

Decision No. 91598

APR 15 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of VIKING FREIGHT SYSTEM, INC.)
for an in lieu certificate of)
public convenience and necessity)
to operate as a highway common)
carrier.)

Application No. 59185
(Filed October 5, 1979)
(Amended February 13, 1980)

O P I N I O N

Applicant is a corporation presently operating as a highway common carrier pursuant to a certificate of public convenience and necessity granted by Decision 90746 dated August 28, 1979 in Application 58919. This certificate authorizes the transportation of general commodities within an area bounded generally by Willits and Redding on the north, San Diego and Winterhaven on the south and Colfax on the east. The certificate contains certain operational restrictions.

Applicant has applied herein for a certificate of public convenience and necessity to authorize the transportation of general commodities with the usual restrictions which will extend its existing certificated authority approximately ten miles further north from its present northern terminus at Redding to Project City.

Applicant proposes to provide the service on a daily basis, Monday through Friday. Applicant will provide overnight service between all points within the scope of its certified operations. Saturday, Sunday and holiday service will be available on request.

Applicant is presently a party to Western Motor Tariff Bureau, Inc., Agent, tariff publications as are necessary within the territory covered by the applicant's present certificate, both as to intrastate and interstate and foreign commerce operations. It proposes to participate in the same tariffs for rates and charges in the extended territory proposed to be served.

Applicant's operating equipment includes 276 tractors, 19 trucks, 838 trailers and 283 miscellaneous vehicles. The balance sheet of June 30, 1979 indicates a net worth of \$1,717,269 and current assets of \$3,869,801.

Applicant has been requested by many of its present shippers to provide service to and from their California facilities for shipments moving in interstate and foreign commerce. Applicant proposes to perform the service in both intrastate and interstate and foreign commerce and requests a specific finding that the public convenience and necessity require such service between all points within its presently authorized and extended area.

Applicant presently provides daily service to Redding through its Sacramento terminal. In April, 1980, applicant will begin operation of a terminal at Chico and will in the future pick up and deliver freight at Redding and other northern Sacramento Valley points by means of peddle-run operations out of the Chico terminal.

The ten-mile extension of operating rights requested herein would authorize applicant to serve the rapidly developing commercial and residential area immediately north of Redding. The northernmost point of the extended area is approximately 82 miles from applicant's Chico terminal, and the fact that applicant is presently providing daily peddle service over the longer 162-mile run from Sacramento to Redding indicates that operations from the closer Chico terminal will be less costly.

The present flow of applicant's traffic is predominately in the northbound direction. There are presently 11 accounts located in the proposed expansion area that have expressed a desire for applicant's service. These potential customers ship in excess of 75,000 pounds per week in the southbound direction. A grant of this application would therefore help applicant to balance and improve the efficiency of its operations.

The proposed extension embraces the area adjacent to and immediately to the north of Redding. This area is commercially a part of Redding and is a natural and useful area for expansion of applicant's services. Redding is the Shasta County seat and the largest city in Shasta County, the second fastest growing county in the state. Most of Shasta County's commercial growth has taken place in and around Redding, particularly in the involved expansion area. The population of Shasta County increased 45.8% between 1970 and 1979, and most of this growth took place in Redding and the immediately surrounding area.

Applicant has received requests from many of its existing customers to transport shipments moving in interstate or foreign commerce. Requests for interstate service have come primarily from customers engaged in businesses which involve warehousing and distribution of a wide variety of products. These customers operate warehouse facilities at points throughout applicant's service area. Typically, freight is shipped to these customers' warehouses by rail from points outside of California. A portion of such freight consists of stock to be inventoried at the warehouses and part is consigned at the out-of-state origin for ultimate delivery to points in California beyond the warehouses.

Applicant's customers engaged in warehousing and distribution operations would prefer to combine both the interstate and intrastate shipments for tender to applicant. However, applicant does not hold appropriate interstate operating authority and may not lawfully transport the interstate shipments even though they may be moving between precisely the same points on applicant's lines as the intrastate traffic. Applicant's customers are therefore required to use the services of some other carrier to transport their interstate shipments. Having an additional carrier call increases congestion at these customers' loading and unloading facilities and requires additional time for shipping clerks and warehouse personnel to segregate freight and prepare shipping documents. These customers desire to avoid these problems by

tendering all of their involved interstate and intrastate traffic to applicant, and, according to applicant, prefer its service because of greater speed, reliability and responsiveness to their distribution needs than the services of other carriers. In addition to being able to offer a complete one pickup service to its customers, the ability to carry interstate and intrastate shipments tendered at a common origin would increase applicant's load factors, thus improving the economic and fuel efficiency of applicant's operations.

Applicant presently operates under a certificate which covers broad areas in northern, central and southern California. It is authorized and required as a common carrier to serve a multitude of points located in metropolitan and rural areas. Applicant's financial statements submitted with the application demonstrate that its operations have been profitable in recent years. Moreover, applicant indicates that the authority to serve the additional area will further advantage the public by increasing efficiency and reducing its costs.

A copy of the application has been sent to all highway common carriers with whom the service proposed herein might be competitive; also a copy has been sent to the California Trucking Association. Notice of the filing of the application and its amendment appeared in the Commission's Daily Calendars of October 10, 1979 and February 15, 1980, respectively, and in the Federal Register, issue of October 31, 1979. No protests to the application have been received.

The Commission finds that:

1. Applicant has the experience, equipment and financial resources necessary to institute and maintain the proposed service.
2. Public convenience and necessity require that the applicant be authorized to engage in operations in intrastate commerce as proposed in the application and also require that the 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.

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

4. A public hearing is not necessary.

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

This grant will include all authority held by the applicant under its prior certificate which will be revoked.

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 a 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 cancelled 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 Viking Freight Systems, 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. SS

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 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.

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. 90746, 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 thirty days after the date hereof.

Dated APR 15 1980, at San Francisco, California.

President
Vernon L. Sturgeon

Richard D. Howell

Clayton T. ...

James W. ...
Commissioners

Commissioner John E. Bryson,
being necessarily absent, did
not participate.

Viking Freight System, 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 the San Francisco Territory as described in Note A hereof.
2. Between all points and places in the Los Angeles Basin Territory as described in Note B hereof.
3. Between all points and places in the San Diego Territory as described in Note C hereof.
4. Between all points and places on and within 25 statute miles laterally of the following named highways:
 - a. Interstate Highway 80 between Oakland and Colfax, inclusive.
 - b. State Highway 4 between its intersection with Interstate Highway 80 near Pinole, and Stockton, inclusive.
 - c. Interstate Highway 5 and U.S. Highway 101 between San Diego and Willits, inclusive, except that carrier, pursuant to this authority, shall not serve any point more than 5 statute miles laterally of this route between Healdsburg and Willits.
 - d. State Highway 1 between its intersections with U.S. Highway 101 at Montalvo and Interstate Highway 5 at San Juan Capistrano.
 - e. State Highway 118 between its intersection with State Highway 26 near Ventura, and Chatsworth, inclusive.

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- f. State Highway 99 between Red Bluff and Wheeler Ridge and Interstate Highway 5 between Wheeler Ridge and San Fernando, inclusive, except that carrier, pursuant to this authority, shall not serve any point more than five statute miles easterly of this route between Bakersfield and San Fernando.
- g. State Highway 33 between Banta and its junction with State Highway 166 at Maricopa, thence via State Highway 166 to its junction with State Highway 99 at Mettler, inclusive.
- h. Interstate Highway 15 between Temecula and San Diego, inclusive.
- i. State Highway 60 between the eastern boundary of the Los Angeles Basin Territory and Beaumont and Interstate Highway 10 between Beaumont and Blythe, inclusive, except that between Indio and Blythe, service on or within 25 statute miles laterally of Interstate Highway 10 is restricted to shipments weighing 20,000 pounds or more (truckload lots).
- j. Interstate Highway 10 between Redlands and Indio and State Highway 86 between Indio and Calexico, inclusive, except that no service is authorized to any point north of the northerly boundary of the Los Angeles Basin Territory.
- k. Interstate Highway 8 between Bostonia and Winterhaven, inclusive.
- l. Interstate Highway 40 between Barstow and Needles, inclusive (See restriction below).

- m. San Bernardino County Road designated "National Trails Highway," from its junction with Interstate Highway 40 at Ludlow to its junction with Interstate Highway 40 at Fenner, via Amboy and Essex.
- n. U.S. Highway 395 between Independence and its junction with State Highway 14 north of Inyokern, inclusive, restricted to shipments weighing 20,000 pounds or more (truckload lots). (See restriction below.)

RESTRICTION: No service is authorized to, from or between Intermediate points on Interstate Highways 15 and 40 between San Bernardino and Newberry, nor on State Highway 14 between San Fernando and its junction with U.S. Highway 395 north of Inyokern, nor on any other highways not named herein.

- o. State Highways 33 and 119 between Ventura and Greenfield, inclusive, including the off-route points of Santa Paula and Fillmore.
- p. State Highway 140 between Merced and Mariposa, inclusive.
- q. State Highway 49 between Mariposa and Grass Valley, inclusive, except that carrier pursuant to this authority shall not serve any point more than five statute miles easterly of this route.
- r. State Highway 20 between its intersection with State Highway 99 at Yuba City and Grass Valley, inclusive.
- s. State Highway 20 between Vallejo and Upper Lake, inclusive.
- t. State Highway 20 between its intersection with Interstate Highway 5 near Williams and its intersection with U.S. Highway 101 near Calpella.

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- u. Interstate Highway 5 between Sacramento and Project City, inclusive.

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.

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. Logs.
8. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
9. Telephone Directories.

NOTE 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 Company 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

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NOTE A (continued)

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 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 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;

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NOTE B (continued)

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 C

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)