

ORIGINAL

Decision No. 11595

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of JOS. K. HAWKINS for a certifi-)
cate of public convenience and)
necessity to operate auto truck)
freight transportation service)
between Los Angeles and Verde-)
mont, Devore, Mountain View Camp,)
Camp Cajon, Summit, Miller's)
Station, Victorville, Oro Grande,)
and stores and ranches interme-)
diate Verdemon to Oro Grande.)

APPLICATION NO. 10170

In the Matter of the Application)
of C. M. BULLOCK for certificate)
of public convenience and neces-)
sity to operate freight truck)
service as an extension of pres-)
ent service between Victorville)
and Los Angeles, serving inter-)
mediate points north of San Ber-)
nardino.)

APPLICATION NO. 10178

In the Matter of the Application)
of K. M. STEVENSON for certifi-)
cate of public convenience and)
necessity to operate freight)
truck service between Los Angeles)
and Victorville and farming sec-)
tions adjacent and between Colton)
and Victorville, also between)
Eureka Quarry and Victorville.)

APPLICATION NO. 10195

In the Matter of the Application)
of ROBERT M. KELLEY for certifi-)
cate of public convenience and)
necessity to operate freight)
truck service between Los Angeles)
and Victorville and Oro Grande.)

APPLICATION NO. 10198

Phil Jacobson, for Jos. K. Hawkins, Applicant, and Rex Transfer Company, Protestant in Applications Nos. 10178, 10195, 10198.

C. E. Tribit, Jr., for C. M. Bullock, Applicant, and Service Motor Express, Protestant in Applications Nos. 10170, 10195, 10198.

Trent Penland, for K. M. Stevenson, Applicant.

Robert M. Kelley, Applicant, in Propria Persona.

E. T. Lucey, for Atchison, Topeka & Santa Fe Railway, Protestant.

E. E. Bennett, for Union Pacific Railway, Protestant.

F. M. Hodge, for Hodge Transportation System, Protestant.

T. A. Woods, for American Railway Express, Protestant.

BY THE COMMISSION:

O P I N I O N

In the above numbered applications each of the applicants asks a certificate of public convenience and necessity to conduct a freight truck service between Los Angeles and Victorville. Applicant Hawkins asks authority to render service to all points north of San Bernardino, to and including Victorville and Oro Grande. Applicant Stevenson proposes in his application (as amended) to operate between Los Angeles and Victorville and points 10 miles north of Victorville and 30 miles east and west thereof. Applicant Kelley proposes to operate between Los Angeles and Victorville and Oro Grande. Applicant Bullock, maintaining, at that time, truck service between San Bernardino and Victorville under

authority of this Commission, asks permission to extend his service from San Bernardino to Los Angeles and thus accomplish delivery between Los Angeles and points north of San Bernardino.

Public hearings herein were conducted by Examiner Williams at Los Angeles and Victorville, at which time all the applications were, by stipulation of the parties, consolidated for the purpose of receiving testimony and for decision.

Since the hearings were concluded applicant Stevenson, with the approval of this Commission, has purchased and now is operating the service formerly conducted by applicant Bullock between San Bernardino and Victorville.

The applications were filed almost simultaneously and represent an effort on the part of applicants to perform not only an alleged necessary service to Victorville, but also to dairying interests in and about Victorville. The operations were predicated upon the transportation of a large volume of milk and cream from the Victor Valley, and a back haul of merchandise, building material, oil and other commodities from Los Angeles to Victorville.

A. M. Henderson, secretary of the Henry Creamery Company of Los Angeles, testified that plans were being made to develop a large dairying area in the Victorville region because that region is productive of alfalfa and forage for cattle, and because the economic necessities involved in the production of milk are requiring a constant recession of the industry from the higher priced areas near Los Angeles, a great milk market, to areas of cheaper land. This necessarily

requires expedited service between producers and creamery men, and witness expressed the belief that such expedited service at uniform rates must be acquired by truck pick-up and delivery service, and not by the usual rail methods. This witness further testified that plans for the development of this region included several dairy farms, with probably a total of 800 cows, and that he himself expected to require service for the transportation of approximately 2400 gallons, or 240 cans, of milk daily. Witness estimated the number of cows upon the hay production now available in the Victorville region. He also testified that Los Angeles presents a most inviting market because of the high price paid to producers for butter fat.

Additional testimony as to the need of service was given by Warren E. Allee, manager of the Ihmsen ranch, who testified that ranchers in the valley must go into the dairying industry not only to provide an outlet for their alfalfa, but to establish profitable ranch operations. He testified that truck service with ranch pick-up and creamery delivery was needed.

Applicant Hawkins, who conducts a large business in the transportation of milk and cream from the Pomona region, testified that he had been asked by several Los Angeles creameries to provide facilities for the movement of dairy products from Victorville, the creameries having been informed that a Mr. Higgins was promoting a large dairying region along the Mojave River, with Bryman as the central point. Other witnesses testified that this promotion was being made, but there

was no positive testimony that dairymen had been induced to enter this region and establish a milk output. In fact, the testimony seems quite clear that the dairy industry in the section adjacent to Victorville is small, the largest dairy having but 15 cows, and that the shipments consist chiefly of cream.

Applicants did not produce much testimony in reference to the milk haul, as at the time of the hearings herein such farm products, picked up at ranches, were regarded as products of husbandry and the transportation thereof exempt from regulation under amendment to the Auto Stage and Truck Transportation Act (Section 5, Chapter 310, Statutes of 1923, known as the Crittenden bill, recently declared invalid by the California Supreme Court). The showing as to the need of a milk carrier from this region was more or less incidental to the other necessities alleged by applicants.

Most of the witnesses produced by applicants testified in regard to the hauling of other commodities. These witnesses included Earl C. Thompson, manager of the Hayward Lumber Company, Claude G. Goodrich, garage owner, Harry Coligny, fruits and produce, Robert P. Turner, general store, Walter G. Roberts, meat market, Glenn H. Clelland, restaurant, Sam E. Goodman, manager of the Union Oil Company, Oscar J. McKinney, general merchandise, all of Victorville, and Ralph Rambo, traffic manager of Zellerbach Paper Company, Los Angeles. These witnesses testified that they require transportation of shipments, some having as much as 20 tons a

month and others only a few hundred pounds. All of the movements described by these witnesses are from Los Angeles to Victorville. Much of the tonnage so moved has been transported by applicant Stevenson and all of the witnesses testified that his service has been good.

In addition to these witnesses, applicants introduced Wiley E. Tussing, a ranch owner near Victorville, Robert L. Palmer, rancher and dairyman, Theodore A. Lee, rancher at Adelanto, and Tom Anderson, restaurant, Oro Grande, as to the need of pick-up truck service at ranches and direct delivery to Los Angeles. Commodities shipped from the ranches are fruits in boxes, and hay and other farm products. Each witness also testified to the need of buying at Los Angeles and having the purchases transported by pick-up at Los Angeles, with ranch delivery.

All of the applicants adopted the same classification as to all commodities. Under this classification fresh milk in standard containers is subject to a first-class rate. Return of empty cans also takes a first class rate. Milk averages about 8.6 pounds to the gallon and a standard container holds 10 gallons. As the rates of applicants vary from 75 cents first class at Victorville to \$1.05 per 100 pounds, milk would accordingly take a very high transportation charge, greatly in excess of the rates now available to shippers by American Railway Express and freight. It was the testimony of Mr. Palmer that the milk he is now shipping by express from Victorville carries a rate of 42 cents a can. Transportation of all milk involves delivery from ranch to rail points and return of empty cans.

From the testimony produced by applicants, it is apparent that there is a demand for truck service from many of the business men and ranchers in Victorville and vicinity. At present farm products shipped by rail must be brought to the stations, chiefly Victorville and Oro Grande, and it is the testimony of witnesses that this is expensive and that the freight movement is slow. As to the milk movement, witnesses testified that the only train available for the shipment of milk left Victorville at 3:30 a. m. and that this is not adaptable to the convenience of dairy production. A service at 6:00 a. m., witnesses said, would carry the milk through the heat of the day, which was undesirable, especially if a truck movement conducted during the night could be made available. Witnesses testified that while there was frequent service over both rail lines, much of it was not available to them and required delivery from the terminals at Los Angeles or a haul from the terminals at other points.

We believe the record shows a need for truck service in the agricultural and horticultural districts in the zone described by applicant Stevenson, as most of it is without railroad facilities within reasonable distance. This is not true of points south of Hesperia. This applicant's offer to serve appears satisfactory as to Victorville and vicinity, but his rate schedule, in so far as it provides rates beyond Victorville, should be amended. For deliveries to points north, east or west of Victorville, he proposes a charge of 50 cents per truck mile. As applicant stipulated he would haul not more than three tons from one consignor to one con--

signee between Los Angeles and Victorville, and as the additional zone charge, if multiplied by a number of small consignments to different places along the same route, would produce an unreasonably high charge on each, applicant should substitute a rate, based on a charge of 50 cents per truck mile, that may be divided, by weight and distance, among any number of shipments.

As applicant Stevenson offers what we believe to be operative ability and equipment superior to that offered by other applicants, and as he has since the hearing herein, with the consent of this Commission, acquired the operative rights of applicant Bullock, and as transportation of products and implements of husbandry moving from or to farms is no longer exempt from regulation by this Commission, we hereby find as a fact, based upon the record herein, that public convenience and necessity require the service proposed by applicant Stevenson and that a certificate therefor should be granted. An order will be so entered. For the reasons stated, the other applications herein will be denied.

O R D E R

Jos. K. Hawkins having made application to the Railroad Commission for a certificate of public convenience and necessity to operate auto truck freight service between Los Angeles and Victorville and certain intermediate points, a public hearing having been held, the 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 do not
require the service proposed by applicant herein, and

IT IS HEREBY ORDERED that the application be and
the same hereby is denied.

C. M. Bullock having made application to the Rail-
road Commission for a certificate of public convenience and
necessity to operate freight truck service between Victor-
ville and Los Angeles and certain intermediate points, a
public hearing having been held, the 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 do not
require the service proposed by applicant herein, and

IT IS HEREBY ORDERED that the application be and
the same hereby is denied.

Robert M. Kelley having made application to the
Railroad Commission for a certificate of public convenience
and necessity to operate freight truck service between Los
Angeles and Victorville and certain intermediate points, a
public hearing having been held, the 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 do not
require the service proposed by applicant herein, and

IT IS HEREBY ORDERED that the application be and
the same hereby is denied.

K. M. Stevenson having made application to the Railroad Commission for a certificate of public convenience and necessity to operate freight truck service between Los Angeles and Victorville and the farming section 10 miles north and 30 miles east and west of Victorville, a public hearing having been held, the 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 service proposed by applicant for the transportation of freight in quantities of not more than three tons from any one consignor to any one consignee, between Los Angeles and Victorville, without intermediates, and between Victorville and points 10 miles north or 30 miles east and west thereof, all points to be north of a line drawn east and west through Hesperia, over and along the following route:

From Victorville via State highway to Colton,
thence via Valley Boulevard to Los Angeles; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and the same hereby is granted, subject to the following conditions:

- I. Applicant shall file with this Commission, within twenty (20) days from the date hereof, his written acceptance of the certificate herein granted; shall file, in duplicate, time schedules and tariff of rates identical with those as set forth in Exhibits attached to the application herein, with modifications as indicated in the opinion and order preceding, within a period of not to exceed twenty (20) days from date hereof, and shall commence operation of the service hereby authorized within a period of not to exceed thirty (30) days from date hereof.

- II. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.
- III. No vehicle may be operated by applicant under the authority hereby granted unless such vehicle is owned or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 1th
day of November 1925.

H. B. Brandice
C. C. Bauer
George D. Tamm
Edward C. ...

Commissioners.