

Decision No. 86567

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 INLAND FREIGHT LINES, a California
 corporation, for an extension of its
 Certificate of Public Convenience
 and Necessity to operate as a high-
 way common carrier for the trans-
 portation of property in intrastate
 and interstate and foreign commerce,
 and for an in lieu Certificate of
 Public Convenience and Necessity
 Therefor.

Application No. 56423
 (Filed April 21, 1976;
 amended August 11, 1976)

Murchison & Davis, by Donald Murchison,
 Attorney at Law, for applicant.
 Russell, Schureman, Fritze, & Hancock,
 by Carl H. Fritze, Attorney at Law,
 for Griley Freight Lines and
Quickway Trucking Company, interested
 parties.

O P I N I O N

Applicant operates pursuant to a highway common carrier certificate which authorizes the transportation of general commodities, with the usual exceptions, between points and places within the part of the Los Angeles Basin Territory which includes Los Angeles, San Pedro, Long Beach, Compton, Whittier, Anaheim, Santa Ana, Costa Mesa, and various other locations in that vicinity. The authority is set forth in Appendix A of Decision No. 84199 in Application No. 55465. It also operates in intrastate commerce pursuant to radial highway common carrier and highway contract carrier permits and in interstate and foreign commerce pursuant to authority issued by the Interstate Commerce Commission.

By this application, as amended by amended Exhibit 5, applicant seeks an in lieu certificate of public convenience and necessity authorizing it to transport general commodities, with the usual exceptions, between all points and places in the Los Angeles Basin Territory. A copy of the application has been filed with the Interstate Commerce Commission pursuant to Section 206 (a)(6) of the Interstate Commerce Act, and notice thereof appeared in the Federal Register on May 27, 1976. The application was protested by Griley Freight Lines and Quickway Trucking Company. Public hearing was held before Examiner Arthur M. Mooney in Santa Ana on August 10, 11, and 12, 1976, and the matter was submitted on the latter date. With the amendment of the sought authority, Griley Freight Lines and Quickway Trucking Company each withdrew its protest.

The following evidence was presented by the president of applicant: He has been in the trucking business since 1950 and has been with applicant since it commenced operating in 1972. He and another individual each own 50 percent of applicant's stock. Applicant leases a one-half acre terminal in Orange. The dock area has 12 tailgate spaces and a loop loader. It includes a shop and all of the surface area is paved. Applicant has 12 tractors, 12 trailers, one truck, and three service vehicles. Its equipment has not been operating at capacity, but should the need arise, it will obtain additional equipment. It employs two administrative, one sales, five office, and two dock employees and also one mechanic and 12 drivers. Most of its personnel have been with it since it commenced business. It has a continuing safety program. Applicant provides daily, overnight, and on-call service, Monday through Friday, with Saturday service on request within its present certificated area and proposes to provide the same type of service in the sought area. It participates in Western Motor Tariff Bureau tariffs. Applicant presently serves the sought area and other parts of the state under

its permit authority. It proposes to participate in joint rates between the sought area and other parts of the state. Applicant has the financial ability to provide the proposed service. The granting of the application will have no significant effect on the environment. Applicant is presently unable to render the complete service in the sought area which it now offers to its customers in its present certificated area. It has had numerous requests for both intrastate and interstate and foreign certificated service in the sought area. In the past few years, there has been a substantial increase in population and industry in the extended area. Applicant's customers frequently have shipments with deliveries in both its present and proposed certificated areas which must now be divided into two shipments. This deprives them of the rate advantage of split delivery shipments. If the authority is granted, applicant will have a greater flexibility in its operations. Public convenience and necessity require the proposed service.

As of June 30, 1976, applicant had assets of \$208,018, liabilities of \$117,058, and an equity of \$90,960. Its gross revenue for the year 1975 was \$640,006 and for the month of June 1976 was \$57,105. Its net income for June 1976 was \$1,562.

Following is a summary of the testimony and statements presented by 11 shippers: They ship greeting cards and wrapping paper, store display items, printed forms and material, steel shelving, paint, jute for carpeting, models and toys, plastic and glass bottles, modular components, and related commodities. All use applicant's service in its present area and have found it to be an excellent, personalized, and reliable service. Many have also used other carriers, and some complained about the service they received from the other carriers. All have shipments throughout the Los Angeles Basin Territory and will use applicant's service in the sought extended area if the authority is granted. Some have interstate shipments to or from the sought area. Most have daily shipments in

this area, and the remainder have from one to four shipments per week there. Most shipments range in weight from 100 to several thousand pounds, and several have truckload shipments at times. Most of their shipments are outbound from their places of business. However, they do have some return shipments and inbound shipments. The majority have been experiencing a continual increase in the volume of their business.

Findings

1. Applicant has the experience, equipment, and financial ability to provide the proposed additional service.
2. The amendment to the sought authority in amended Exhibit 5 results in certain deletions in the sought authority as set forth in the application and as published in the Federal Register and makes no other changes.
3. Public convenience and necessity require that applicant be authorized to engage in operations in intrastate commerce as proposed in the application, as amended by amended Exhibit 5, 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.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion

The application, as amended by amended Exhibit 5, should be granted as set forth in the ensuing order.

Inland Freight Lines 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 Inland 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. 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. 84199, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3(b).

3. 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 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 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 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.

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

Dated at San Francisco, California, this 26th day of OCTOBER, 1976.

[Signature]
 President
William Lyons
[Signature]
[Signature]
Robert R. [Signature]
 Commissioners

Inland 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 transportation of general commodities as follows:

Between all points and places in Los Angeles Basin Territory as described in Note A.

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, 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.

Issued by California Public Utilities Commission.

Decision 86567, Application 56423.

4. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such high-way 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. Portland or similar cements, in bulk or packages, when loaded substantially to capacity of motor vehicle.
8. Logs.
9. Articles of extraordinary value.
10. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
11. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
12. Explosives subject to U. S. Department of Transportation Regulations governing the Transportation of Hazardous Materials.

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.

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;

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Decision 86567, Application 56423.

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.

(END OF APPENDIX A)

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Decision 86567, Application 56423.