

**ORIGINAL**Decision No. 86104

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of INDUSTRIAL FREIGHT )  
 SYSTEM, INC., a corporation, for )  
 an in lieu Certificate of Public )  
 Convenience and Necessity to oper- )  
 ate as a highway common carrier )  
 in the transportation of property )  
 in intrastate and interstate and )  
 foreign commerce. )

Application No. 56402  
 (Filed April 13, 1976,  
 Amended June 8, 1976)

O P I N I O N

Pursuant to Decision 72623, dated June 20, 1967, in Application 48046 and Decision 77587, dated August 11, 1970, in Application 52001, both amended by Resolution 17742, adopted March 16, 1976, Industrial Freight System, Inc., is providing highway common carrier service for transportation as follows:

1. Decision 72623 - General Commodities with the usual exceptions between points within the Los Angeles Basin Territory.
2. Decision 77587, registered with the Interstate Commerce Commission in Docket MC-120822 (Sub. 1) - Specific Commodities between:
  - A. All points and places within the Los Angeles Basin Area.
  - B. All points and places within the Los Angeles Basin Area on the one hand, and all points and places in the San Diego Territory, including intermediate points and places along U.S. Highways 101 and 101-A and laterally five miles on either side of said highways, on the other hand.

The applicant also holds permitted highway carrier authority issued by the Commission.

By this application, as amended, applicant requests an extension of its authority to transport general commodities, with

certain exceptions, and also the exclusion of freight having a prior or subsequent movement by rail or freight forwarder, between and within the Los Angeles Basin Territory and the San Diego Territory and points intermediate thereto within 20 statute miles laterally of specified routes. Applicant also proposes to provide a corresponding service in interstate and foreign commerce and requests a finding by this Commission that public convenience and necessity require such service. X

By letter of May 21, 1976, the application was protested by City Freight Lines which, after the application was amended, withdrew its protest on June 10, 1976.

In support of its request applicant alleges:

(1) Applicant has operated as a highway common carrier of specific commodities in intrastate and interstate and foreign commerce between points in California for many years.

(2) Applicant has operated as a highway common carrier of general commodities in intrastate commerce within the Los Angeles Basin Territory for a number of years.

(3) During the past few years, there has been a substantial increase in population and industry at the points proposed to be served by applicant.

(4) Applicant has received and is now receiving numerous requests from various shippers and receivers of general commodities for service to, from and between points and places described in applicant's proposed extension of its operating authority.

(5) With only specific commodities authority, applicant is unable to provide a complete service to many of its customers. In many instances, a shipper will have shipments of general commodities destined to points which applicant is only authorized to serve under its specific commodities authority. Consequently, applicant may pick up shipments of specific commodities, but must decline those of general commodities even though all are destined to the same points. This necessitates the shipper calling

in another carrier which results in duplication of effort, excessive costs, dock congestion and loss of efficiency.

(6) Applicant alleges, that a lack of adequate highway common carrier transportation service, of the type to be rendered by applicant, exists to, from and between the points and places herein sought to be served.

(7) Applicant is fully capable of providing efficient highway common carrier service to, from and between all points and places set forth in the application, and would be able to render a complete and effective service to members of the shipping public if the requested extension is granted.

Applicant is presently a party to Western Motor Tariff Bureau, Inc., Agent, tariffs and proposes to participate in the same tariffs for rates and charges under the proposed extended certificate.

X Applicant's financial statement, as of April 20, 1976, shows assets of \$617,266, liabilities of \$535,376, for a net worth of almost \$82,000. It presently operates numerous highway vehicles as shown by Appendix "D" to the application.

Copies of the application and its amendment were served on numerous highway common carriers with which the proposed service may compete. Notice of the filing of the application and its amendment was made in the Commission's Daily Calendar of April 15 and June 11, 1976, respectively, and an appropriate notice was published in the Federal Register on May 6, 1976.

After consideration, the Commission finds that:

1. Applicant is presently providing service as a certificated carrier within the general areas and over the routes referred to in the application, as amended.

2. Applicant's operations under its present certificates do not meet the existing demand for service by the public.

3. The proposed service would be a logical and desirable extension of the service applicant now provides its customers.

4. Applicant possesses the necessary equipment and financial ability to provide the proposed service.

5. Notice of this application appeared in the Federal Register on May 6, 1976.

6. Public convenience and necessity require that applicant be authorized to engage in operations in intrastate commerce as proposed in the application, as amended, 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.

7. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

The Commission concludes that the application, as amended, should be granted as set forth in the ensuing order. The authority granted will be set forth in an in-lieu certificate which shall supersede the carrier's existing certificates. The territorial descriptions and 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. A public hearing is not necessary.

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 Industrial Freight System, Inc., a California 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.

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



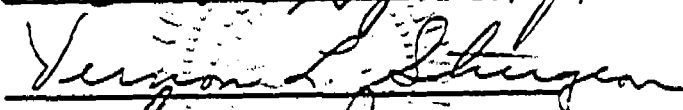


- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order 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 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 April 30 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 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 certificates of public convenience and necessity granted by Decisions 72623 and 77587, 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 13<sup>th</sup> day of July, 1976.

  
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President  
  
  
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Vernon L. Sturgeon  
  
\_\_\_\_\_  
Leonard Kong  
  
\_\_\_\_\_  
Robert Bateman  
Commissioners

Industrial Freight System, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities as follows:

1. Between all points and places within the Los Angeles Basin Territory as described in Note A.
2. Between all points and places within the San Diego Territory as described in Note B.
3. Between all points and places within the Los Angeles Basin Territory as described in Note A hereof, on the one hand, and all points and places within the San Diego Territory as described in Note B hereof, including intermediate points and places along Interstate Highway 5 and laterally twenty statute miles on either side of said highway, on the other hand.
4. Carrier may use the highway named in this order in either direction and any other public roads necessary or convenient to perform the service authorized in paragraphs 1, 2 and 3, supra.
5. Through routes and rates may be established between any and all points specified in paragraphs 1 through 3, supra.

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

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks,

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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.
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. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
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-type trucks or trailers or in hopper-type trucks or trailers.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Logs.
9. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.

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10. Freight having a prior or subsequent movement by rail or freight forwarder.

## Note A

## LOS ANGELES BASIN TERRITORY

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County Boundary Line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary of the City of San Fernando to Maclay Avenue; northeasterly along Maclay 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.

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## Note B

## SAN DIEGO TERRITORY

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

(END OF APPENDIX A)

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