

Decision No. 116079

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application )  
of F. M. HODGE, L. E. MERSEON and )  
H. A. ROSE for certificate of pub- )  
lic convenience and necessity to )  
extend present motor freight serv- )  
ice into Riverdale via Goshen. )  
California, from or to Los Angeles)

APPLICATION NO. 10665

Devlin & Brookman, by Douglas Brookman, for  
Applicants.

F. W. Mielke, for Southern Pacific Company,  
Protestant.

Edward Stern and George S. Reed, for American  
Railway Express, Protestant.

E. T. Lucey and N. E. Asp, for Atchison, Topeka  
& Santa Fe Railway Company, Protestant.

J. W. Guiberson, for Kings County Chamber of  
Commerce, Protestant.

F. C. Carroll, for Corcoran Chamber of Commerce,  
Protestant.

W. R. McKay, for Supervisors of Kings County,  
Protestants.

BY THE COMMISSION:

#### O P I N I O N

F. M. Hodge, L. E. Merseon and H. A. Rose, co-partners  
operating under the fictitious name of San Joaquin Valley Trans-  
portation Company, have made application to the Railroad Commis-  
sion for a certificate of public convenience and necessity to  
operate motor freight service between Riverdale, Fresno County,  
and Goshen Junction, Tulare County, as an extension of their pres-

ent operative rights, with no intermediate service.

By amendment to the application filed prior to hearing, authority was requested to extend service of applicants to all points on the State highway located between Tulare and Delano, and from highway proposed to be traversed, points five miles interior therefrom when point of origin or destination is Los Angeles, and when shipments are offered in capacity-load quantities. Applicants also requested authority to route loaded trucks, regardless of contents, over the State highway between Tulare and Delano when such shipments originate at Tulare or points north of Tulare and are destined to Delano or points south of Delano, or the reverse. Applicants also asked that capacity-load rates between Tulare and Los Angeles be made to apply to and from all places intermediate between Tulare and Delano, or five miles interior from the highway traversed, when destined to or from Los Angeles.

Public hearings on the application herein were conducted by Examiner Williams at Hanford and Tulare.

Testimony as to convenience and necessity of this service was given by A. D. McKean, general merchant, Riverdale; E. L. Julien, Vice-President of the First National Bank of Riverdale; J. E. A. Jorgenson, general manager of the Riverdale Co-operative Creamery and the Dairymen's Co-operative Creamery at Tulare; Luther Fritz, garage proprietor; G. W. Sheesby, L. E. Bryon, Jr., and D. B. Badasci, general merchant, all of Riverdale.

These witnesses based their support of the application herein largely upon the need of the direct over-night service proposed by applicants. They testified that they believed such

service would enlarge their buying range and bring about more prompt deliveries; that they could not now purchase in competitive markets because of the long delay involved in transporting their purchases from Los Angeles; that three or more days were required by the facilities now offered by protestants, and that delivery direct to their places of business would be a decided advantage over rail deliveries at terminals.

Satisfactory transportation facilities for the movement of creamery products was the need emphasized by the majority of the witnesses. Mr. McKean testified that he does not receive many shipments from Los Angeles, chiefly because San Francisco rates attract business to that point. He testified that truck service was needed, particularly for creamery products, which require quick delivery to the Los Angeles market. Mr. Julien, appearing as a representative of the community, testified that the rail service now available was a branch line service via Armona and required two changes to reach the main line. He further testified that he himself would have no truck shipments, that he is not in any way interested in the creamery business, but believed the community would be benefited by the service proposed by applicants.

Mr. Jorgenson testified that he now has a lease on a truck from applicants and in this manner transports creamery products, particularly cream, to Los Angeles. He testified that formerly he had to haul milk 14 miles to Lemoore. Delivery by truck to Los Angeles he described as satisfactory, the service beginning at 2:00 p. m. at Riverdale each day and delivery being accomplished to the satisfaction of the various consignees in Los Angeles early on the following day. Witness testified that

he would use back-haul service if it were available. On account of the necessity for quick delivery of milk to the pasteurization plants at Los Angeles, which must be accomplished within thirty-six hours after it is taken from the cows, witness testified that he regarded truck service as essential to the successful marketing of products of the Riverdale creamery. He testified that the shipments moved from the creameries managed by him at Riverdale and Tulare averaged from 15 to 20 tons per day.

Other witnesses testified that they would do a large share of their buying in Los Angeles if transportation facilities more satisfactory than the existing branch line service were available, and expressed the belief that applicants' service would be largely used for telephone and telegraph emergency orders. Mr. Badasci, who has been a merchant at Riverdale for the past twelve years, testified that he buys five or six shipments a week in Los Angeles, each weighing 100 pounds or more, and that four or five days usually elapse between the time the order is placed and its receipt by freight. He estimated practically the same period of time for express shipments and testified that rapid transportation by an over-night service was necessary to merchants of his class in communities such as the one in which his business is conducted, because they do not carry large stocks and must have constant replenishment.

In support of applicants' proposed service between Tulare and Delano, and five miles on either side of the route traversed, Hugh G. Asselstine, manager of the Alfred Ice Cream Company's branch at Tipton, and Russell L. Skean of the Crescent Creamery at Page, 4½ miles west of the route of applicants, were examined. Each ships milk and cream to Los Angeles. The Alfred shipments

now move by rail express. The Crescent shipments have been hauled by applicants, but as there is some question as to whether such service is within the scope of previous authority, applicants seek a certificate. The Crescent Creamery ships 100 cans of cream daily. There is no express station at Page. There was no proof as to the need of the other service proposed, and protestants Southern Pacific Company and American Railway Express, by the testimony of E. B. Huse of Earlimart, E. R. Davis of Tipton and E. E. Taylor and J. K. Jones of Pixley, all merchants, showed that rail freight and express service is adequate for their purposes.

Outside of the testimony of F. M. Hodge in behalf of applicants, there was no showing of necessity for re-routing loaded trucks over the State highway between Tulare and Delano, for truckloads, regardless of commodity, originating in or destined to points north of Tulare or south of Delano, but protestants made no opposition to this request. It seems to be a mere operating convenience, of advantage to shipper and utility alike in time-saving.

It appears from the record herein that Riverdale, a small community having a population of less than 400, is somewhat remote from the main line of applicants. This community would furnish to applicants practically no southbound haul except milk, cream and other dairy products to the amount of several tons daily. Milk is produced in very large quantities in the neighborhood of Riverdale and the industry looks to the creamery at Riverdale for the purchase of its product. The creamery in turn looks to the Los Angeles market largely for the consumption of its product. It appears, therefore, that the establishment of a truck service between the creamery at Riverdale and the creameries at Los Angeles, with more rapid and more direct delivery than

is now afforded by railroad service, would be beneficial to the community and its environs. In addition, we have the testimony of a number of business men of Riverdale that they desire the purchasing range which overnight service into Los Angeles will provide, and that, while their purchases and shipments from this city are not now great, they would be enlarged if better transportation facilities were provided. Riverdale is served daily by rail freight service from Fresno, but this freight must be consolidated, via Hardwick on the main line, at Goshen Junction, or must be transported to and from Fresno. The rail facilities, we believe, do not offer the advantages which applicants offer in their proposed service. As to rates, applicants' rates are higher than those of rail freight lines and lower than those of American Railway Express.

We therefore find as a fact, upon the record herein, that public convenience and necessity require the extension of the service now maintained by applicants between Los Angeles and Fresno and intermediate points, from Goshen Junction to Riverdale. An order accordingly will be entered.

#### O R D E R

F. M. Hodge, L. E. Morshon and H. A. Rose, co-partners operating under the fictitious name of "San Joaquin Valley Transportation Company", having made application to the Railroad Commission for a certificate of public convenience and necessity to extend their present motor freight service into Riverdale via Goshen Junction, from or to Los Angeles, public hearings 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 extension of the service now maintained by applicants between Los Angeles and Fresno; and points intermediate, from Goshen Junction to Riverdale, serving Riverdale only without intermediates, for the transportation of milk and other creamery products only between Page and Tipton and Los Angeles, and for the routing of loaded trucks, regardless of commodity, between Tulare and Delano whenever such shipments originate in or are destined to points north of Tulare or south of Delano, over and along the following route:

Between Riverdale and Goshen Junction via Elm Avenue, south on Elm Avenue through Hub to junction of Hanford-Elm Avenue highway, thence east to Plaza junction of State highway connecting with main route of applicants herein; 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. Applicants shall file with this Commission, within twenty (20) days from date hereof, their written acceptance of the certificate herein granted as an extension and enlargement of their present operative rights, and not as a new or separate right.
- II. Applicants shall file, in duplicate, time schedules and tariff of rates identical with those as set forth in Exhibit attached to the application herein, within a period of not to exceed twenty (20) days from date hereof, and shall commence operation of the service herein authorized within a period of not to exceed thirty (30) days from date hereof.

- III. 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.
- IV. No vehicle may be operated by applicants under the authority hereby granted unless such vehicle is owned or is leased by applicants under a contract or agreement on a basis satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that in all other respects the application herein be and the same hereby is denied.

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 4<sup>th</sup>  
day of March 192.

H. B. Raudies  
Chas. E. Leaver  
Frank J. Gaudin  
Leon C. Whittell

Commissioners.