

ORIGINAL

Decision No. 85358

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:
GRILEY FREIGHTLINES, 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
Convenience and Necessity therefor.

Application No. 55416
(Filed December 26, 1974)

Russell and Schureman, by C. H. Fritze
and R. Y. Schureman, Attorneys at Law,
for applicant.

Dunne, Phelps, and Mills, by Marshall G.
Berol, Attorney at Law, for Delta Lines,
Inc., and Ted Peters, Jr., for Ted Peters
Trucking, protestants.

O P I N I O N

Applicant, Griley Freightlines (Griley),^{1/} is now trans-
porting general commodities, with the usual exceptions, as a highway
common carrier generally between the San Francisco Bay Area and
Sacramento on the north, and the Los Angeles area, San Diego, and
San Ysidro and Calexico on the Mexican border. Applicant's certifi-
cate of public convenience and necessity is described in Decision
No. 62796 (1961) in Application No. 43248. Griley is also the owner
and holder of a substantially coextensive certificate of registration
issued by the Interstate Commerce Commission in Docket No. MC 106054.

^{1/} Griley has been engaged in the transportation of general merchan-
dise since 1948. Prior to June 1, 1971 the corporate name was
Griley Security Freightlines.

It also holds an ICC certificate of public convenience and necessity issued in that same docket. In addition, applicant operates under radial highway common and highway contract carrier permits.

By this application Griley seeks removal of certain territorial restrictions attached to its highway common carrier authority which require that it handle shipments only directly between northern California and the Los Angeles area. The sought additional authority would permit Griley to handle freight directly from and to intermediate points along the routes over which it already has authority to operate, without the necessity of interlining with other carriers. In accordance with the provisions of Sections 1063 and 1064 of the California Public Utilities Code, and Section 206(a)(6) of the Interstate Commerce Act, Griley seeks (1) a certificate of public convenience and necessity from this Commission authorizing it to perform the sought additional transportation, (2) an in lieu certificate of public convenience and necessity (Exhibit B to the application) which would include the present authority, the sought additional authority, and a redefinition of a number of the highways listed in the present certificate, many of which no longer exist by the numbers given in the certificate, and (3) a coextensive certificate of registration from the Interstate Commerce Commission.

Applicant participates in tariffs published by Western Motor Tariff Bureau, Inc., Agent. Applicant proposes to apply the rates and rules in those tariffs to operations under the proposed certificate of public convenience and necessity. Applicant also proposes to establish through routes and joint rates with connecting carriers at its various terminal points.

Five days of public hearing were held before Examiner Norman Haley between March 31 and May 12, 1975. There were two sessions in Los Angeles, one in Oxnard, and two in San Francisco. Prior to the first day of hearing notice thereof was served on possibly interested carriers as required by this Commission. Copies of the application were served on the California Trucking Association, both in Los Angeles and Burlingame, so that publication of hearing could be made in Caltrux. An appropriate notice was published in the Federal Register on January 22, 1975, under provisions of the Interstate Commerce Act. It was developed at the hearing that protestant, Delta Lines, Inc. (Delta Lines), would have no objection to the granting of the sought authority if it were limited to movements of cargo trailers (ships' containers or seavans) having a prior or subsequent movement by water. Ted Peters Trucking protested the application only with respect to seavans moving in interstate and foreign commerce. Applicant objects to the protest of Ted Peters Trucking because that carrier had a representative in the courtroom prior to the last day of hearing, but did not enter its protest until the last day, after applicant's 28 witnesses had been excused. The matter was submitted July 8, 1975, the due date for concurrent briefs. Although Delta Lines requested the filing of briefs, only applicant filed a brief.

Applicant's Presentation

Applicant presented evidence of its present and proposed operations through its president, Donald J. Griley. He introduced and explained Exhibit 1. The main office and terminal of Griley Freightlines is located at 2350 Dominguez Street, Carson. That facility occupies 11 acres and also includes extensive maintenance facilities and a dock approximately 80 by 220 feet, with 40 loading bays. Applicant also has terminals at Oxnard and Oakland. At San Diego a terminal facility is shared with another carrier. The witness

stated that if the application is approved the company plans to open a terminal in the Fresno area to serve all points between Bakersfield and Merced. The new terminal would be equipped with four to eight bobtails and/or light duty tractors. The balance of the northern part of California would be served out of the Oakland terminal.

Exhibit E to the application shows that Griley operates approximately 260 units of equipment. This equipment is further detailed in Appendix F of Exhibit 1. Applicant's equipment is situated throughout the system with pickup and delivery units (van and stake-type bobtails) being stationed at each of the terminals. In addition, truck-tractors are used in combination with 26 foot trailers for pickup and delivery. Griley also operates a substantial number of flatbeds. Pickup and delivery service is performed throughout the Los Angeles territory and in the Oxnard and Oakland areas. Equipment operated in the Los Angeles territory and in Oakland is radio dispatched to provide expedited service. At Los Angeles Harbor Griley has a full-time foreman on duty, and a number of forklifts in service. The forklifts are radio equipped for convenience in dispatching and communicating with the foreman. At San Francisco Griley hires outside contractors because of rules which do not allow the carrier to operate its own forklifts on the docks.

According to applicant's president, numerous requests have been received from shippers having intrastate and interstate movements of commodities beyond the scope of the company's certificated authority. He explained that the company's trucks are already running in the area; that the present certificate restrictions result in considerable excess capacity going to waste; that to the extent the trucks can be filled the operations will be benefited with no increase in the use of fuel; that if the application is granted an

almost impossible competitive situation will be resolved; and that Griley will be able to offer the shipping public a more complete service. It was the testimony of applicant's president that the sought authority would result in improved transit time through elimination of interline transfer, more complete and economical service, and greater use of split delivery master billing. The witness was of the opinion that the granting of the application would have no adverse effect on the environment.

Applicant's president estimated that truck schedules from the Bay area currently are approximately 60 percent full, and to the Bay area they are about 80 percent full. It was his opinion that there is less traffic from the Bay area because of the certificate restrictions which allow Griley to handle traffic only directly between the northern California area and the Los Angeles area. Griley has handled harbor traffic in both the San Francisco and Los Angeles areas for many years. Griley is a licensed customs house cartman and is bonded as a common carrier. It handles import and export traffic via the ports of San Francisco and Oakland which originates at or is destined to the Los Angeles area. Applicant must refuse all shipments to the intermediate points unless it interlines them. For example, if a shipment originated at San Francisco and was destined to Bakersfield, Fresno, or other points intermediate to Los Angeles, applicant could not handle it directly. Applicant could take a shipment originating in San Francisco and destined to San Diego, or to a point on U. S. Highway 101, such as Oxnard, but could only handle it to the Los Angeles area where it would be required to turn it over to another carrier for delivery. In such instances Griley

advises the shipper that the shipment must be interlined at Los Angeles. Assertedly, this places the company at a considerable competitive disadvantage with both straight shipments and split delivery shipments. Applicant has trucks running through and could provide at least one day faster service if it did not have to interline. It was asserted that any interline service generally takes an additional day because the originating carrier must interchange the freight at the destination carrier's dock. The necessity for interlining and the resulting delay, is difficult to explain to shippers and receivers.

Applicant's president stated that because of the restrictions in the certificate the company is burdened with constant problems of determining which shipments can be handled and which cannot. He said that all of the dock hands, drivers, and other personnel must be continually on the alert to separate the freight that can be handled directly from that which must be interlined. He stated that on occasion there may have been shipments that moved which were against the certificate restrictions.

According to applicant's president service under the proposal would be the same as provided under existing normal operations. This would be overnight service to all points, with second-morning delivery in a few areas. Some same-day service is rendered. From the Bay Area to San Diego, or intermediate points, delivery mostly would not be overnight unless the consignee is willing to stay open to receive a shipment late in the evening, as some do. Traffic destined to or originating at San Diego would be segregated at the company's Carson facility and included with other shipments going to San Diego or the Bay Area. The Oxnard terminal serves all points in Ventura County and in Santa Barbara County as far north as Goleta. Service at points north of Goleta is

provided on an on-call basis as traffic is rendered, and pickup and delivery is accomplished with line-haul units. Two schedules per day are operated between the Carson terminal and the San Diego territory. One schedule consists of general commodity traffic and the other of air freight traffic. These schedules are operated with sets of doubles or 40 foot semitrailers. Additional trips are made as traffic is available. On the average Griley operates two schedules per night between Carson and Oxnard. Between the Bay Area and Carson there is an average of six schedules per night.

Griley encourages its customers to be placed on a daily pickup basis when there is at least two or three shipments a week on a consistent basis. Dispatchers are on duty for receiving calls from the shipping public, and any call received during normal business hours results in pickup the same day. Arrangements also are made with shippers to pick up and deliver at hours other than normal business hours. Applicant has an option under its union agreement of six starting times per shift. This means that the carrier can have its drivers report for work at various times, giving coverage from very early morning throughout the night. Pickup and delivery on Saturdays and holidays also is performed upon prior arrangement.

Applicant's president explained the company's financial statement attached as Appendix E to Exhibit 1, consisting of balance sheets as of December 31, 1974 and February 28, 1975, and profit and loss statements for the year 1974, and for the months of January and February, 1975. In 1974 Griley showed a loss. In January, 1975, an upturn assertedly started, and the corporation showed a profit of approximately \$20,000 through February. The witness was of the opinion that the losses in 1974 were caused by rates being insufficient to offset increased labor and other costs, and also because of

some disruption of normal shipping patterns. He asserted that Griley has sufficient funds to establish any service it proposes here. As of February 28, 1975, stockholders' equity totaled \$567,023. Total assets were \$1,184,547.

Griley owns Aloha Consolidators International, a freight forwarder authorized under the Interstate Commerce Act to provide service between southern California and Hawaii, territories, possessions, and foreign countries. Griley, in turn, handles the freight for Aloha under Interstate Commerce Act Section 409 contracts. Aloha also receives freight from other carriers. If this application is granted, it is planned to institute a somewhat similar service in the San Francisco Bay area as part of the Griley operation.

Applicant presented evidence through representatives of 27 of its customers (public witnesses). These witnesses represented manufacturers and producers, receivers, freight forwarders (air, rail, and ocean), customs house brokers, steamship companies, steamship agents, and a non-profit shipper association. The public support was varied as to the type of general commodities shipped, the sizes and densities of shipments, and the geographic origins and destinations involved. Shipments ranged from small shipments of light and bulky merchandise to heavy shipments of steel, machinery, and freight in seavans.

The public witnesses testified that Griley's services had been very satisfactory for various reasons. They praised applicant's prompt pickup and delivery service, including its willingness to make multiple pickups the same day, pickups and deliveries at other than regular hours, and special pickups, such as field pickups of packages of dried flowers. They also praised applicant's courteous drivers and office employees, the good level of communication they receive from the carrier and its employees, the extra care exercised in

handling freight, the correctness and completeness of billing and other documentation, the efficient and satisfactory method for tracing shipments and processing and settling claims, and the carrier's willingness to perform same-day service when required by emergency. Another advantage cited was the publication by applicant of an assembly and distribution tariff designed for shipper association traffic.

Public witnesses stated that Griley's services better fitted their needs than the services of other specified carriers. In other instances witnesses stated that certain services they relied upon to be performed by Griley generally were not available from other carriers on a consistent basis. Some of the public witnesses testified that they had received unsatisfactory service from certain carriers. Witnesses complained generally of difficulties with other carriers, delayed deliveries, failure to make timely pickups, problems tracing shipments, and other matters. A number of the public witnesses testified that they have limited dock space, and prefer to rely on one or two good carriers for all of their transportation needs. Several witnesses stated that their businesses were expanding in both the number and size of shipments.

The testimony of the public witnesses discloses that applicant handles a substantial amount of steamship traffic. Much of this is import traffic that is delivered by steamship companies to ports, other than ports named on the bills of lading. Freight is unloaded from steamships at undesignated ports for convenience, because of inadvertence, and for other reasons. It is the responsibility of the steamship company to move the freight overland to the port designated on the bill of lading. Motor carrier charges are

paid by the steamship company. Griley has had many years' experience handling import and export traffic. It has become especially skillful in the handling and processing of import and export documentation. In preparing many inbound transfer documents for one steamship company, Griley has achieved an accuracy of 99.9 percent. It has established special procedures and communications for coordinating with customers and expediting shipments and documentation. Griley has installed Telex and makes use of it where feasible, including Long Beach and Oakland. The Telex printouts assertedly are much better communications than telephone conversations where errors can be made by the party receiving the message in writing down lengthy document numbers and other numerical information. Individual seavans may contain as many as 20 different shipments, and by having Telex information from Griley on the arrival date much time can be saved by the steamship company in answering inquiries from customers.

Public witnesses confirmed that when two carriers are involved, goods are required to be in transit extra days. Two carriers also complicate claims since it is difficult to determine who caused the damage or lost the goods. Public witnesses requested that applicant be authorized to extend its authority to eliminate the need to employ additional carriers to deliver to the areas not served by applicant. All of the public witnesses testified that they would use applicant's expanded service if this application is granted.

Protestants' Presentation

The two protestants presented evidence in opposition to the application. Each is a certificated carrier with interstate authority. Protestants alleged that they are providing satisfactory service and are ready, willing, and able to provide both intrastate and interstate service in the areas sought to be served by applicant. They assert

that certification of applicant would divert traffic from them causing their operations to be less economical. They alleged that their equipment was not operating to full capacity and no additional operations should be authorized. As explained above, the Delta Lines' protest is with respect to traffic other than sea Vans, whereas Ted Peters Trucking protests the sought additional authority only with respect to seavans in interstate and foreign commerce. Only Delta Lines submitted any factual data relative to its own operations. Neither protestant presented evidence through public witnesses.

Testimony on behalf of Ted Peters Trucking was presented by its president. In 1974 this carrier had a gross revenue of \$3.5 million. Approximately half of the volume of this carrier's business is transportation of seavans in interstate and foreign commerce. The remainder is other truckload traffic. The witness stated that he is not particularly concerned with less truckload traffic. He said that his company is very active in the movement of seavans in northern California (generally north of Fresno), which he characterized as an oversaturated market. He asserted that the ICC rates are too low and cannot be raised because there already are too many carriers in the business. It was his opinion that Griley would further dilute the container business in northern California. He admitted that the Commission had granted his own company additional authority about two years ago to fill a gap in its certificate.

Delta Lines presented testimony through its general traffic manager who introduced and explained Exhibits 28 through 36 which contain data relative to operating authorities, traffic statistics, personnel, terminals, and motor truck equipment. He also testified concerning Exhibit 37 introduced by applicant's counsel. His testimony disclosed that Delta Lines operates throughout most of California and a portion of Nevada as a common carrier of motor freight in both intrastate and interstate commerce. Delta Lines transports a great deal of less truckload traffic. It has a large number of units of truck equipment, and maintains numerous terminals throughout California.

Exhibit 37 contains summaries of certain annual report data showing gross revenue (intrastate and interstate), and operating ratios before income taxes for Delta Lines and Delta Express. Between 1969 and 1973 total revenue for these operations increased from \$32,599,536 to \$54,761,070. Of the latter figure \$47,163,563 was intrastate revenue.

The traffic manager confirmed that these operations generated approximately \$63,000,000 in 1974, of which approximately \$50,000,000 was intrastate revenue. Exhibit 37 also shows revenue and income figures for certain affiliates.^{2/} In 1973 the operating ratio figures of Delta Lines and Delta Express was shown as 97.3. Assertedly in 1974 it was 98.

The traffic manager cited, as examples, three shipper accounts, including the monthly revenue involved, which had been lost to newly certificated carrier operations. He said that revenue lost to new carrier operations was an important factor to his company.

Discussion

We have recently discussed the applicable factors in evaluating the question of public convenience and necessity in an application proceeding of this nature. (Presto Delivery Service, Inc., Decision No. 83726 (1974) pp. 7-11). In determining whether public convenience and necessity require the service proposed, the Commission

^{2/} The record shows that Delta Lines is part of a family of corporations. Delta California Industries is the parent corporation of Delta Lines. Over the years a number of truck companies have been acquired and included within the organization as affiliates and operating divisions.

considers the questions of experience, financial ability, equipment, and facilities necessary to conduct the service; whether the proposed service is adequately responsive to the needs of shippers; whether the public, in addition to the present carriers, requires the proposed service, and whether the granting of the application would adversely affect the protestants or the public interest.

The evidence shows that applicant has established a certificated highway common carrier service that shippers, including manufacturers, steamship companies, freight forwarders, and customs house brokers, have used for many years because of superior pickup service, delivery service, and other service features. Their businesses have increased and applicant's service has been valuable to them in meeting transportation requirements. The public witnesses have requested expanded service from applicant. Clearly, the shipping public, fairly represented by the 27 supporting witnesses, will benefit further from Griley's services if the territorial restrictions involved are removed. Also, these shippers prefer applicant's services over those of most competing carriers, as the witnesses were generally dissatisfied with the services of a number of the other carriers they have used.

Protestants allege adverse economic consequences. Protestants' general allegations that competition will affect them adversely must be weighed against the public interest in needed transportation service. If significant diversion results, it would indicate that applicant has the ability and willingness to provide a high level of service not presently available to the shipping public.

There is no factual evidence that present traffic patterns or transportation operations of protestants will be significantly changed as a result of granting applicant's request for additional certificated authority. The evidence establishes that Delta Lines' operations dwarf the total present operations of applicant. Delta Lines' revenues increased substantially between 1969 and 1974.

We find that the definite advantages which will accrue to the shipping public by granting this application more than outweigh any possible diversion of traffic from existing carriers, or increase in competition. Furthermore, the potential diversion of traffic is speculative, particularly where protestants fail to furnish any factual corroboration of their assertion that they will lose business and suffer economic woes if applicant is granted the sought additional authority. It may also be noted that we have held that a shipper is entitled to prefer the service of a particular carrier over that provided by all the others who are available and the favorite carrier is entitled to rely on this preference as a basis for extending its service. (Tesi Drayage Company (1970) 71 CPUC 24, 28.)

Based on the evidence we find that public convenience and necessity would be served best by granting applicant the requested authority in the sought additional areas. By investing applicant with greater authority the shipping public will be less inconvenienced in having to deal with a number of different carriers, and applicant, at little additional cost, would be able to furnish a preferred and more convenient, economical, and efficient service. To promote these benefits is one of the duties of the Commission.

Since better utilization of equipment, facilities, and fuel will result from elimination of the territorial restrictions along routes already authorized and utilized, there should be no appreciable effect, adverse or otherwise, on the environment.

Findings

1. Applicant is presently providing certificated service as a highway common carrier of general commodities between points in the San Francisco Bay area and Sacramento, and points in southern California, as specified in Decision No. 62796 (1961).

2. Applicant also conducts operations pursuant to permits as a radial highway common carrier and as a highway contract carrier.

3. Applicant provides interstate and foreign commerce service within the area of its highway common carrier certificate pursuant to a certificate of registration with the Interstate Commerce Commission in Docket No. MC-106054. Applicant also holds an interstate certificate of public convenience and necessity in the same docket.

4. In the territory involved in this application, applicant provides a wide range of intrastate and interstate transportation services, relative to transportation of small, medium, and truck-load shipments, including shipments of sea vans. Such transportation is performed for manufacturers, receivers, freight forwarders (air, rail and ocean), steamship companies, customs house brokers, and a nonprofit shipper association.

5. Applicant's highway common carrier certificate contains certain territorial restrictions which prohibit it from serving numerous points along routes over which it currently operates.

6. Applicant seeks removal of the certificate restrictions identified in Finding 5 and an in lieu certificate as described in Exhibit B of the application, and in Appendix B of Exhibit 1, which would include the present authority, the sought additional authority, and a redefinition of a number of the highways listed in the present certificate.

7. Many of applicant's customers have used applicant's services for many years and would like to see them expanded to include transportation from and to points in the sought additional areas. These customers desire to retain applicant's services because the prompt, timely, and specialized services of applicant have been superior generally to other services these customers have had.

8. A shipper is entitled to prefer the service of a particular carrier over that provided by all others who are available, and the favored carrier is entitled to rely on this preference as a basis for extending its service. (Tesi Drayage Company (1970) 71 CPUC 29.)

9. The sought elimination of restrictions attached to applicant's highway common carrier certificate will enable it to render to its customers broader, more economical, and more convenient service, both in intrastate and in interstate and foreign commerce, as the result of improved transit time to many points through elimination of interline transfer, improved tracing and loss and damage claim handling, greater use of split delivery master billing, and more efficient use of equipment, facilities, and energy.

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

11. Applicant has the necessary experience, truck equipment, terminal facilities, personnel, and financial resources to provide the proposed additional service.

12. Applicant would apply rates and rules for the proposed service in tariffs published by Western Motor Tariff Bureau, Inc., Agent, to which it presently is a party.

13. The evidence does not show that the requested additional authority of applicant would impair the ability of protestants to continue to provide service to their customers.

14. Notice that this application was filed and that the applicant will seek a certificate of registration from the Interstate Commerce Commission was published in the Federal Register on January 22, 1975.

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

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

Applicant is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Griley Freightlines authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes set forth in Appendix A, attached hereto and made a part hereof.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in cancellation of the operating authority granted by this decision.

- (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 or file 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.

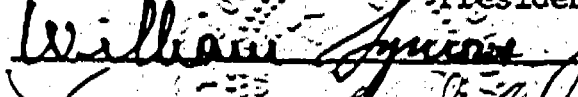
3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 62796 in

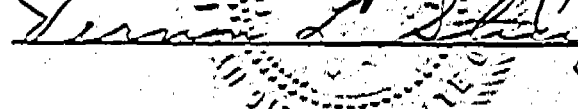
Application No. 43248, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2(b).

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

Dated at San Francisco, California, this 20th
day of JANUARY, 1976.



President


Commissioners


Commissioners

Commissioner Leonard Ross, being
necessarily absent, did not participate
in the disposition of this proceeding.

Griley Freightlines, 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 between the points hereinafter designated:

PART I

1. All points and places in the designated Los Angeles Area as said area is described in Part II set forth below.
2. Between all points and places on and within 25 miles laterally of the following described routes subject to the restrictions hereinafter noted:
 - a. Between San Ysidro and Paso Robles over Interstate Highway 5, U. S. Highway 101 and State Highway 1.
 - b. Between Ventura and Fresno over State Highway 33 to State Highway 41, thence over State Highway 41 to Fresno.
 - c. Between Paso Robles and Famoso over State Highway 46.
 - d. Between Los Angeles and Fresno over Interstate Highway 5 and State Highway 99. (See Restriction 1 hereof.)
 - e. Between Ford City and Greenfield over State Highway 119.
 - f. Between junction State Highway 99 (near Oildale) and Fresno via State Highways 65, 198, 63, and 130.
 - g. Between San Diego and San Bernardino via Interstate Highway 15.

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- h. Between Riverside and Colton, on the one hand, and Calexico, on the other hand, via Interstate Highway 10 and State Highways 60, 86 and 111. (See Restriction 2 hereof.)
- i. Between San Diego and junction State Highway 86 near El Centro via Interstate Highway 8.
- j. Between the northerly boundary line of the county of San Luis Obispo and San Francisco over U. S. Highway 101 and State Highway 82.
- k. Between the northerly boundary line of Fresno County and Sacramento over State Highway 99.
- l. Between San Francisco and Sacramento over Interstate Highway 80.
- m. Between San Francisco and Stockton over State Highways 17 and 238, and Interstate Highways 580, 205, and 5.
- n. Between Manteca and junction Interstate Highway 5 over State Highway 120.
- o. Between Gilroy and Califa over State Highway 152.
- p. Between McKittrick and Tracy over State Highway 33.

Applicant may make use of any street, road, highway, ferry or toll bridge necessary or convenient for the purpose of performing the service herein authorized.

Through routes and rates may be established between any and all points specified hereinabove.

Restrictions:

The lateral 25-mile authority hereinabove set forth shall not include the right to serve:

- 1. Any point which is located both east of State Highway 99 (not including points on State Highway 99) and north of the Los Angeles Area between Los Angeles and Bakersfield.

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2. Any point on State Highway 62 connecting Interstate Highway 10 and the community of Twentynine Palms.

Applicant 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, trucks, 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).
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. (Provided that this exception to general commodities shall not apply to service between the city of Los Angeles and Goleta and intermediate points on U.S. Highway 101 and State Highway 1, and further provided that special equipment shall not be used in the transportation of any of the commodities listed in this paragraph 2.)
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-type trucks or trailers or in hopper-type trucks or trailers.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Logs.

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PART II

LOS ANGELES AREA

The term "Los Angeles Area" as used in this order means all points and places included within and three miles laterally of the following boundary line:

Beginning at the intersection of State Highway No. 27 and State Highway No. 1; northerly on State Highway No. 27 to a point where the city limits of the City of Los Angeles is intersected thereby; westerly, northerly and easterly along said city limits of Los Angeles to its intersection with the southerly boundary of the Angeles National Forest at a point approximately 1.2 miles east of the joinder of Interstate Highway No. 5 and State Highway No. 14; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucaipa; southerly along said county road to and including the unincorporated community of Yucaipa; westerly along Redlands Boulevard to Interstate Highway No. 10; northwesterly along Interstate Highway No. 10 to and including the City of Redlands; westerly along Interstate Highway No. 10 to Interstate Highway No. 15; southerly along Interstate Highway No. 15 to Alessandro; westerly along unnamed county road to State Highway No. 91 in Arlington; westerly along State Highway No. 91 to State Highway No. 55; southerly on State Highway No. 55 to the Pacific Ocean; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of State Highway No. 27 and State Highway No. 1; thence northerly along an imaginary line to point of beginning.

(End of Appendix A)

Issued by California Public Utilities Commission.

Decision No. 85358, Application No. 55416.