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ORIGINAL

Decision No. 90560

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of California Transport Enter- )  
prises, Inc. for a certificate )  
of public convenience and )  
necessity to operate as a )  
highway common carrier. )

Application No. 58681  
(Filed February 14, 1979;  
amended March 27, 1979,  
April 6, 1979, and June 6, 1979)

O P I N I O N

California Transport Enterprises, Inc. (applicant) is a California corporation operating as a highway contract carrier under Permit No. T-124,967. Applicant operates out of leased facilities at 8900 Bellanca Avenue, Los Angeles, CA 90045, which is located near the Los Angeles International Airport. Applicant states that it is not able to handle the demand for its services by its customers on a contract basis. It requires a conversion of its status in order to comply with this increased demand and to stay within the confines of state law.

Applicant states that it has the facilities and equipment to haul general commodities, except household goods and commodities in bulk. An example of the type of service that applicant is competent to handle is the hauling of wearing apparel on hangers in polyethylene bags, flats, racks, and packs. Applicant is seeking to lease additional terminal space to meet the growing demands for its services.

Applicant presently is handling substantial amounts of goods within the greater Los Angeles area, but its customers are making increasing demands for shipment well beyond this area and into neighboring counties to the north, south, and east of Los Angeles.

Therefore, pursuant to Sections 1063 and 1064 of the Public Utilities Code, applicant seeks a certificate of public convenience and necessity authorizing it to operate as a highway common carrier for the transportation of general commodities, except household goods and commodities in bulk, between points and places within an area bounded by the Pacific Ocean on the west, by the southern borders of Monterey, Kings and Kern Counties (as far east as Kernville) to the north by a line drawn in a southeast direction from Kernville to Barstow, and from Barstow to the point where the Coachella Canal joins the Colorado River at the California-Mexico border to the east, and by the California-Mexico border to the south.

Applicant proposes to provide a service including, where necessary, weekend service, which shall be responsive to the public convenience and necessity within the area that it proposes to cover. Applicant proposes to charge the minimum rates set forth in the Commission's minimum rate tariffs where such rates are applicable. Applicant will also publish special tariffs pursuant to the new regulations that are to be promulgated by the Commission when such new regulations become applicable. Where the commodity traffic is exempted from such rates, applicant will provide the shippers involved with efficient service at fair and reasonable rates.

The financial statements attached to the application show that as of December 31, 1978, applicant had current assets of \$61,251 and current liabilities of \$48,719 for a current ratio of 1.26 percent. The statement of operations for a five-month period ending December 31, 1978 shows gross revenues of \$144,028 and expenses of \$93,316, or an operating ratio of 65 percent. The statements also show a net income of \$35,306 after taxes.

Applicant presently operates a fleet of seven vehicles consisting of three 14-foot high cube vans, two 22-foot vans, one equipped with a lift gate, one 24-foot Essex roller-bed van, and a 1967 Chevrolet gas tractor. Applicant stands ready and willing to provide additional equipment as required, and it is anticipated that several units will be added to its fleet within the next few months.

Applicant alleges that based on the experience of its principals, the company's well-conceived plans for the future, and the expanding demands for its services, the proposed operation is required by public convenience and necessity within the guidelines set by statute and case law. The three principals who own and operate applicant's business have each had a wide range of experience in the trucking industry, and each principal is experienced in the operation of the types of vehicles used by applicant as well as the type of service that applicant will provide to its customers. It is further stated that the applicant has been experiencing a growing demand for the type of general freight service it offers in southern California. Applicant is now confronted with the necessity that it either cease carrying goods as a contract carrier and obtain the requested certificate or face loss of its customer base. Applicant's customers have persistently and regularly requested that it expand its services to and within the various areas of California as described above. Applicant states that it is ready, willing, and able to provide the service proposed herein.

The initial application was filed on February 14, 1979 and an amended application was filed on March 27, 1979. No protests have been received.

Findings of Fact

1. Applicant is a California corporation.
2. Applicant has the requisite financial capability to inaugurate common carrier service and the equipment with which to provide such service.
3. Applicant's shareholders and operators have sufficient experience and background to conduct a common carrier operation.
4. The demands for additional and expanded service of applicant's shippers indicate there is a need to be filled which will make for more convenient shipping by applicant's customers.
5. No protests have been filed. A public hearing is therefore not necessary.
6. 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 of Law

Public convenience and necessity require that a certificate should be granted for the transportation of general commodities, with certain exceptions, to applicant.

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 California Transport Enterprises, Inc., 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 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 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 operation 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 thirty days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of JULY, 1979.

John E. Byron  
President  
Herbert L. Stegeman  
Raymond D. Hoelle  
Clare J. Delaney  
Lawrence M. Jensen  
Commissioners

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

1. Between all points and places in an area embraced by the following boundary:

Beginning at the point where the southern boundary of Monterey County meets the shoreline of the Pacific Ocean; thence easterly along the southern boundary of Monterey and Kings counties and the northern boundary of Kern County to a point due north of the City of Kernville; thence southeasterly to the City of Barstow; thence southeasterly to the junction of the California-Arizona border and the California-Mexican border near the City of Winterhaven; thence along the California-Mexican border to the shoreline of the Pacific Ocean; thence northwesterly, westerly, northerly and northwesterly along the shoreline of the Pacific Ocean to the point of beginning.

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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, briefcases, 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.
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 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. Portland or similar cements, in bulk or packages, when loaded substantially to capacity of motor vehicle.

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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 construction refrigerator equipment.
12. Explosives subject to U.S. Department of Transportation Regulations governing the transportation of Hazardous Materials.
13. 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.

(END OF APPENDIX A)

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