

**ORIGINAL**Decision No. 81405

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of G.C.T., INC., a  
California corporation, for extension  
of Highway Common Carrier Certi-  
ficate of Public Convenience and  
Necessity in intrastate service and  
interstate service.

Application No. 53483  
(Filed July 26, 1972)

George M. Carr, Attorney at Law, for applicant.  
Ray Greene, Attorney at Law, for Associated  
Freight Lines, Nielsen Freight Lines, Lodi  
Truck Service, Hulsman Transportation Co.,  
Warren Transportation Co., and McLaughlin  
Drying Co.; Loughran, Berol & Hegarty, by  
Marshall G. Berol, Attorney at Law, for  
Peters Truck Lines and Ted Peters Trucking  
Co.; W. A. Gregory, Attorney at Law, for  
Pacific Motor Trucking Company; and Orrick,  
Herrington, Rowley & Sutcliffe, by William L.  
Riley, Attorney at Law, for Delta Lines, Inc.;  
protestants.  
William C. Bricca, Attorney at Law, and Harry  
Cush, for the Commission staff.

O P I N I O N

Applicant is a California corporation formerly known as  
Garden City Transportation Co., Ltd. It operates as a permitted  
carrier and as a certificated highway common carrier of general  
commodities in intrastate, interstate, and foreign commerce in the  
area of San Francisco, Oakland, San Jose, Salinas, Monterey,  
Hollister, Watsonville, and Gilroy. It also operates as a certifi-  
cated carrier of canned goods, dried fruit, and cannery and packing  
plant machinery, materials and supplies between San Jose, on the one  
hand, and Stockton and Sacramento, on the other hand.

Applicant applied on July 26, 1972 for a substantial  
increase in operating authority. Applicant desires to serve the

proposed area in interstate and foreign commerce as well as intrastate. Notice of this application appeared in the Federal Register of August 23, 1972. Protests were filed and a hearing was scheduled and held in San Francisco on January 9 and 10, and February 13, 1973 before Examiner Fraser. On the first day of hearing the parties reached an agreement, with the exception noted below, and a form of certificate was placed in the record by stipulation as Exhibit No. 1. Upon receipt of the stipulation, all but three of the protestants withdrew and became interested parties in the proceeding. Hulsman Transportation Co., Warren Transportation Co., and McLaughlin Draying Co. continued as protestants to oppose applicant's request to expand its authority to haul newsprint. The stipulation provided for the transportation of general commodities between all points and places in the San Francisco Territory, between San Francisco and Vallejo, San Francisco and Stockton, San Rafael and Bradley, San Jose and Vallejo, San Jose and Santa Cruz, Santa Cruz and Monterey, Salinas and Monterey, Hollister and highway junction near San Juan Bautista on State Highway 156, Watsonville and San Juan Bautista, Watsonville and Gilroy, Pinole and Stockton, and Monterey and Jamesburg. The stipulation further provides for the transportation of newsprint between all points on or within 20 miles of the following routes: Healdsburg and San Rafael on U. S. Highway 101, Sacramento and Fresno on State Highway 99, Vallejo and Sacramento on Interstate Highway 80, and Gilroy and junction State Highway 152, and State Highway 99 near Fairmead on State Highway 152.

Applicant will provide a scheduled service on five days of the week, with on-call service available on Saturdays, Sundays, and holidays. Applicant proposes an intrastate, interstate, and foreign commerce service to be performed wholly within the State of California. Applicant is presently a party to Western Motor Tariff Bureau's Tariffs Nos. 107 and 111. If the authority sought is granted, it intends to publish the applicable rates and rules in these tariffs.

Applicant's operating equipment includes 75 tractors, 6 trucks, more than 100 trailers of varied types and lengths, 12 forklifts, and 28 dollies. Applicant's balance sheet as of September 30, 1972 shows total assets of \$1,008,637 and current liabilities of \$234,787. The income statement for the first nine months of 1972 indicates a gross income of \$1,719,186, expenses of \$1,644,989, and a net income of \$45,279.

The president of the applicant testified as follows: It has been a family business since it was started by his uncle in 1930. He has personally had thirty years' experience in the trucking business, first with Garden City Transportation Company and since 1970 with the present applicant. Applicant operates from a five-acre installation in San Jose, which includes a large parking lot and terminal with office, dock space, and a complete repair shop. Applicant has 113 employees, classified as managers, dispatchers, salesmen, clerks, mechanics, servicemen, drivers, platform men, and hostlers. It also operates a 120,000 square foot warehouse which provides storage for newsprint, canned goods, machinery, and other items. Applicant has applied herein for an expanded service area to eliminate split-delivery problems and to satisfy shipper demands for regular service out of the Bay Area.

Eight shippers testified for the applicant on the transportation of general commodities and two on the transportation of newsprint. General commodities shipped include motorcycle parts, accessories and clothing, corrugated paper, tin, aluminum, metals, plastic, lining material, mirrors, lamps, home furnishings, hospital supplies, chemicals, laboratory equipment, newspapers and brochures for schools and industry, window screens, doors, hardware, foreign cars, school supplies, household merchandise, antiques, ski lifts, and automotive parts. Most of the general commodity shippers receive supplies from other states or foreign countries and seek applicant's service to transport their merchandise from the docks or railroad yard to a warehouse or consignee. All of the general commodity shippers who testified have used applicant's transportation service

for a number of years. They classified applicant's service as being very dependable and claim free. All will use the service throughout the expanded service area if the application is granted.

The newsprint shippers purchase from a mill in Canada which delivers by rail or barge to San Jose, Sacramento, or San Francisco. They ship only to newspapers or to large commercial printers at intervals of seven days to a month. Each shipment provides sufficient newsprint to last at least a week and is stored on the premises where used. If applicant's newsprint authority is extended, neither shipper will use G.C.T., Inc. in the extended area. Both shippers are satisfied with the carriers they have been employing for many years. They testified that a standby carrier is needed in case the existing carriers either had no equipment available or could not transport newsprint for some other reason. They agreed this contingency has never occurred and if it did there are at least three other carriers, in addition to the protestants, who have the authority and equipment to haul newsprint in the area in dispute.

All three protestants provided testimony and documentary evidence. Each one has been required to purchase special trucks, trailers, and forklifts, which are designed exclusively to transport or to lift rolls of newsprint. Their testimony emphasized that drivers and handlers must be specifically trained and that business is very competitive. All testified that newsprint hauling provides a substantial portion of their income and could force them to curtail their certificated service if lost to another carrier. Testimony revealed that one of the protestants lost a 15-year account when applicant's predecessor was authorized to haul newsprint at rates less than those provided in the applicable tariffs.

#### Findings and Conclusion

1. Applicant has demonstrated a public need for expansion of its general commodity authority with the exception noted below.
2. Applicant's request for an expansion of its authority to haul newsprint should be denied.

3. Testimony from two shippers of newsprint that applicant will only be used as a standby carrier does not justify an extension of operating authority to haul newsprint.

4. There are sufficient carriers who specialize in the hauling of newsprint to satisfy public convenience and necessity in the extended area applicant seeks to serve.

5. Applicant has the experience, equipment, personnel, and financial resources to institute and maintain the proposed service, as herein granted.

6. Public convenience and necessity require that applicant be authorized to engage in operations in intrastate commerce as proposed in the application and also require that applicant be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized by the order herein. The order which follows will provide for the granting of an in-lieu certificate of public convenience and necessity and the revocation of all existing authority.

7. The Commission finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

The Commission concludes that the application should be granted as set forth in the ensuing order. The territorial description of the authority granted reflects the names of redesignated highways and roads and does not in any way exceed the geographical scope of the proposed operation as published in the Federal Register.

Applicant is 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. 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 granted to G.C.T., 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 Appendix A 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. 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 and twenty days after the effective date hereof, applicant shall establish the service and amend its tariffs on file with the Commission 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.

3. 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 applicant 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.

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

Dated at San Francisco, California, this 22nd day of MAY, 1973.

Vernon L. Sturgen  
President  
William J. ...  
...  
...  
Commissioners

G. C. T., Inc., by the certificate of public convenience and necessity granted in 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 as follows:

A. General Commodities, excluding newsprint, between the following points, serving all intermediate points on the said routes and all off-route points within twenty miles thereof;

1. San Rafael and Bradley on U.S. Highway 101;
2. San Francisco and Vallejo on Interstate Highway 80;
3. San Francisco and Stockton on Interstate Highways 580, 205 and 5;
4. To, from and between all points and places located in the San Francisco Territory as described in Note A, and points located within twenty miles of the boundaries of said Territory;
5. San Jose and Vallejo on Interstate Highway 680;
6. San Jose and Santa Cruz on State Highway 17;
7. Santa Cruz and Monterey on State Highway 1;
8. Salinas and Monterey on State Highway 68;
9. Hollister and the junction of State Highway 156 with U.S. Highway 101, on State Highway 156;
10. Watsonville and San Juan Bautista on State Highway 129 and the San Juan Highway;
11. Watsonville and Gilroy on State Highway 152;
12. Pinole and Stockton on State Highway 4;
13. Monterey and Jamesburg on State Highway 1, Carmel Valley-Tularcitos Roads (County G-16) and Cachagua Road.

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- B. Canned goods, dried fruit, and cannery and dried fruit packing plant machinery, materials and supplies between San Jose and points within ten miles of the City Limits of San Jose on the one hand, and Sacramento on the other hand.

In performing the service herein authorized, applicant may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

C. Newsprint, between all points on:

1. U.S. Highway 101 and State Highway 82 between Bradley and San Francisco;
2. State Highways 17 and 238, and Interstate Highway 80 between San Jose and Richmond;
3. State Highway 1 between Monterey and Santa Cruz;
4. State Highway 17 between Santa Cruz and San Jose;
5. State Highway 68 between Monterey and Salinas;
6. State Highway 156 between Hollister and U.S. Highway 101;
7. State Highway 25 between Hollister and U.S. Highway 101;
8. State Highway 129 and San Juan Highway between Watsonville and San Juan Bautista;
9. State Highway 152 between Watsonville and Gilroy;
10. Saratoga-Sunnyvale Road, Mathilda Avenue and State Highway 237 between Sunnyvale and Milpitas;
11. The Dumbarton Bridge route between State Highway 82 and Centerville and Niles;
12. East 3rd Avenue, the San Mateo-Hayward Bridge Approach and State Highway 92 between San Mateo and Mt. Eden and Hayward;
13. Interstate Highway 80 between San Francisco and Oakland.

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14. Including the off-route points of Alameda and all points within 10 miles of the city limits of San Jose;
15. Carmel Valley Road, Tularcitos Road (County G-16) and Cachagua Road between Monterey and Jamesburg, serving intermediate points.

The authority granted in Part C above is subject to the following conditions and limitations:

1. Carrier shall not transport any shipments between any two of the following points: San Francisco, San Leandro, Oakland, Alameda, Berkeley, Albany, El Cerrito, Richmond, Piedmont and Emeryville; nor between any of the foregoing points and South San Francisco, on the one hand, and Stockton and Sacramento, on the other hand.
2. Carrier shall conduct operations over and along the following routes:
  - a. Between San Jose and points within 10 miles of the city limits of San Jose, on the one hand, and Stockton and Sacramento, on the other hand. Via State Highway 17 from its intersection with State Highway 237 to its intersection with State Highway 238, thence via State Highway 238 to the intersection of State Highway 84, thence via State Highway 84 to Foothill Road, and via Foothill Road, Sunol Boulevard, Stanley Boulevard and State Highway 84, consecutively, to Interstate Highway 580. Via Interstate Highway 580 to Interstate Highway 205, thence Interstate Highways 205 and 5 to Stockton. From Stockton by the most convenient route to State Highway 99 and via State Highway 99 to Sacramento. Additionally, via connecting highways from points within 10 miles of the city limits of San Jose to the foregoing route, with an alternate route over the Altamont Pass Road via Altamont between a point on Interstate Highway 580, approximately 3 miles east of Livermore and a point on Interstate Highway 580, approximately 10 miles west of Tracy; and via State Highways 17, 238 and 185 from San Jose to Oakland, and thence Interstate Highway 80 from Oakland to Sacramento,

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and via connecting highways from points within 10 miles of the city limits of San Jose to the latter route.

- b. All highways and routes hereinabove enumerated in Part C.

Except that pursuant to the authority herein described, carrier shall not transport any shipments of:

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in accordance with the crated property requirements set forth in Item 5 of Minimum Rate Tariff 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.: barrows, boars, bulls, butcher hogs, calves, cattle, cows, dairy cattle, ewes, feeder pigs, gilts, goats, heifers, hogs, kids, lambs, oxen, pigs, rams (bucks), sheep, sheep camp outfits, sows, steers, stags, swine or wethers.
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. Cement.

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8. Logs.
9. Articles of unusual or extraordinary value.
10. Shipments in vehicles equipped with mechanical refrigeration systems.

## NOTE A

## SAN FRANCISCO TERRITORY

San Francisco Territory includes all the City of San Jose and that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Line meets the Pacific Ocean; thence easterly along said County Line to a point one mile west of State Highway 82; southerly along an imaginary line one mile west of and paralleling State Highway 82 to its intersection with Southern Pacific Company right-of-way at Arastradero Road; southeasterly along the Southern Pacific Company right-of-way to Pollard Road, including industries served by the Southern Pacific Company spur line extending approximately two miles southwest from Simla to Permanente; easterly along Pollard Road to W. Parr Avenue; easterly along W. Parr Avenue to Capri Drive; southerly along Capri Drive to Division Street; easterly along Division Street to the Southern Pacific Company right-of-way; southerly along the Southern Pacific right-of-way to the Campbell-Los Gatos City Limits; easterly along said limits and the prolongation thereof to South Bascom Avenue (formerly San Jose-Los Gatos Road); northeasterly along South Bascom Avenue to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to State Highway 82; northwesterly along State Highway 82 to Tully Road; northeasterly along Tully Road and the prolongation thereof to White Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to State Highway 238 (Oakland Road); northerly along State Highway 238 to Warm Springs; northerly along State Highway 238 (Mission Blvd.) via Mission San Jose and Niles to Hayward; northerly along Foothill Blvd. and MacArthur Blvd. to Seminary Avenue; easterly along Seminary Avenue to Mountain Blvd.; northerly along Mountain Blvd. to Warren Blvd. (State Highway 13);

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northerly along Warren Blvd. to Broadway Terrace; westerly along Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland Boundary Line; northerly along said boundary line to the Campus Boundary of the University of California; westerly, northerly and easterly along the campus boundary to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to San Pablo Avenue (State Highway 123); northerly along San Pablo Avenue to and including the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco waterfront at the foot of Market Street; westerly along said waterfront and shoreline to the Pacific Ocean; southerly along the shoreline of the Pacific Ocean to point of beginning.

(END OF APPENDIX A)

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