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Decision No. 84293

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CITY FREIGHT LINES (formerly City Transfer, Inc.), a California corporation, for a Certificate of Public Convenience and Necessity to operate as a highway common carrier for the transportation of property in intrastate and interstate and foreign commerce.

Application No. 55244 (Filed October 10, 1974)

Russell & Schureman, by R. Y. Schureman and Carl Fritze, Attorneys at Law, for applicant.

Gerald L. Mockenhaupt, for Victorville Barstow Truck Lines; and Jerald Simon, for Big Pine Trucking Company; protestants.

OPINION

This is an application of City Freight Lines (City) for an extension of its certificate of public convenience and necessity, both intrastate and interstate, for general commodities between Los Angeles and Highway 14 and 58 points, namely, Saugus, Newhall, Palmdale, Lancaster, Boron, and Edwards Air Force Base, as more particularly set forth in Exhibit B attached to the application. Notice of this request was published in the Federal Register on October 31, 1974.

City is presently operating as a highway common carrier under certificates of public convenience and necessity authorized in Decision No. 77698 dated September 1, 1970 in Application No. 52066 and Decision No. 82485 dated February 20, 1974 in Application No. 50549 and holds a certificate of public convenience and necessity as a petroleum irregular route carrier. City also has

a public utility warehouse certificate, and has highway contract carrier and radial highway common carrier permits issued by this Commission. City also holds extensive, and substantially concurrent, interstate authority issued by the Interstate Commerce Commission (ICC), among which is a certificate of public convenience and necessity for the transportation of general commodities (with certain exceptions) between Los Angeles International Airport (LAX) and Hollywood-Burbank Airport (H-B) at Burbank on the one hand, and Saugus, Newhall, Palmdale, Lancaster, Edwards, Boron, and Edwards Air Force Base, California, on the other hand, which authority is restricted to shipments having a prior or subsequent movement by air. City also has interstate authority from the Los Angeles Harbor Area to the above points, restricted to shipments having a prior or subsequent movement by water.

On September 3, 1974, pursuant to our Decisions Nos. 82485 and 83083, City filed its proposed in-lieu certificate consolidating and updating its existing authorities. City is seeking additional authority in this application to round out and complete its extensive intrastate and interstate authorities.

Victorville-Barstow Truck Lines (VBTL), a certificated carrier from Los Angeles to the requested area and beyond has protested this application. Big Pine Trucking Company (Big Pine), filed its oral protest on the initial date of hearing. Public hearing was held before Examiner Phillip E. Blecher on February 13, and 14, 1975, and this matter was submitted on the latter date.

Applicant's Evidence

The applicant's president, Charles W. Owen, began the service now known as City Freight Lines in 1947 as a permitted carrier with one pickup truck in the Long Beach area, and through internal growth, acquisitions, and intrastate and interstate grants of authority has grown to a major trucking carrier with corporate assets of \$4,995,794, net worth of \$2,783,653, and 687 pieces of equipment, all as of November 30, 1974.

In August 1974, City had about 840 interstate shipments to and from the requested area (see Exhibits 4, 6, and 7) and about 114 intrastate shipments to the area (see Exhibit 5) under its permits. About 95 percent of the shipments originating at LAX are delivered on the same day. The harbor traffic is taken to the applicant's LAX terminal and is delivered the next day. The deliveries are made via two vehicles whose movements for one typical period (August, 1974) are recorded respectively on Exhibits 6 and 7. Truck one (shown on Exhibit 6) carried over twice as many shipments as Truck two (shown on Exhibit 7), which is used as an overflow carrier, and which carries about 50 to 60 percent of its capacity. City represented that its time in transit both to and from the requested area would be both same day and overnight, depending upon the time of pickup; that it would run regularly scheduled routes to and from the area; that it could use doubles and break en route, thus saving 150 to 200 miles daily, using less fuel and decreasing emissions accordingly; that it carries a great deal of freight forwarder traffic to and from the sought area, and would attempt to obtain more such traffic, if certificated; that it has received many requests from its shippers tendering interstate traffic to the area in question to handle intrastate traffic, as well as from the shipping public generally; and that it would be able to provide more responsive and efficient service to the shipping public, if the requested authority, rounding and filling its authority in the subject area, is granted.

Applicant produced a total of 14 supporting shippers divided into two categories: four freight forwarder customers and 10 general shipping customers, all of whom have had, or presently have traffic to or from the requested area. Their commodities are varied, and thus may be classified as general. Between them they testified as follows: 2/

- 1. All use City for some of their present traffic to various areas, including the subject area.
- 2. City's service has been excellent; pickups have been dependable and on a daily basis.
- 3. City has equipment and personnel assigned to each freight forwarder's terminal, assists their operations, and assigns additional personnel and equipment as needed.
- 4. Deliveries are generally overnight, but same day service is provided on request.
- 5. City's claim service is excellent, and its remittance of advances is excellent and much prompter than VBTL.
- 6. Most shippers would prefer to limit the number of regular carriers being used, because of space, time, and billing problems and limitations.
- 7. VBTL has provided less than adequate service to some shippers with regard to late and missed pickups, delayed deliveries, and lack of solicitation, and has brought little business to the freight forwarders.

^{1/} All comments pertain to City, its subsidiaries, and operating divisions.

^{2/} Not all supporting shippers testified to all matters listed.

- 8. Some shippers would eliminate combination rates now being charged when they ship into the requested area, if the authority sought by City was granted.
- 9. City delivers on the billing of the freight forwarders, thus expediting the shipments, and reducing the time, cost, and amount of paper work involved for these shippers.
- 10. The freight forwarders would generally give their business to the carrier with the cheaper rate.
- 11. All shippers would use City to the subject area if authority was granted.
- 12. The shippers want to eliminate interlining whenever possible.

Protestant's Evidence

VBTL was the only active protestant, as Big Pine produced no evidence. Cross-examination of City's president adduced that City's present LAX run to the subject area was never profitable as to Truck two, and often not profitable as to Truck one, and City needs the authority it is seeking here to fill out its needs and the needs of its customers. If the authority sought by City is granted, City would be a direct competitor of VBTL as far as Edwards Air Force Base. (VBTL's authority extends generally to the Victorville-Barstow Area, which is beyond the scope of the application.) VBTL has 103 pieces of equipment and 49 employees (down from 57 in July, 1972). Its gross revenue in 1974 was \$1,560,218, up \$13,000 over 1973 and continuing the upward trend that has existed since 1970. Its gross revenue for 1974 from the requested area was \$370,697, up over \$17,000 from 1973, on a weight loss in excess of 2,755,000 pounds (compared to 1973), and a reduction in the number of bills (and thus shipments) from 1973 to 1974 of 1,946.3/ Its

^{3/} All figures used are obtained from Exhibit 13.

operating ratio improved by 1.8 percent from 1973 to 1974 (see Exhibit 14). VBTL's general manager testified that the decrease in tonnage from 1973 to 1974 was due to the frequent rate increases since 1969 (see Exhibit 12), and that the increase in carriers in its certificated area caused the company to suffer and lose business (though no factual evidence or data in support of this testimony was offered). He also testified that there was a tremendous amount of competition in its area because of the number of certified carriers, gyppos4/, and proprietary operations, and that some carriers have pulled out of the area by eliminating daily service and running only two or three times a week. He explained the company's improved position in 1974 as compared to 1973 in the face of increased competition, increased rates, loss of tonnage, and loss of volume, as perhaps due to good management. VBTL also disputed some of the supporting shippers' testimony as to its volume of traffic with them and the complaints in regard to VBTL's adequacy of service. VBTL also indicated that about one-third of its revenue was generated by intrastate traffic. Discussion

The applicant must show that public convenience and necessity requires the issuance of the requested certification (Presto Delivery Service, Inc., Decision No. 83726 dated November 19, 1974). In determining whether that burden has been met, the Commission must consider the questions of experience, financial ability, facilities, and equipment; whether the proposed service is adequately responsive to the needs of the shippers; whether the public requires the proposed service; and whether the granting of the application would adversely affect the protestants or the public interest. (Application of Encinal Terminals (1963) 61 CPUC 721.)

^{4/} Spelling uncertain.

In the instant proceeding, the only matters substantially in dispute are whether the shipping public needs the proposed service, (and correlatively, whether such service is adequately responsive to the shippers' needs), and whether the protestants and public interest would be adversely affected.

It appears that the 14 witnesses supporting City are fairly representative of the shipping public. That they may prefer the services of one carrier over all others and that the favored carrier may rely on such preference to extend its service has previously been held in Tesi Drayage Company (1970) 71 CPUC 24. Since all the shippers stated, in one form or another, that the extension of City's certificate would be beneficial to them in one or more of the ways previously outlined and is preferred, the proposed service is thus responsive to the needs of the shipping public and the first issue must be resolved in favor of the applicant.

There can be no serious dispute as to whether the public interest is adversely affected. The reduction in mileage, fuel consumption, and emissions that would occur under the proposed service, as well as the more frequent, more efficient, more convenient, and more economical service would certainly be beneficial to the public interest. Lastly, is there an adverse effect upon VBTL by granting the authority, and thus increasing its competition? Applicant is already competing with VBTL both as a permitted carrier and as a limited interstate carrier. The granting of the authority being sought would increase the scope of competition able to be offered by City. But increasing the scope of competition is not equivalent to adversely affecting the protestant. During the admittedly economically difficult year of 1974, the protestant, in

^{5/} Restricted to shipments having prior or subsequent movements by air or water.

the face of increased competition, higher rates, and loss of volume and tonnage, still managed to increase its revenues and operating ratio, thus increasing its profits. This was attributed, at least partially, to good management. If this is true, we fail to see any reason that a potential increase in the degree of competition from an existing competitor would or should have an adverse effect upon VBTL, particularly where its assertion of adverse effects from the increased competition in the past is not supported by the evidence, which actually refutes this position. VBTL appears to have improved its performance in the light of the allegedly adverse conditions. We must thus conclude that the granting of the authority will not have any substantial adverse effect upon VBTL.

Findings

- 1. Applicant has the ability, experience, facilities, and financial resources to perform the proposed service.
- 2. Applicant presently operates in the proposed area as a permitted highway contract carrier and radial highway common carrier, and has limited interstate authority in the area. (see footnote 5, supra)
- 3. Applicant proposes overnight service to the requested area, with same day delivery on request.
- 4. The requested certification of applicant will enable it to render a broader, more convenient, and more efficient service to its customers, both in intrastate and interstate commerce.
- 5. The certification of applicant in the proposed area will not substantially adversely affect protestant's ability to continue its existing services.
- 6. Any potential diversion of traffic from protestant is speculative and unproven, and thus would not appear to have an adverse effect upon protestant's operations.

- 7. The shippers supporting the application are fairly representative of the shipping public.
- 8. Those shippers prefer applicant's services to those of protestant and desire the granting of the application to enable applicant to render a direct, broader, more efficient, more convenient, and more economical service.
- 9. Notice of the application appeared in the Federal Register on October 31, 1974.
- 10. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.
- ll. 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.

Conclusion

The Commission concludes that the application should be granted as set forth in the ensuing order. Applicant's certificates will be restated in the form of a new certificate so as to consolidate its present authority with the authority herein granted. The territorial description or routes of the authority granted reflect the names of redesignated highways and roads and do not in any way exceed the geographical scope of the proposed operation as published in the Federal Register.

City Freight Lines, a California corporation, 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.

ORDER

IT IS ORDERED that:

- 1. A certificate of public convenience and necessity is granted to City Freight Lines, 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 administered by 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 or reissue 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 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 the highway common carrier certificates of public convenience and necessity granted by Decisions Nos. 77698 and 82485, which certificates are revoked effective concurrently with the effective date of the tariff filings required by paragraph 2(b).

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

		Dated at	San Francisco	_,	California,	this	9 Th
day	o£	APRIL	, 1975.	•	·		

Commissioners

Commissioner ROBERT BATINOVICH
Present but not participating.

City Freight Lines, 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 following transportation:

I. GENERAL COMMODITIES

- 1. Between all points and places within the San Francisco Territory as described in Note A.
- 2. Between all points and places on and within five miles laterally of the following highways:
 - a. State Highway 1 between its junction with U.S. Highway 101 at El Rio and Point Mugu, inclusive.
 - b. State Highway 118 between its junction with U.S. Highway 101 near Ventura and Santa Susana, inclusive.
 - c. State Highway 126 between Ventura and its junction with Interstate Highway 5 at Castaic Junction, inclusive.
 - d. State Highway 33 between Ventura and Wheeler Hot Springs, inclusive.
 - e. State Highway 246 between Santa Ynez and Surf, inclusive, including the off-route point of Point Arguello Naval Missile Facility.
 - f. State Highway 1 between Lompoc and Pismo Beach, inclusive, including the off-route point of Vandenberg Air Force Base.
 - E. Unnumbered county road between its junction with U. S. Highway 101 near Los Alamos and Santa Maria, inclusive, via Sisquoc and Garey.
 - h. Unnumbered county highway between San Margarita and Atascadero, inclusive.
 - 1. U. S. Highway 101 between Atascadero and San Miguel, inclusive, including the off-route point of Camp Roberts Military Reservation.

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- Clusive.
- 1. U. S. Highway 101 between Gilroy and Madrone, inclusive.
- 3. Between all points on the following named highways:
 - a. U. S. Highway 101 between Thousand Oaks and San Jose, inclusive.
 - b. State Highway 23 between Fillmore and Moorpark, inclusive.
 - c. State Highway 150 between Santa Paula and Carpenteria and between Santa Barbara and Santa Ynez, inclusive.
 - d. State Highway 1 between Las Cruces and Lompoc, inclusive.
 - e. State Highway 1 between San Luis Obispo and San Simeon, inclusive.
 - f. State Highway 46 between Paso Robles and Cambria, inclusive.
 - g. State Highway 68 between Salinas and Monterey, inclusive including the off-route point of Spreckels.
 - h. State Highway 1 between Carmel and Santa Cruz, inclusive, including the off-route point of Fort Ord Military Reservation.
- 4. a. The authority set forth in subparagraphs 1 through 3 is subject to commodity exceptions Nos. 1, 3, 6, 7, and 13 through 16.
 - b. Through routes and rates may be established between any and all points described therein.
- 5. Between points in the Los Angeles Territory as described in Note B, on the one hand, and all points described in subparagraphs 1, 2, and 3 above, on the other hand (Subject to commodity exceptions Nos. 1 through 7, 10, and 12 through 16).

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- 6. Between all points and places within the Los Angeles Basin Territory, as described in Note C, over and along the most appropriate streets and highways within said territory.
- 7. Between Santa Barbara, the Los Angeles Basin Territory and the San Diego Territory, as described in Note D, over and along U. S. Highway No. 101, between Santa Barbara and its junction with Interstate Highway 5 in Los Angeles and over and along Interstate Highway 5 between its junction with U. S. Highway 101 and the San Diego Territory, serving all intermediate points and all off-route points located on or within three miles laterally of said highway, including the points of Point Mugu, Port Hueneme, Oxnard, Santa Paula, Fillmore, Ojai, Goleta, Saticoy, Somis, Woodland Hills and Canoga Park.
- 8. The authority set forth in subparagraphs 6 and 7 is subject to commodity exceptions Nos. 1 through 7, 9 and 11.
- 9- Between Los Angeles and Boron, serving all intermediate points and all points within ten miles laterally of State Highway 14 between its junction with Interstate Highway 5 near San Fernando and Rosamond, unnumbered county road between its junction with State Highway 14 at Rosamond and its junction with State Highway 58, near North Edwards, and State Highway 58 between its junction with unnumbered county road near North Edwards and Boron (Subject to commodity exceptions Nos. 1 through 6 and 10).

COMMODITY EXCEPTIONS:

Except that where specifically noted and in pursuance of the authority herein granted, carrier shall not transport any shipments of:

1. 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).

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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 semiplastic 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. Articles of extraordinary value.
- 9. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
- 10. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
- 11. Commodities requiring protection from heat by the use of ice (either water or solidified carbon dioxide) or by mechanical refrigeration.
- 12. Commodities which by reason of their size, bulk or weight require special equipment.
- 13. Articles of extraordinary value as set forth in Rule 3 of Western Classification No. 77,

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- J. P. Hackler, Tariff Publishing Officer, on the issued date thereof.
- 14. Petroleum products in bulk in tank trucks or tank trailers.
- 15. Fresh fruits and vegetables.
- 16. Fertilizer.

II. SPECIFIED COMMODITIES

1. Cattle and poultry feed, seeds, fertilizer (including unrefined sulphur), insecticides, lumber, cement, and building materials in quantities of not less than 4,000 pounds per shipment from one consignor to one consignee.

From Los Angeles, San Pedro, Wilmington, Vernon, South Gate, Huntington Park, Long Beach, Inglewood, Glendale, Pasadena, San Francisco, South San Francisco, Francisco, Oakland, San Leandro, Berkeley, Emeryville, San Jose, Santa Clara and Permanente to Arroyo Grande and points within a three-mile radius thereof.

- 2. a. AGRICULTURAL IMPLEMENTS, HAND, OR PARTS NAMED, as listed under that heading in Items Nos. 2710 through 3191.
 - b. AGRICULTURAL IMPLEMENTS, OTHER THAN HAND, as listed under that heading in Items Nos. 3205 through 4051.
 - c. AGRICULTURAL IMPLEMENTS PARTS, OTHER THAN HAND, as listed under that heading in Items Nos. 4065 through 4661.
 - d. BASKETS OR HAMPERS, as listed under that heading in Items Nos. 10320 through 10670.
 - e. BOXES OR CRATES, INCLUDING FIBREBOARD, PAPER OR PULPBOARD, BOTTLES OR CANS, as listed under that heading in Items Nos. 13845 through 14646.
 - f. FISH, FRESH OR FROZEN, as listed under that heading in Items Nos. 38505 through 38575.

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Appendix A

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S. FOODSTUFFS, BEVERAGES OR BEVERAGE PREPARATIONS,
NOT NAMED IN OTHER MORE SPECIFIC GROUPS, as
listed under that heading in Items Nos. 39410
through 41150.

h. INSECTICIDES OR FUNGICIDES, AGRICULTURAL, as
listed under that heading in Items Nos. 52960
through 53110.

- 1. The term Items Nos. in subparagraphs a through h refers to Western Classification No. 76, George H. Dumas, Agent, on the issue date thereof.
- J. FERTILIZERS, as listed under that heading in Items Nos. 535, and 550 of Pacific Southcoast Freight Bureau Exception Sheet No. 1-S, Cal. P.U.C. No. 193, J. P. Haynes, Agent, on the issued date thereof and Item No. 540A of Supplement No. 34 thereto.
- k. MISCELLANEOUS COMMODITIES, VIZ.: Flowers, fresh, cut.
 - (1) Between all points and places in the San Luis Obispo-Santa Maria Area as described in Noted E.
 - (2) Between all points and places in the San Luis Obispo-Santa Maria Area, on the one hand, and, Los Angeles, on the other hand.
 - (3) Between all points and places in the San Luis Obispo-Santa Maria Area, Oxnard and points within a five-mile radius of Oxnard, on the one hand, and points within a five-mile radius of Salinas, and points on or within five miles laterally of the following named highways, on the other hand:
 - (a) State Highway 1 between Aptos and San Francisco, inclusive.
 - (b) U. S. Highway 101 between Salinas and the San Francisco Territory as described herein, inclusive.

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- 3. a. AGRICULTURAL IMPLEMENTS, OTHER THAN HAND, as listed under that heading in Items Nos. 595 through 980.
 - b. ALUMINUM, as listed under that heading in Items Nos. 1535 through 1790.
 - c. AUTOMOBILE PARTS OR ACCESSORIES, as listed under that heading in Items Nos. 2805 through 3505.
 - d. FEED, ANIMAL OR POULTRY, as listed under that heading in Items Nos. 17065 through 17385.
 - e. FURNITURE, as listed under that heading in Items Nos. 19510 through 20494.
 - f. HARDWARE, as listed under that heading in Items Nos. 22455 through 23600.
 - 8. PAPER, as listed under that heading in Items Nos. 35440 through 35771.
 - h. PAPER ARTICLES, as listed under that heading in Items Nos. 35785 through 36307.
 - 1. PETROLEUM OR PETROLEUM PRODUCTS, IN PACKAGES, INCLUD-ING COMPOUNDED OILS OR GREASES HAVING A PETROLEUM BASE, as listed under that heading in Items Nos. 36390 through 36465.
 - J. SEEDS, as listed under that heading in Items Nos. 39865 through 40150.
 - k. The term Items Nos. in subparagraphs a through j refers to Western Classification No. 75, George H. Dumas, Agent, on the issued date thereof and Supplement Nos. 41, 46, 48 and 50 thereto.
 - 1. GROCERIES AND GROCERS' SUPPLIES, as listed under that heading in Item No. 360 of Fifth Revised Page 38 of Minimum Rate Tariff No. 2.
 - m. MISCELLANEOUS COMMODITIES, VIZ.:

Advertising displays
Advertising display equipment
Barrels, empty
Batteries, electric, dry cell or storage

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Cartons, fibreboard Cement Coke Doors, wooden Earth (soil) Fibreboard | Filters Gypsum Lamps, electric Lime Lumber Manure, animal Notions Oil, linseed Paint Pallets Paste, adhesive Plant supports Sodium phosphate Stakes, iron, steel or wooden Structural iron or steel Tires, pruematic Tubes, tire Trailers Twine Wheels Windows

Between the Los Angeles Territory, on the one hand, and Santa Maria and Betteravia, on the other hand.

4. SUGAR, between:

- a. Crockett, on the one hand, Sunnyvale, Palo Alto, Redwood City and San Jose, on the other hand.
- b. Betteravia, on the one hand, and points in the Los Angeles Territory and San Jose, on the other hand.
- III. A. Through routes and rates may be established between any and all points described above.
 - B. 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.

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C. 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 commodities between the same points.

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NOTE A

Appendix 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); 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

LOS ANGELES TERRITORY

The Los Angeles Territory includes that area embraced by the following boundary: Beginning at the intersection of Sunset Boulevard and State Highway 1; thence northeasterly on Sunset Boulevard to Interstate Highway 405; thence northerly along Interstate Highway 405 to State Highway 118 at San Fernando (including the City of San Fernando); thence southeasterly along State Highway 118 to and including the City of Pasadena; thence easterly along Foothill Boulevard from the intersection of Foothill Boulevard and Michillinda Avenue to Valencia Way; northerly on Valencia Way to Hillcrest Boulevard; easterly and northerly along Hillcrest Boulevard to Grand Avenue; easterly and southerly along Grand Avenue to Greystone Avenue; easterly on Greystone Avenue and the prolongation thereof to the west side of Sawpit Wash; southerly on Sawpit Wash to the intersection of Mountain Avenue and Royal Oaks Drive; easterly along Royal Oaks Drive to Buena Vista Street, south on Buena Vista Street and due south on a prolongation thereof to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Beverly Boulevard; southeasterly on Beverly Boulevard to Painter Avenue in the City of Whittier; southerly on Painter Avenue to Telegraph Road; westerly on Telegraph Road to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Imperial Highway (State Highway 90); westerly on Imperial Highway to Lakewood Boulevard (State Highway 19); southerly along Lakewood Boulevard to 1ts intersection with State Highway 1 at Ximeno Street; southerly along Ximeno Street and its prolongation to the Pacific Ocean; westerly and northerly along the shoreline of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and State Highway 1; thence northerly along an imaginary line to point of beginning.

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NOTE C

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 Avenue and its prolongation to the 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.

NOTE D

SAN DIEGO TERRITORY

The San Diego Territory includes that area embraced by following an imaginary line starting at a point approximately four

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miles north of La Jolla on the Pacific Coast shoreline running east to Miramar on U.S. Highway 395; thence following an imaginary line running southeasterly to Lakeside on State Highway 67; thence southerly on County Road S 17 (San Diego County) and its prolongation to State Highway 94; easterly on State Highway 94 to Jamul; thence due south following an imaginary line to the California-Mexico Boundary Line; thence westerly along the boundary line to the Pacific Ocean and north along the shoreline to point of beginning.

NOTE E

SAN LUIS OBISPO - SANTA MARIA AREA

San Luis Obispo - Santa Maria Area means San Luis Obispo, Santa Maria, points within 10 miles of each of these cities, points on or within 10 miles laterally of U. S. Highway 101 between these cities Guadalupe, Morro Bay, points within 5 miles of Guadalupe, and points on or within 5 miles laterally of State Highway No. 1 between Guadalupe and Morro Bay.

(END OF APPENDIX A)

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