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Decision No. 82381

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
AIRPORT DRAYAGE COMPANY, a corporation,  
for a certificate of public convenience  
and necessity to restate and extend  
its highway common carrier service  
for the transportation of general  
commodities.

Application No. 54249  
(Filed August 20, 1973)

O P I N I O N

Applicant Airport Drayage Company, a California corporation, requests a certificate of public convenience and necessity to operate as a highway common carrier in the transportation of general commodities, with certain exceptions, serving points and places located on and adjacent to specified routes traversing an area bounded generally by San Rafael, Sacramento, Fresno, and Carmel as more particularly described in Appendix A attached hereo. Applicant also requests a concurrent finding that public convenience and necessity require a corresponding service in interstate and foreign commerce. The certificate of service attached to the application shows that the application was served on 30 motor carriers with whom the proposed operations would be competitive and on the California Trucking Association. The application was noticed in the Federal Register of September 6, 1973 as well as in the Commission's Daily Calendar of August 21, 1973. Only one protest to the application was received but was withdrawn upon the applicant filing a letter, received as ex parte Exhibit No. 2, making a restrictive amendment to the application.

Applicant operates as a certificated highway common carrier in an area generally approximating the San Francisco Territory, and also operates under a statewide radial highway common carrier permit as well as a highway contract carrier permit. Its California certificated authority is the subject of a certificate of registration issued by the Interstate Commerce Commission, which body has also granted applicant a certificate of public convenience and necessity to conduct irregular route motor common carrier operations between points in 16 counties clustered around the San Francisco Bay, limited to the transportation of shipments having an immediately prior or subsequent movement by air into or out of the San Francisco International Airport or the Oakland International Airport.

Applicant intends to conduct the proposed operations with vehicles it presently owns and operates which comprise 78 trucks and tractors and 43 trailers. It asserts it will operate out of its present terminal in South San Francisco and assess the same level of rates and charges established by the Commission's minimum rate tariffs. As of June 30, 1973 it alleges that it had a net worth of \$361,651 and for the eleven months then ended it had a gross income of \$3,399,755 for a net profit of \$58,764.

The application is supported by six shippers whose representatives submitted verified statements received collectively as ex parte Exhibit No. 1 in the case: Yoder Brothers California of Salinas and Redwood City ship rooted and unrooted flower cuttings throughout the continental United States, Hawaii, Canada, Japan, Mexico, and South America in shipments ranging in weight from 5 pounds to 5,000 pounds. It has used the services of applicant in the past and has found those services to be satisfactory and applicant's

personnel experienced in the handling of its products. It will use applicant's proposed service if the application is granted. The Clorox Company, engaged in the manufacture and distribution of household products, makes prepaid shipments ranging in weight from 1,000 pounds to truckload quantities in monthly volumes of approximately 105,000 pounds per month. Clorox's shipments are high volume, low profit commodities which require it to effect every economy available in order to deliver a quality product at a competitive price to the consumer. This result may be achieved only by efficient use of warehouse dock facilities and by scheduling shipments in split deliveries to obtain favorable transportation charges. Clorox has used applicant's service in the past and has found it to be satisfactory, but on various occasions applicant was unable to handle components of a split delivery shipment under its present authority which resulted in multiple pickups by different carriers, higher freight charges, and congestion at its loading docks. Clorox will use applicant's service if the application is granted and in such case Clorox will be able to tender to applicant an additional 80,000 pounds per month to be combined in split deliveries with the 105,000 pounds per month now being handled by applicant. Hexcel Corporation, with manufacturing plants located at Cerritos, Chatsworth, La Mirada, and Livermore, California, and other places throughout the United States and foreign countries, manufactures and distributes a variety of highly technical structural materials and makes shipments ranging in weight from minimum shipments to truckload shipments. 20 to 30 shipments per day move in and out of its Livermore plant and its research and development plant at Dublin. Due to limited dock facilities Hexcel excludes most carriers from making pickups or deliveries at its Livermore

and Dublin facilities, but applicant is admitted. However, due to applicant's limited scope of operating authority it must allow other carriers to come in which adds to the congestion. If applicant is granted the proposed authority it will be able to use applicant's service to far greater advantage than it does within the limited scope of the present authority, particularly to the port of San Francisco, which is not now being served to Hexcel's satisfaction. Spectra-Mat, Inc., which ships electronic components from Watsonville in shipments averaging not over 5 pounds each, total 50 pounds a week, and Plantronics, Inc., a manufacturer of telephonic headsets used in P.B.X. switchboards and other commodities, which receives inbound deliveries at Santa Cruz and which ships outbound from Soquel loads ranging from 50 pounds to 500 pounds, averaging between 25,000 and 35,000 pounds per month, also support the application. The former supports it because of the exceptionally fine expedited service received from applicant, and the latter because of its desire to cut down on the number of carriers using its limited dock facilities and because applicant's time of pickup and delivery is the most advantageous of any carrier used. These two shippers ship in interstate as well as in intrastate commerce. Clipper Express (sic), a freight forwarder operating in interstate commerce, supports the application because it asserts that applicant has been the most consistent and reliable carrier Clipper has used for the delivery and pickup of interstate traffic in the past five years and wants to see applicant's "same day" or "next day" operation expanded to areas essential to Clipper's operation.

After consideration the Commission finds and concludes that 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 this decision. The Commission also finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment. A public hearing is not necessary. 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.

Airport Drayage Company 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 to Airport Drayage Company, 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 set forth in Appendix A, attached hereto and made a part hereof.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service

regulations. Failure so to do may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with 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 of this order, applicant shall establish the authorized service and amend 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 authorized service.
- (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.

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- (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 San Francisco, California, this 22<sup>nd</sup> day  
of JANUARY, 1974.

James L. Sturgeon  
President  
William J. Symon  
L. M. Martin  
J. Miller  
Donald  
Commissioners

Airport Drayage Company, 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 for the transportation of general commodities as follows:

I. Between all points and places located in the following areas and along the following routes:

1. U. S. Highway 101 between San Rafael and Chualar, inclusive, and points within 10 miles of said route;
2. State Highway 17 between San Rafael and Santa Cruz, inclusive, and points within 10 miles of said route;
3. State Highway 1 between San Francisco and Carmel, inclusive, and points within 10 miles of said route, including the off route point of Carmel Valley;
4. State Highway 9 between Los Gatos and Santa Cruz, inclusive, and points within 5 miles of said route;
5. State Highway 152 between San Felipe and State Highway 1, near Watsonville, inclusive, and points within 5 miles of said route;
6. State Highway 156 between San Felipe and its intersection with U. S. Highway 101 south of Gilroy, inclusive, and points within 5 miles of said route;
7. State Highway 129 between its intersection with U. S. Highway 101 and State Highway 1, near Watsonville, inclusive, and points within 5 miles of said route;
8. State Highway 68 between Salinas and Monterey, inclusive, and points within 5 miles of said route;

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9. Interstate Highway 80 between San Francisco and Roseville, inclusive, and points within 20 miles of said route;
  10. Interstate Highways 580, 205 and 5, between San Francisco and Stockton, inclusive, and points within 20 miles of said route;
  11. State Highway 4 between Pinole and Stockton, inclusive, and points within 5 miles of said route;
  12. State Highway 24 between Oakland and Concord, inclusive, and points within 5 miles of said route;
  13. State Highway 84 between Livermore and Redwood City, inclusive, and points within 5 miles of said route;
  14. Interstate Highway 680 between Vallejo and its intersection with State Highway 17 near Milpitas, inclusive, and points within 10 miles of said route;
  15. State Highway 99 between Sacramento and Fresno, inclusive, and points within 10 miles of said route.
- II. Carrier may serve between any two points named in this Appendix whether named in one or more than one of the above numbered paragraphs, except no service between points in Paragraph I, Sub-Paragraphs 1 through 15 and the cities of Antioch, Pittsburg, Fresno and Roseville.
- III. In performing the service herein authorized, carrier may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

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

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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. Logs.

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8. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
9. Fresh fruits or fresh vegetables.

(END OF APPENDIX A)

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