrier applicant is better able to personalize his service to meet the individual needs of consignees engaged in the furnishings of hotels, motels, and office buildings. Although this type of service is more often performed by a permitted carrier it need not be so limited.

"10. In many instances, [T]he type of operation as conducted by applicant is not directly competitive with those of protestants. In other instances, such as deliveries to retail stores, it is competitive.

"11. The record indicates a need for applicant's service, but not to the extent requested. Authority to serve between the San Francisco and Los Angeles territories, and between points within these territories on the one hand, and Bakersfield, Fresno, Modesto, Sacramento, and Salinas, on the other hand, would substantially encompass applicant's operations as presently conducted and as supported by the public witness testimony.

"12. Public convenience and necessity require applicant's service as a highway common carrier to the extent set forth in the ensuing order."

IT IS FURTHER ORDERED that the petition for reconsideration and rehearing filed by protestants, except to the extent granted herein, is denied.

The effective date of Decision No. 80915 having been stayed under Section 1733 of the Public Utilities Code, the effective date of said decision, as herein amended, shall be twenty days after the date hereof.

Dated at San Francisco, California, this 10th day of APRIL, 1973.

I dissent:

Edward J. Carr.

Vernon L. Sturgeon
President
William Symons-Jr.

[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.