

Decision No. 12692

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
CITY TRANSFER AND STORAGE COMPANY,
a corporation, for certificate of
public convenience and necessity to
operate auto truck service between
Long Beach and Wilmington and San
Pedro.

ORIGINAL

Application No. 9336

Wilbur F. Downs and H. N. Blair for Applicant.
C. W. Cornell and A. E. Norrbom for Pacific
Electric Railway, Protestant.
L. R. Zimmerman for Southern Pacific Railway,
Protestant.

BY THE COMMISSION:

O P I N I O N

City Transfer and Storage Company, a corporation,
of Long Beach, has made application to the Railroad Commis-
sion for a certificate of public convenience and necessity
to operate auto truck service between Long Beach and Wilming-
ton and San Pedro, portions of the city of Los Angeles.

A public hearing herein was conducted by Examiner
Williams at Long Beach.

Applicant is an authorized carrier between Long Beach
and Los Angeles and does a general trucking and baggage hauling
business within the city of Long Beach and between Long Beach
and Los Angeles city proper. According to its showing in the
present application, applicant has been transporting freight
as a trucking company, and without certificate, between Wil-
mington and San Pedro and Long Beach, since 1916. According
to its Exhibit No. 1 filed at the hearing, it transported 2979
tons in 1916, 1298 tons in 1917, 1355 tons in 1918, 1615 tons

in 1919, 2266 tons in 1920, 2999 tons in 1921, 7319 tons in 1922, and for the first eight months of 1923, 2185 tons. Applicant explains that this was largely contract work, involving the moving of large quantities of pipe and building material from the wharves at Wilmington and San Pedro to the city of Long Beach. Applicant explained that it had not regarded its business as a utility business, but that demand was becoming so constant upon it for service between the points named that it wished to establish a daily schedule between the points, at fixed rates, in order to place this portion of its business on a utility basis the same as its traffic between Long Beach and Los Angeles.

Applicant proposes a service leaving Long Beach daily at 1:00 P.M., reaching Wilmington at 1:30 P.M., leaving Wilmington at 2:00 P.M. and reaching San Pedro at 3:00 P.M., and returning from San Pedro at 5:00 P.M., and reaching Long Beach at 6:30 P.M. The route to be used between the cities is the Anaheim Road and the Los Angeles Harbor Boulevard. J.E. Meldrim testified that the applicant has been operating since 1915 and that it has been called upon to haul large tonnage from harbor points to Long Beach practically every month since that time, and that one of its customers was the City of Long Beach which received large tonnage for public improvements. Mr. Meldrim stated that there is available for this service 32 trucks and 17 trailers, and that the offer of service includes this equipment or any additional equipment that may be necessary. He also testified that the schedule of rates proposed in the application (Exhibit "A") is less than the rates that have been charged on the frequent service performed in the past.

Applicant was supported in the matter of necessity and convenience for the service, by Henry Robinett, manager of the

Sanitary Plumbing Company of Long Beach; Frank E. Welsh, manager of the Woolworth Department Store; C. C. Lord, sporting goods, stationery and toys; F. E. Cannon, candy manufacturer; F. O. Lantz, president of The F. O. Lantz Electrical Company; W. B. Chestnut, Goodyear Rubber Company; Harry Galbreath, Baffum Mercantile Company; W. L. Frazer, general contractor; Clyde Robinson, manager of The Wall Company, and H.M. Murray, traffic manager of The Curtis Corporation, all industries of Long Beach. Their unanimous opinion as to necessity for the establishment of a service, was based on the congested condition of traffic at the harbor and the ability of truck operation for a short distance to bring shipments expeditiously, which they maintained the protesting rail carriers could not do. It was pointed out that much of the traffic destined for Long Beach must go to Los Angeles and be returned to Long Beach. They were united in the opinion that the average period lapsing between transmission of a shipment by rail from San Pedro or Wilmington to Long Beach is about seven days, and that the average by auto truck is two days. There was also objection on the part of witnesses to the deliveries of the protesting rail carriers at Long Beach, it being found that often the congestion at Long Beach freight terminals was so great that the consignments could not be taken from the cars for many hours.

Protesting rail lines objected to the application on the ground that it was based upon a continued illegal operation between these termini, and over regular route, in violation of Chapter 213, Acts of 1917, as amended. Neither protestant, however, showed that it had ever made complaint to this Commission of such alleged illegal operation.

Protestant Pacific Electric Railway maintains a regular night train between San Pedro and Wilmington and Long Beach. Through Willis Osborn, agent for protestant at Long Beach, it was explained that while there had been difficulties about freight deliveries the facilities are to be largely increased. While this protestant has a direct service and sometimes uses an electric locomotive for emergency deliveries, a large share of its shipments are sent by way of Los Angeles, involving considerable loss of time.

R. S. Fisher, District Freight Agent of the Southern Pacific Railway, Protestant, testified that a freight service leaving Wilmington and San Pedro each morning and leaving Long Beach each day at noon, is maintained, and that so far as he knew there had been no complaint as to the adequacy of the service.

The rates of the rail carriers are much less than those proposed by applicant - in some instances being less than one-third of the rates offered by applicant. These rates, however, do not include transportation to the depots at either of the three points involved, nor delivery from them, a service which is included in the rates proposed by applicant.

It is apparent from the testimony that the industrial businesses of Long Beach need the services of an authorized truck common carrier in the matter of expeditious delivery of freight between the harbor points and Long Beach. According to the testimony, the traffic between these points is almost wholly in one direction, and that destined from Long Beach for shipment is only a fraction of the whole. While applicant technically may have invaded the domain of regulated utility business by his previous

service, we do not believe it would be just to deny the application in view of the real need shown by the industrial interests of Long Beach, in the testimony given at the hearing, and from satisfaction with the service heretofore performed by this applicant under the mistaken belief that he was performing a non-utility business. Applicant made no claim of prescriptive right, and claimed that the large tonnage shown was due to the immense cargoes of building material which, under contract, were hauled each month.

We are of the opinion and hereby find as a fact, based upon the evidence presented in the present proceeding, that public convenience and necessity require the transportation of commodities, by auto truck, between Wilmington, San Pedro and Long Beach, and that applicant, being the only auto carrier offering to perform such service, should be granted the certificate herein applied for.

O R D E R

City Transfer and Storage Company, a corporation, having made application to the Railroad Commission for a certificate of public convenience and necessity to operate auto freight service between Long Beach and Wilmington and San Pedro (portions of the City of Los Angeles), a public hearing having been held, matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation of auto truck freight service between Wilmington, San Pedro and Long Beach, over and along the following route:

Anaheim Road and Los Angeles Harbor Boulevard,
and that a certificate of public convenience and necessity be

and the same hereby is granted, subject to the following conditions:

- I. - That applicant, City Transfer and Storage Company, a corporation, shall file within fifteen (15) days with this Commission, its written stipulation accepting the certificate herein granted.
- II. - That applicant, City Transfer and Storage Company, shall file within twenty (20) days from the date hereof, duplicate tariff of rates and time schedules, in accordance with General Order No. 51 of the Railroad Commission, and that operation of such service shall begin within a period of thirty (30) days from the date hereof.
- III. - That applicant, City Transfer and Storage Company, shall not sell, lease, assign, or discontinue the service herein authorized, unless such sale, lease, assignment, or discontinuance shall have been authorized by the Railroad Commission.
- IV. - That no vehicle shall be operated by applicant unless such vehicles are owned by said applicant, or are leased under an agreement satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 13th

day of October, 1923.

C. Seavey

Irving Martin

J. T. Whittier
Commissioners.