

Decision No. 84122**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 G.C.T., INC., a corporation, COASTAL
 TERMINALS, INC., a corporation, and
 ANDERSON CARTAGE, a corporation, for
 authority for G.C.T., INC. to purchase
 a certain certificate of public con-
 venience and necessity and certain
 property and for COASTAL TERMINALS,
 INC. to purchase a certain warehouse
 certificate of public convenience and
 necessity, all from ANDERSON CARTAGE,
 and for G.C.T., INC. and COASTAL
 TERMINALS, INC. to assume certain
 indebtedness.

Application No. 55377
 (Filed December 13, 1974)

O P I N I O N

G.C.T., Inc. (GCT) has applied to purchase the general commodity highway common carrier certificate of Anderson Cartage (Anderson) described in Decision No. 60020 dated May 3, 1960 in Applications Nos. 41612 and 41918 along with operating equipment, tools, accessories, and goodwill.

Coastal Terminals, Inc. (Coastal) the warehouse affiliate of GCT, has applied to purchase the public warehouse certificate transferred to Anderson in Decision No. 60020 dated May 3, 1960 in Application No. 41918, and certain real property.

The highway common carrier certificate to be transferred concerns the transportation of general commodities with certain exceptions, generally between the Sacramento vicinity and Turlock, on U. S. Highway 99; the Sacramento vicinity and Tracy via U. S. Highway 50; Tracy and Manteca via U. S. Highway 50 and State Highway 120; and the Sacramento vicinity and Stockton via certain unnumbered county roads. GCT will purchase the operating equipment

free of liens for \$115,000, parts, accessories, and tools for \$4,291, the certificates and goodwill for \$6,000, and a covenant by Anderson not to compete as a motor carrier for five years for \$8,000. GCT will finance the purchase by borrowing \$105,700 from the Wells Fargo Bank and executing a promissory note therefore, with payments of \$2,246 per month for 60 consecutive months, starting January 5, 1975.

The warehouse certificate to be transferred concerns the operation of 24,000 square feet of floor space in Stockton. Coastal will purchase the real property in Stockton for \$51,300 and the certificate and goodwill for an additional \$1,000. Coastal will borrow \$34,000 from the Wells Fargo Bank and execute a promissory note therefore, secured by a deed of trust on the real property purchased. The note will be paid in monthly installments of \$387, starting on November 1, 1974 and continuing until November 1, 1989.

GCT and Coastal are corporations operating out of the same office and terminal in San Jose. The former is a certificated highway common carrier of general commodities (under authority of Decision No. 81405 dated May 22, 1973) through the Bay Area to San Rafael and southerly to Salinas and Monterey. It also holds radial highway and contract carrier permits. It operates with 75 tractors, 6 trucks, and more than 100 trailers of varied types. A balance sheet dated September 30, 1974 shows total assets of \$1,115,682.50 and current liabilities of \$345,222.51. The income statement for the first nine months of 1974 indicates a gross income of \$1,885,480.06, expenses of \$1,838,863.74, and a net income of \$4,505.57. The latter operates 120,000 square feet of public warehouse in San Jose under authority of Decision No. 79233 dated October 13, 1971 in Application No. 52816. It has total assets of \$233,668.01, current liabilities of \$8,890.19, a gross income of \$57,455.14, expenses of \$36,541.95, and a net income of \$20,913.19.

Anderson is a California corporation presently operating as a public utility warehouseman in Stockton and as a certificated highway common carrier of general commodities in intrastate and interstate commerce. It is alleged that Mr. Anderson died recently and his widow has no desire to manage the business and prefers that it be sold. It is further alleged that if this application is granted, the Anderson customers will continue to be served by Coastal and GCT. A copy of this application was mailed to the California Trucking Association in Burlingame, and to the California Warehousemen's Association in San Francisco. No protests have been filed.

The proposed security issue is for proper purposes and the money, property, or labor to be procured or paid for by the issue of the security authorized by this decision is reasonably required for the purposes specified, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Public convenience and necessity require that GCT be authorized to engage in operations in intrastate commerce as proposed in the application and also require that GCT 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.

After consideration the Commission finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment and that the proposed transfers would not be adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the Anderson, GCT, and Coastal certificates and the issuance of an in lieu certificate to GCT and to Coastal.

GCT and Coastal are 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. On or before April 1, 1975, Anderson Cartage (Anderson) may sell and transfer the operative rights and property referred to in the application to G.C.T., Inc. (GCT).
2. Within thirty days after the transfer GCT shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.
3. GCT shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the transfer. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-Series. Failure to comply with the provisions of General Order No. 80-Series may result in a cancellation of the operating authority granted by this decision.

4. On or before the end of the third month after the transfer, GCT shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of Anderson for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of public convenience and necessity is granted to GCT, 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 of this decision.

6. The certificate of public convenience and necessity granted by Decisions Nos. 60020 and 81405 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

7. GCT shall comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

8. GCT 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.

9. GCT 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.

10. On or after the effective date of this order and on or before April 1, 1975, for the purposes specified in this proceeding, GCT may issue an evidence of indebtedness in the principal amount of not exceeding \$105,700, and may execute and deliver an encumbering document, which document shall be in substantially the same form as that attached to the application.

11. The authority granted by this order to issue the evidence of indebtedness referred to in Ordering Paragraph 10 and to execute and deliver an encumbering document will become effective when the issuer has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$212.

12. On or before April 1, 1975, Anderson may sell and transfer the operative rights and property referred to in the application to Coastal Terminals, Inc. (Coastal).

13. Within thirty days after the transfer Coastal shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

14. Coastal shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the transfer. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-Series. Failure to comply with the provisions of General Order No. 61-Series may result in a cancellation of the operating authority granted by this decision.

15. On or before the end of the third month after the transfer, Coastal shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the warehouse operations of the seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

16. In the event the transfer authorized in paragraph 12 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 14, a certificate of public convenience and necessity is granted to Coastal, authorizing it to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space set forth in Appendix B of this decision.

17. The certificates of public convenience and necessity granted by Decisions Nos. 60020 and 79233 are revoked effective concurrently with the effective date of the tariff filings required by paragraph 14.

18. Coastal shall maintain its accounting records in conformance with any applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and each year shall file with the Commission an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

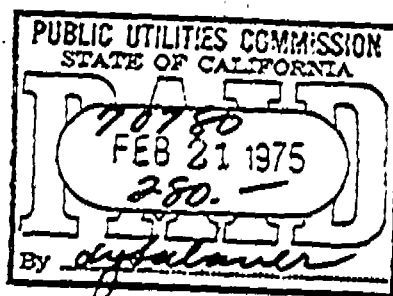
19. On or after the effective date of this order and on or before April 1, 1975, for the purposes specified in this proceeding, Coastal may issue an evidence of indebtedness in the principal amount of not exceeding \$34,000, and may execute and deliver an encumbering document, which document shall be in substantially the same form as that attached to the application.

20. The authority granted by this order to issue the evidence of indebtedness referred to in Ordering Paragraph 19 and to execute and deliver an encumbering document will become effective when the issuer has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$68.

Except as provided in Ordering Paragraphs 11 and 20 the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of FEBRUARY, 1975.

Vernon L. Sturgeon
President
William L. Sturgeon, Jr.
Leonard Ross
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, between the following points, serving all intermediate points on the said routes and all off-route points within twenty miles thereof (Subject to commodity exceptions numbered 1, 3 through 10, 12 and 13);

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. General Commodities, to, from and between the following points and points within 3 miles of such points (Subject to commodity exceptions numbered 2 through 7, 9 and 11);
1. Sacramento vicinity, as described in Note D, and Turlock and intermediate points via State Highway 99;
 2. Sacramento vicinity and Tracy and intermediate points via State Highway 99 between Sacramento and Stockton, Interstate Highways 5 and 205 between Stockton and Tracy;
 3. Tracy and Manteca and intermediate points via Interstate Highways 205 and 5 and State Highway 120, and Manteca and Modesto and intermediate points via State Highway 120 to Oakdale; thence, State Highway 108 to Modesto;
 4. Between Sacramento vicinity and Stockton and intermediate points via County Road J-8.
- C. 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 authorized in Parts A, B and C, applicant may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

- D. 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;

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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 Miles;
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;
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 D 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,

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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, 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 enumerated in Part D.

- D. Mechanical duplications and overlaps which occur in describing the operating authority granted herein shall not be construed as conferring more than one operating right to transport the same commodity between the same points.

Except where specifically noted, and 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 salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).

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2. Used household goods and personal effects not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).
3. 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.
4. 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.
5. 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.
6. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Cement.
9. Logs.
10. Articles of unusual or extraordinary value.
11. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.

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12. Shipments in vehicles equipped with mechanical refrigeration systems.
13. Newsprint.

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; southwestly 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 Mules 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); 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

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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.

Note B

SACRAMENTO VICINITY

The Sacramento vicinity includes all of the City of Sacramento, also territory located within three miles of the city limits and including Nimbus, Mather Field, McClellan Field, Carmichael, West Sacramento, and including the plants of the Lumbermen's Supply, Inc., Essex Lumber Company, Campbell Soup Company, McKesson & Robbins, Inc., Howard Terminal Warehouse, Royal Packing Company, Proctor & Gamble Manufacturing Company, Fort Sutter Warehouse Co., Libby, McNeill & Libby, Boone Warehouses, Inc., Sacramento Metropolitan airport, U.S. Army Depot, Sacramento, and any points or places intermediate to the communities, plants or other locations named in this paragraph.

(END OF APPENDIX A)

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Coastal Terminals, Inc., a corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate as a public utility warehouseman as defined in Section 239(b) of the Public Utilities Code for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
San Jose	120,000
Stockton	24,000

(The floor space shown is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX B)

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