

ORIGINAL

Decision No. 82474

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
STATES WAREHOUSES, INC., a California
corporation, for an extension of its
Certificate of Public Convenience and
Necessity to operate as a highway
common carrier for the transportation
of property in intrastate and inter-
state and foreign commerce, and for an
in lieu Certificate of Public Conve-
nience and Necessity therefor.

Application No. 53537

(Filed August 17, 1972;
amended November 6, 1972
and November 15, 1972)

Murchison and Davis, by Donald Murchison,
Attorney at Law, for applicant.
Russell & Schureman, by Carl H. Fritze,
Attorney at Law, and Robert W. Hancock,
Attorney at Law, for City Transfer, Inc.,
Griley Freight Lines, S&M Freight Lines,
West Coast Warehouse Corporation, Quikway
Co., Los Angeles City Express, Inc., and
Shippers Imperial, Inc.; and Still,
Steiger & Freedman, by Alan L. Freedman,
Attorney at Law, for Pacific Motor
Trucking, protestants.

O P I N I O N

This application was heard before Examiner Rogers in Los Angeles on five days between November 14, 1972 and May 23, 1973, inclusive. On the last day of hearing the parties were granted permission to file concurrent briefs. The briefs were filed by October 18, 1973, at which time the application was submitted. Prior to the first day of hearing, notice thereof was served on possibly interested carriers as required by this Commission. An appropriate notice was published in the Federal Register.

The Applicant's Operations

Applicant is a California corporation whose principal office is in La Mirada, California. It is operating as a highway common carrier in intrastate commerce and, by virtue of registration with the Interstate Commerce Commission, in interstate and foreign commerce, in the transportation of general commodities, with certain exceptions:

"Between the warehouses of States Ware-^{1/}houses, Inc., at La Mirada and Vernon, California, and points and places within five miles thereof, on the one hand, and points and places in the Los Angeles Basin Territory^{2/} described in Appendix B attached hereto, on the other hand, including local service wholly within the five-mile radius of said warehouses in La Mirada and Vernon, California, and including service between the said warehouses and points and places within five miles thereof."

It is authorized to use all available public highways between points served and within the cities. This authority was registered with the Interstate Commerce Commission.

Applicant also holds radial highway common carrier and highway contract carrier permits, and has authority as a public utility warehouseman to operate storage space in the city of La Mirada (Decision No. 75535 dated April 5, 1969 in Application No. 50876). It also operates private warehouse space.

^{1/} Decision No. 79422 dated November 30, 1971 in Application No. 52647.

^{2/} Hereinafter sometimes simply "Territory". (See Map, Exhibit 8.)

Applicant seeks an in lieu certificate of public convenience and necessity authorizing it to transport in intrastate and interstate and foreign commerce the same commodities, with the same exceptions, between Los Angeles, La Mirada, and Vernon, and points and places within five miles thereof, on the one hand, and on the other hand, all points in the Territory.

The Applicant's Evidence

Applicant's president, Richard D. May, Jr., testified that applicant's office is in La Mirada; that it is engaged, both as a public warehouseman and as a highway common carrier, in the handling of general commodities; that he started in the trucking business in 1940 as an employee; that in 1946 he acquired a truck and started in the trucking business under the name of D & L Transportation Company; and that in 1960 he bought States Warehouses, Inc. He further testified that three years later, D & L Transportation was merged into States Warehouses; that originally, the principal business of the warehousing operation did not involve distribution; and that the applicant has made a concentrated effort to attract warehousing business that would also involve distribution. He said applicant's truck rates presently published in Western Motor Tariff Bureau, Tariffs 107 and 111, will apply in the extended territory as well as in the present territory.

Mr. May testified that applicant maintains \$1 million in insurance coverage; that it carries a C.O.D. bond; and that it has cargo insurance. He further testified that applicant has approximately 45 pieces of equipment of all types including bob-tails with two-way radios, gas and diesel tractors, and open and closed trailers; and that all of the equipment is owned by applicant except three tractors and five bobtails, which are on long-term leases.

The witness said that service is and will be five days per week with Saturday delivery on request; that pickups are made to 5:00 p.m. normally on an on-call basis, but also will be made later on request; and that service is and will be overnight in the entire area.

The witness said the La Mirada warehouse has 115,000 square feet; that the rail dock accommodates up to eight rail cars; that the truck dock accommodates up to 30 pieces of equipment; and that the warehouse building includes the office, a garage, and machine shop area. He said that applicant has approximately 50,000 square feet of warehouse space in the city of Vernon; and that ordinarily the applicant has 52 employees. The witness said about 60 percent of the truck traffic moves in and out of the La Mirada warehouse, and the other 40 percent moves between points which do not involve the warehouse; that if the application is granted, the applicant will handle interstate traffic from the Los Angeles harbor, including Long Beach and Wilmington, to points and places within the Territory; that applicant had a demand for interstate shipments within the territory covered by the application; that the grant of the request would simplify handling procedures; that applicant contacted other carriers to handle shipments it is unable to handle because of limited authority or lack of equipment but has had trouble getting help; and that it rented equipment and put its own personnel on it in order to handle deliveries.

Public Witnesses

Applicant called 13 shipper witnesses to support its request. Their testimony is summarized below:

1. U.S. Reduction Company

The West Coast general sales manager for this corporation testified that the office is in Ontario; that he is familiar with its shipping needs and requirements; that he designates the carriers; that applicant's La Mirada warehouse has been used for five or six years; that it needs split pickups with part of the shipment originating at La Mirada, and part originating in Ontario; that it deals in aluminum ingots which it manufactures at Ontario and also buys from Alcoa and Kaiser; that five to seven shipments per week are made to foundries and diecasters in the Territory; that following morning delivery is required; that most shipments from applicant's La Mirada warehouse are by the applicant; and that the service has been excellent. He further testified that applicant has been used for shipments in the basin except for shipments which require split deliveries; that split pickups are required for the lower rate; that if the application is granted, the pickups could be master-billed to cover pickups at the warehouse and the foundry; that the applicant's service has been satisfactory from its warehouse to the Los Angeles harbor; that it would be convenient to have the same service available from Ontario to the harbor; that other carriers have not handled the company's pallets, which are specialized, satisfactorily; that the company prefers to use the applicant from the plant and the warehouse; that the applicant has rendered early morning delivery which other carriers have not made; and that deliveries are required at 7:00 or 7:30 in the morning. The witness said that if the services were authorized, applicant would be used, both inbound and outbound at both the warehouse and the foundry; and that the witness would prefer that type of service.

The witness said that interstate shipments are delivered to applicant's warehouse; that the cheapest way was not always the most important factor and that it is important to get it to the customer at the time he wants it; that the company has shipments which move through the Los Angeles harbor to foreign ports; that shipments from Ontario move to the warehouse in La Mirada for combining with shipments originating thereat; that there will be direct shipments from Ontario to the harbor; and that the witness called Anaheim Truck and Transfer and found its service was not satisfactory.

2. American Can Company

The transportation coordinator testified that the offices are at San Francisco; that his duties include supervision over traffic matters, including traffic in the Territory; that the company produces Dixie Cups at Anaheim, tin cans at Vernon, plastic cups in Glendale, chemical products in Pico Rivera, and plastic bottles in Alta Loma; that it has warehoused paper products that move in from other manufacturing areas with applicant on a leased warehouse space basis for six years and found it dependable; that the company had experimented with trucks and warehousing, including private warehousing, in order to establish a distribution pattern; that paper or plastic items come from out of state into warehouses for ultimate distribution; and that these items are shipped in from out of the state in carload lots for distribution in the basin.

3. Williams Electric Sales

The owner testified that the office is in applicant's La Mirada warehouse and he leases warehouse space there; that he represents five electrical product manufacturers; that he selects the transportation companies; that applicant distributes daily into the Territory; that he requires job site and 7:00 a.m. delivery; and that it is probable that in the future some shipments

may be delivered directly from the harbor to the job sites and only a portion will come into the warehouse. He further testified that he represents other out-of-state suppliers; that he has used other carriers, but applicant does a better job; that he honors customers' routing; and that he ships 25 or 30 shipments a month which average about 2,000 pounds.

4. Gilbarco, Inc.

A witness for this company testified that it is located in Orinda, California; that he was involved in moving the product from the out-of-state factories to the West Coast and to the ultimate customer; that the company manufactures a complete line of gasoline pumps for service stations; that pumps are delivered directly to the job sites; that in contemplation that pumps may move through the Los Angeles harbor, they may or may not be put in temporary storage; that the alternative is to distribute directly to the ultimate consignee from the harbor; that he has had no reason to check the possibility of using any other carrier over the last five years because the service rendered by applicant is satisfactory; that the company had conducted its own warehouse operation for several years and selected the outbound carriers, but that the applicant's service has been superior to that which they had when they were performing the warehousing and carrier selection; and that the company wants the opportunity to use applicant out of the harbor and would give consideration to going back to water service into Los Angeles if that service were available.

5. Western Kraft Corporation

The manager of the Western Kraft Corporation testified it is located at Buena Park, which is within five miles of applicant's La Mirada warehouse, which it uses for storage; that his duties include the supervision and control over the shipping

needs and requirements of the company; that it produces and ships paper bags on a daily basis; that the shipments range from less-than-truckload to truckload; that total monthly outbound tonnage is over 2,000 tons; that there is a possibility of unloading rail cars at other points for distribution; that the parent company is building a mill in Louisiana and expects to ship by water to the port of Los Angeles in the future; that if shipments come into the harbor, some would be distributed directly to consignees in the Territory and others would go to Buena Park for distribution; that rail cars unloaded in the San Fernando-Northridge area would require direct distribution to customers; that the company wants the applicant for distribution out of that area; and that cars into that area requiring distribution would occur about once a month. The witness further testified that the service rendered by applicant from Buena Park was very satisfactory and that applicant had purchased equipment specifically tailored to their commodity; that equipment supplied by other carriers does not suit the company's needs; that the business is very competitive and operates on a very narrow margin; and that, if the authority is extended to permit distribution from cars in the San Fernando Valley area or from the harbor, it is the intention of the company to use that service.

6. Muehlstein Company

The regional manager stated that it is in Los Angeles; that it deals in raw materials for the rubber and plastics industries; that it warehouses in the Vernon warehouse and uses applicant for distribution into the basin; that the company makes several shipments per day into the basin ranging in weight from 10,000 to 40,000 pounds; that shipments come in from the harbor for distribution to points in the Territory other than the Vernon or La Mirada warehouses of applicant; that the shipments

coming through the harbor consist of crude or natural rubber which is distributed from the dockside to the customers in the Territory; that shipments range in weight from 10 tons to 30 tons; that if the applicant had authority to transport the shipments out of the harbor, its services would be used; that the service of applicant has been very dependable; that the services of Swift and Griley have not been as dependable; that shipments originate at points other than at the warehouse and the pickup service has been prompt and dependable; and that the company has grown over the past several years. The witness further testified that the company needs pickups at points over five miles from the Vernon or La Mirada warehouses destined to points within the basin; that it needs applicant from points other than the Vernon or La Mirada warehouse areas; that many of those shipments require split delivery; that split pickup is required where 10,000 pounds might originate at applicant's warehouses and another 30,000 pounds at another point more than five miles from applicant's warehouses; that now such shipments are billed separately, but could be master-billed if the applicant had authority beyond the five-mile radius of the warehouses; and that this would give the shipper a better break as to freight charges; that as between the cost and service, service is the more important factor in selecting a carrier.

7. Vance Lumber Company

The vice president testified that the company is in the City of Industry; that he has the responsibility for its shipping needs and requirements; that it receives shipments of masonite from Australia; that shipments come through either the Los Angeles or Long Beach harbors to the company's place of business; that shipments are made to the Territory; that applicant is presently

being used as the carrier on these shipments; that material is sold in advance of arrival in the harbor and delivered to consignee from the dock; that title to the merchandise is not taken until it arrives on the dock; that the volume of the shippers' sales have grown; that applicant and others have been used to deliver merchandise from the docks to the consignees; that applicant has provided the company with the type of service it wants and needs in the operations; and that applicant has always responded to the call of getting shipments off the dock, if necessary, by leasing or buying additional equipment. The witness said shipments coming into the harbor run in excess of one million pounds each; and that a shipment currently sitting in the harbor weighs 1,300,000 pounds. The witness said that shipments that are going into its warehouse in Industry are outside of the five-mile radius of applicant's Vernon and La Mirada warehouses; and that the purpose of the witness is to be able to use the service of the applicant on shipments that are more than five miles from the warehouses and are interstate in character.

8. Spreckels Sugar Division of Amstar Corporation

The office manager testified that the company is located in Los Angeles; that it is within five miles of the Vernon warehouse; that the commodities handled are sugar, salt, pepper, condiments, corn syrup, and dextrose; that the sugar is both dry and liquid; that the dry is in cartons and packaged; that applicant is performing local service in the basin; that between 100 and 200 shipments a week are made; that the average weight per shipment is 29,000 pounds; and that service from applicant has been excellent. The witness further testified that some shipments may come in through the harbor; that if the shipments come in through the harbor, they could go either to the warehouse or directly to consignee; and that if the service sought by the applicant is authorized, the company may use the service.

9. Triangle Pacific Cabinet Corporation

The regional manager testified that the office of the company is in applicant's La Mirada warehouse; that it manufactures and distributes all items for complete kitchens; that the commodity is subject to damage; that applicant is being used exclusively for distribution from applicant's La Mirada warehouse; that tonnage varies from 50,000 pounds a week to 50,000 pounds a month; and that service rendered by applicant has been excellent. The witness further testified that the company spots rail cars with interstate loads in the West Los Angeles area for distribution; that shipments go direct to the rail siding nearest to delivery location; that many deliveries are made directly to apartment complexes; that request was made of applicant to provide distribution from West Los Angeles, but since it did not have authority to distribute from there, it could not; and that the company would like to have the service of applicant. The witness said that some outbound shipments are destined to Hawaii; that shipments will move directly from box cars to the pier; the material would come in mixed carloads, part of which will be for distribution in the Los Angeles area, and part of which will be destined for Hawaii and will move from the car directly to the pier; that the Hawaiian shipments would be in mixed carloads with cars spotted for unloading in West Los Angeles, rather than at the warehouse locations; and that the company has a need for the proposed services of applicant.

10. Remet Corporation

The corporation's sales representative testified that it is located in Downey; that he handles the order desk and when orders come in, he calls them down to applicant; that he specified the carrier to be used; that Remet is a distributor for chemicals;

that shipments are made from Long Beach to points in the Territory; that shipments from the applicant's warehouse are daily and total 3,000 pounds; that shipments from Long Beach are handled by another carrier to La Mirada, at which point applicant picks them up for movement to Santa Monica; that the company wants applicant to pick the shipment up at Long Beach and take it on to Santa Monica without the extra movements; and that the service of applicant within the Territory to the extent it is now able to serve is excellent. The witness said the company has been storing at the La Mirada warehouse of applicant since the company began business; and that applicant is the exclusive carrier.

11. Miles Laboratories

The technical sales representative for this shipper, which has headquarters in Elkhart, Indiana, testified that the local office address is in Lakewood, California; that his boss is at Elkhart; that he is responsible for all movements of materials once they reach the Southern California area; that the products come in either by rail car or by piggyback and are delivered to La Mirada; that shipments to one customer run an average of two a week and range from 20,000 pounds and up; that it is anticipated that there will be some shipments of a different product from a sister division warehousing in El Monte which is more than five miles from La Mirada; that the sister division handles different products; that the items would be warehoused in La Mirada and mixed in El Monte for delivery to a common customer; that this would be done on a master bill to obtain a volume rate; that applicant was requested to perform the combination service, but advised the witness that it could not because it was beyond the authorized area; and that if the authority is granted to serve as requested in the application, the services of the applicant would be used.

12. ICA America

The company's distribution supervisor testified that it is located in La Mirada; that it deals in industrial chemicals, textile dies, plastic powder, film, and plastic film; that it is warehousing in both the Vernon and La Mirada warehouses of the applicant, and also using its transportation services; that shipments are made to the Territory; that consignees cover a variety of industries; that ICA had shipments coming in through the harbor from overseas; that at the time the shipments arrive at the dock, a determination is made as to the destination of the shipments and some go directly to the consignee and the balance to the warehouse in Vernon; that what the company really required from the harbor was a split delivery arrangement whereby the portion that was to be dropped off at the Vernon warehouse could be dropped off there and the balance taken on final destination; that the company in this way would save the in-and-out charge at the warehouse, as well as getting the benefit of a lower split delivery rate on the whole of the shipment; that he had trouble with other carriers; that the service by applicant is excellent; and that if the service of applicant is made available directly from the harbor to consignee, as well as to the warehouse, the witness would definitely use that service.

13. Affiliated Brokers, Inc.

The company's secretary-treasurer testified it is in La Mirada; that he coordinated all the traffic with all of the principals that the company represents and sets up programs for quite a few of the principals; that they are engaged mostly in food store grocery sales, which include nonfood items, institutional items, restaurant items, and chain store items; that the company's warehouse is within five miles of the La Mirada warehouse of the applicant; that they have shipments going to all

points in the Territory; that the shipments are made to the basin on a daily basis; that shipments outbound weigh about 16,000,000 pounds a month, and 80 percent to 90 percent of that would be for destinations in the basin; that most of the shipments are truck-load lots; that shipments are received through the Los Angeles and Long Beach harbors; that about one boatload of beef a month comes in from Argentina; that other traffic comes in from Japan; that a boatload would range in excess of 150,000 pounds per vessel; that shipments are consigned to the consignee at dockside and while in transit, sales are made for direct delivery from the dock after arrival; that recently most of it is moved directly to the customer from the dock which is the preferred way of handling; and that if the applicant is granted authority to handle shipments direct from the dock to consignees, as well as within five miles of the La Mirada warehouse of applicant, the witness would use that service.

It was stipulated that two shippers would testify substantially the same on direct, cross, redirect, and recross as the applicant's other witnesses.

Protestants

1. Shippers-Imperial, Inc.
(formerly Shippers Express and Imperial Truck Lines)

This carrier's vice president testified that it has 11 terminals, but only the one at Santa Fe Springs is involved herein; that it has authority in interstate and intrastate operations to carry general commodities with the exception of commodities of unusual value, household goods, commodities in bulk, commodities requiring special equipment, and motor vehicles between points in the Los Angeles basin; that it has approximately 144 power units and 432 trailers, about one-third of which are used in the local area; that it has 55 regular runs in the basin and 15 to 20 shag

runs; and that it makes 200 to 250 regular pickups per day plus about 400 call-ins. The witness said its terminal is open 24 hours per day and gives same day service on demand; that it handles traffic to and from the harbor; that it has joint through tariffs with other carriers, handles C.O.D.s and order-notify shipments; and that its protest is predicated on the ground that there are enough carriers now.

2. West Coast Warehouse Corporation

The president and general manager of this carrier testified that it has an office and warehouse in the Long Beach Harbor; that it has authority to serve the Los Angeles Basin Area for intrastate and interstate traffic; that it carries general commodities with the usual exceptions; that it has approximately 35 trucks and 27 trailers; that it interlines with 19 interstate carriers; that its terminal includes a 180,000-square-foot public warehouse and is open from 7:00 a.m. to midnight; that its pickup trucks are radio dispatched and it holds itself out to give same day pickup and delivery on request; that 40 percent of its transportation is interstate; and that it handles C.O.D. and order-notify shipments. It protested the application because, in the witness' opinion, there are enough carriers in the field.

3. S&M Freight Lines

The president of this carrier testified that it is authorized to transport general commodities, with the usual exceptions, between all points in the Los Angeles Basin Area, both in intra- and interstate traffic; that its Los Angeles terminal is open 24 hours per day, five days per week, and service will be rendered on Saturday on request; that it also handles traffic to and from the harbor (foreign commerce); and that it handles C.O.D., order-notify, and interline shipments. The witness said it protests

the application on the basis that there is an adequate number of carriers now. He said the carrier had several pieces of equipment not licensed due to insufficient business.

4. City Transfer, Inc.

The president of this carrier testified that it has numerous authorities and serves several areas in various types of transportation; that it has an office in Santa Fe Springs where it also operates a warehouse; and that it has authority, as a highway common carrier, to carry general commodities, with the usual exceptions, between all points in the Los Angeles Basin. He said it has many pieces of transportation equipment of all types; that the pickup trucks are radio dispatched; and that the equipment is leased from an affiliated company. He said its terminal is open 24 hours per day and until 10:00 p.m. on Friday night; that it will give same day service in the basin on requests made before 10:00 a.m.; and that it is protesting the application on the basis that granting the requested authority would make it lose business.

5. Griley-Security Freight Lines

The president of this carrier said its office and warehouse are in Long Beach; that it is authorized to serve in intrastate and interstate commerce almost the entire Los Angeles Basin Territory for the transportation of general commodities, with the usual exceptions; that it handles traffic to and from the harbor; that it has over 20 pieces of equipment; that its terminal is open 22 hours per day, 5 days per week, and until 3:00 p.m. on Saturdays; that it offers next day delivery; that it interlines and has joint tariffs covering most of the United States; that it handles C.O.D., split delivery, and order-notify shipments; and that it protests the application for the reason that the short line transportation business is saturated.

6. Quikway Transportation Company

The president of this carrier testified that it provides service as a highway common carrier in intrastate and interstate commerce between points in the entire Los Angeles Basin Territory; that it has one terminal in Los Angeles; that it has seven trucks, seven tractors, and 10 trailers; that its terminal is open from 6:30 a.m. to 9:30 p.m. and Saturdays on request; that if pickups are made by 1:00 a.m., delivery will be made the same day; that it participates in the Rocky Mountain tariff; that it handles C.O.D. and order-notify shipments; and that it is protesting the application because the trucking business is crowded.

7. Pacific Motor Trucking

The district traffic manager for this carrier testified that it generally covers the Los Angeles Basin area; that as far as this application is concerned, it has terminals in Los Angeles, Anaheim, Wilmington, and San Bernardino; that in these terminals it has a total of approximately 195 pickup trucks, 325 tractors, and 285 trailers; that the Los Angeles terminal is open 24 hours per day and the others from 7:00 a.m. to 8:30 p.m.; that it holds out to give overnight service in the basin; that it handles C.O.D.s and order-notify shipments; that it picks up and delivers at applicant's warehouses and handles split delivery shipments; and that it is protesting on the basis there are enough carriers in the area.

The Application

Originally the applicant sought authority to serve between all points in the Territory as described. This is, and has been for years, a specific area and is described by metes and bounds in many decisions of this Commission. It is a term of art. This precise area was included in the notice published in the Federal Register. Subsequently, applicant amended its application

as herein considered to request service between the cities of Los Angeles, La Mirada, and Vernon, and points and places within five miles thereof, on the one hand, and all points and places in the Territory, on the other hand. The attachment to the amended application omitted part of the metes and bounds description of the Territory. The applicant thereupon filed a second amendment to the application, including in its request the balance of the Territory description.

The protestants vigorously objected to the filing of the second amendment, particularly as it affects the interstate portion of the application. The examiner permitted the filing. We agree.

Discussion

Applicant is providing highway common carrier service for intrastate operations between its two warehouses and points within five miles thereof, on the one hand, and the Los Angeles Basin Territory, on the other hand. There was no evidence to indicate that applicant's service is not good and adequate. Several of its customers testified that they want its service as a highway common carrier for intrastate and interstate and foreign commerce service between points in the cities of Los Angeles, Vernon, and La Mirada, and points within five miles thereof, on the one hand, and points in the Los Angeles Basin Territory, on the other hand. The record shows that a substantial number of shippers desire applicant's services for intrastate and interstate and foreign commerce transportation and warehousing operations. Collectively, the supporting witnesses had very few complaints relative to other carriers due to the facts that they either used

no carrier but applicant to the extent of its authority, or had used only one or two of the many highway common carriers serving the basin and then switched to applicant which they desire to use for their operations insofar as they are permitted. The record is replete with evidence of ability and willingness of other carriers to provide full service. We believe, however, the applicant's witnesses' requests should be considered and the requested authority granted.

Findings

1. Applicant is a highway common carrier and public utility warehouseman.

2. As a highway common carrier applicant has been providing service between its La Mirada and Vernon warehouses and points within five miles thereof, on the one hand, and on the other hand, any and all points and places in the Los Angeles Basin Territory. This authority is registered with the Interstate Commerce Commission.

3. Applicant seeks authority to extend its service both in intrastate and interstate and foreign commerce to serve between the cities of Los Angeles, Vernon, and La Mirada and within five miles thereof, on the one hand, and all points and places in the Los Angeles Basin Territory, on the other hand.

4. Applicant's customers, generally speaking, have little or no complaint concerning the protestants' service. They do, however, like the applicant's service and want this service available both in interstate and intrastate commerce.

5. The proposed extension of service would provide a substantial number of customers with split pickup service and enable them to use applicant's service in a greater area.

6. Applicant has been serving the entire area for many years as a permitted carrier, and applicant's continuation as a highway common carrier will not increase the highway common carrier competition to a substantial extent.

7. 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.

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

Conclusion

The Commission concludes that the application, as amended, should be granted as set forth in the ensuing order.

Applicant's operating authority will be restated in the form of a new certificate. The territorial description of the authority granted reflects the names of redesignated highways and does not in any way exceed the geographical scope of the proposed operation as published in the Federal Register.

States Warehouses, Inc. 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 States Warehouses, 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 set forth in Appendix A of this decision.

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.

- (f) Applicant shall comply with the requirement 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 the certificate of public convenience and necessity granted by Decision No. 79422 dated November 30, 1971 in Application No. 52647 and said certificate is 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 13th day of FEBRUARY, 1974.

Vernon L. Stevenson
President
William J. ...
...
...
Commissioners

States Warehouses, 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 for the transportation of general commodities as follows:

Between the cities of Los Angeles, La Mirada, and Vernon, California, and points and places within five miles thereof, on the one hand, and points and places in the Los Angeles Basin Territory, as described in Note A, on the other hand.

Through routes and joint rates may be established between any and all points described above, on the one hand, and points served by other carriers, on the other hand, at the most convenient point of interchange.

Carrier is authorized to use all available public highways between points to be served as hereinabove mentioned, and within the cities hereinabove to be served, and to use such streets and highways as may be necessary to serve consignors and consignees located within said cities.

Except that pursuant to the authority herein granted 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.

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Decision No. 82474, Application No. 53537.

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.
8. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
9. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
10. Commodities of abnormal size or weights which, because of such size and weight, require the use of and are transported on low-bed equipment.

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NOTE A

LOS ANGELES BASIN TERRITORY

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 118, approximately two miles west of Chatsworth; easterly along State Highway 118 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 of the City of San Fernando to Maclay Avenue; northeasterly along Maclay and its prolongation to the Los Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest Boundary 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 Redlands Boulevard; northwesterly along Redlands Boulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and U.S. Highway 395 to Nuevo Road; easterly along Nuevo Road via Nuevo and Lakeview to State Highway 79; southerly along State Highway 79 to State Highway 74; thence westerly to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to The Atchison, Topeka & Santa Fe right-of-way; southerly along said right-of-way to Washington Road; southerly along Washington Road through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to Winchester Road (State Highway 79) to Jefferson Avenue; southerly along Jefferson Avenue to U.S. Highway 395; southerly along U.S. Highway 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 shoreline of the Pacific Ocean to point of beginning, including the point of March Air Force Base.

(END OF APPENDIX A)

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