

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of J. C. HAYDEN for certificate of public convenience and necessity to operate auto freight truck service between Newport, Balboa, Santa Ana, Anaheim, Fullerton, Corona, Riverside, Colton, San Bernardino, Redlands and intermediate points.

Application No. 9252

In the Matter of the Application of
HODGE TRANSPORTATION SYSTEM, a Cor-
poration for certificate of public
convenience and necessity to extend
present Motor Freight Service into
Newport and Balboa via Santa Ana,
California.

Application No. 9482

Harry N. Blair for Hodge Transportation System,
and J. C. Hayden, Applicants.
W. E. Idby for S. B. Cowan and Rex Transfer
Company, Protestants.
L. C. Zimmerman for Southern Pacific Railway,
Protestant.
T. A. Woods for American Railway Express, Protestant.
B. E. Wedekind for Pacific Electric Railway, Protestant.

BY THE COMMISSION:

O P I N I O N

J. C. Hayden has made application to the Railroad Commission for a certificate of public convenience and necessity to operate auto freight truck service between Newport, Balboa, Santa Ana, Anaheim, Fullerton, Corona, Riverside, Colton, San Bernardino, Redlands and intermediate points.

Hodge Transportation System, a Corporation, has made application to the Railroad Commission for a certificate of public convenience and necessity to extend present Motor Freight

Service into Newport and Balboa via Santa Ana, California.

Public hearings herein were conducted by Examiner Williams at Santa Ana and Los Angeles.

At the hearing held in Santa Ana applicant Hayden moved to withdraw his application in favor of applicant Hodge Transportation System, giving as his reason that further study of the obligations the operator would be under and the equipment necessary, convinced him that the enterprise was larger than he had calculated when his application was filed and the responsibility too great for him to assume. He further stated that he wished to support the application of applicant Hodge Transportation System because he believed it was about the only carrier in a position to furnish the service necessary to meet the traffic conditions.

Testifying in support of applicant Hodge Transportation System, Hayden stated that he had before filing his own application transported ninety-three tons of lumber; ninety-five tons of copper wire and forty-seven tons of pineapple from San Pedro to Newport by barge and from Newport to Santa Ana by truck. This method he said was necessary because Newport Harbor is not a port of entry and barges may receive shipments at the ship side more readily than from the wharves. Hayden further testified that he had been assured by an investigation among shippers in the cities of Orange County of a very large tonnage which would be directed to the port at San Pedro and that while the test operation, as conducted by him, was not profitable he believed it could be made profitable upon a better organized basis and with more abundant facilities. He also had the co-operation of the Orange County Harbor Chamber of Commerce, an association of several Chambers of Commerce of municipalities, which is stimulating the effort to improve Newport Harbor and ultimately making it a port of entry for ships of moderate draft.

There was also filed in connection with this proceeding resolutions adopted by this organization urging that the application of Hayden be granted as a necessary method of establishing barge service from San Pedro Harbor.

At the hearing at Los Angeles, George Witty, water superintendent of Fullerton and Walter Wray, water superintendent of Santa Ana and George S. Richardson, water superintendent of Orange testified that each city receives large consignments of iron, water and sewer pipe (several thousand tons annually) which is shipped from Birmingham, Alabama, to Mobile and thence by water to San Pedro. Shipments have been delayed in transportation from the harbor due to congestion and often required nearly thirty days for delivery in the cities after arrival at the harbor. Witnesses said they had sought to avoid this delay by using their own or hired trucks to transport shipments direct from the wharves. Each testified that the service proposed by applicant Hodge Transportation System would be useful and would be used by such cities.

Donald J. Dodge, fruit grower at Costa Mesa testified that about 600 to 800 acres of apples produced about 25,000 boxes which are sent from packing house to Santa Ana for cold storage. Dodge is manager of the apple packing house at Costa Mesa and testified that the service proposed by applicant Hodge Transportation System would be a benefit to the growers and shippers for the reason that the packed crop could be moved direct from packing house to cold storage or other markets without rehandling, as would be necessary if shipped by rail.

Harry Welch, Secretary of the Orange County Harbor Chamber of Commerce, testified that this organization exists for the sole purpose of developing a fairly deep water harbor at Newport and that over \$500,000 has already been expended in harbor developments.

including dredging and industrial development. In addition Orange County proposes to ask support of the voters for a bond issue of \$1,000,000 to further develop the harbor region.

George T. Peabody, manager of the Parkinson Syndicate testified that this company has done extensive dredging in order to prepare 15,000 lineal feet of harbor frontage for industrial purposes. He testified that with sufficient draft for ordinary marine traffic many industries would welcome the opportunity to locate in the region of Newport Harbor. This witness testified that he and others encouraged the service tried out by Hayden and that at that time there was a reasonable assurance of about 3000 tons each month for such an operation. The witness estimated that the business could be profitably done at about \$1.20 per ton from ship side at San Pedro to destination at Santa Ana or environs. The witness testified that the making of a harbor at Newport meant opening a new method of access to a population of approximately 250,000, of which 80,000 are in Orange County and the remainder east of Ontario and north of Santa Ana.

F. M. Hodge, President of the Hodge Transportation System testified that he had made application and stood ready to establish barge service between San Pedro and Newport and truck service from Newport, Balboa and Costa Mesa to Santa Ana and thence to other portions of his system. The method would save about twenty miles transportation and in a general way a proportionate saving in transportation rates, particularly as to Orange County points. The witness cited fertilizer as an example. About 20,000 tons of this commodity a year are brought into Orange County and this could be barged from the ship side to Newport at not to exceed 60¢ per ton, which is the same charge made at San Pedro for handling cargoes from the ships to the

wharves. In addition to the movement from the harbor to Newport Mr. Hodge testified that there was available a very large tonnage from Orange County points to the harbor, particularly in citrus fruit, apples and sugar, all moving in quantities in excess of three tons, which is the minimum proposed by applicant. Mr. Hodge stated that the Hodge Transportation System would accept a franchise, effective only when a barge system between San Pedro and Newport has been established.

J. C. Metzgar, Secretary of the Santa Ana Chamber of Commerce testified that this organization is in thorough accord with the development of Newport Harbor and that it supports the establishment of transportation service by truck between the harbor and Santa Ana and Orange County points as a genuine public need and benefit.

Protestant Southern Pacific Railway Company introduced no testimony, but confined its opposition to cross-examining witnesses. From these witnesses it was apparent that the service maintained by the Southern Pacific Railway Company was efficient as far as it went but was not adequate as between the harbor and Orange County points. According to witness Peabody the service of the Southern Pacific Railway Company has been perfunctory ever since the line was acquired by this carrier and freight diverted to San Pedro and other points.

Protest of Rex Transfer Company was withdrawn early in the hearing. Protestant S. B. Cowan has the interest of an applicant for a certificate (Application No. 9232) to transport freight from Long Beach and San Pedro and Wilmington to Santa Ana and Orange County points, but we believe the determination of the instant application will not interfere with the proper determination of his showing. Protestant American Railway Express did not offer any testimony.

From all the testimony submitted it appears that the commercial and civic bodies of Orange County are united in developing Newport Harbor as a new point of access for freight transportation to and from Southern California and that the large industrial life of Orange and adjacent counties requires the most rapid facilities for transportation in order to meet the press of competition and prompt business dealing. During the pre-development stage the service proposed by applicant - conditioned of course upon his establishing a barge service coincident with his establishment of truck service - seems to respond to the expressed needs of the communities as shown in the record and we believe that the application should be granted.

O R D E R

J. C. Hayden, having made application to the Railroad Commission for a certificate of public convenience and necessity to operate auto freight truck service between Newport, Balboa, Santa Ana, Anaheim, Fullerton, Corona, Riverside, Colton, San Bernardino, Redlands and intermediate points, a public hearing having been held at which hearing applicant appeared and moved to withdraw his application and it appearing that such motion should be granted,

IT IS HEREBY ORDERED that said application be and it hereby is dismissed.

Hodge Transportation System, a Corporation, having made application to the Railroad Commission for a certificate of public convenience and necessity to extend present Motor Freight Service into Newport and Balboa via Santa Ana, California, a public hearing having been held, the matter having been duly sub-

mitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require the operation proposed by applicant over and along the following route;

Main county road between Newport Beach City,
Costa Mesa and Santa Ana and five (5) miles
laterally on either side thereof,

as a part of and in conjunction with applicants existing service over routes four and seven only, and only as to such commodities as he is authorized to transport over such routes, and that a certificate of public convenience and necessity therefor be and the same hereby is granted subject to the following conditions:-

- I. -- This order shall not be effective until such time as there has been established between San Pedro Harbor and Newport Beach a system of barge transportation for freight, and applicant herein is instructed before commencing operation to file with this Commission satisfactory evidence that said barge service is, or will be immediately, established.
- II. -- That applicant, Hodge Transportation System, a corporation, shall file within fifteen (15) days with this Commission, its written stipulation accepting the certificate herein granted.
- III. -- That applicant, Hodge Transportation System, a corporation, 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 the period as herein above provided.

- IV. -- That applicant Hodge Transportation System, a corporation, 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.
- V. -- 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
day of December, 1923.

Charles

H. K. Burdick

Living Martin

Essex Shore

L. T. Whittey

Commissioners