

Decision No. 16537

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of MEGUGORAC and PERICH for cer-)
tificate of public convenience and)
necessity to operate automobile)
truck service for clay products)
between Santa Monica and all points)
in Southern California within a)
radius of 150 miles thereof.)

APPLICATION NO. 12203.

ORIGINAL

Richard T. Eddy, for Applicants.

D. W. Layne, for Pacific Electric Railway
Company, Protestant.

L. C. Zimmerman, for Southern Pacific Com-
pany, Protestant.

BY THE COMMISSION:

O P I N I O N

L. P. Megugorac and Leo Perich, co-partners, have made application to the Railroad Commission for a certificate of public convenience and necessity to operate an automobile truck service for the transportation of clay products between Santa Monica and all points in Southern California within a radius of 150 miles thereof.

A public hearing herein was conducted by Examiner Williams at Los Angeles.

Applicants propose a service for the transportation of brick, tile, sewer pipe and other clay products from the plant

of the Los Angeles Pressed Brick Company at Santa Monica to points listed in Exhibit "A" attached to the application, at a rate per ton to each point, also as listed in said Exhibit. By amendment at the time of hearing, applicants propose certain routes over which the service is to be conducted. The service is based upon a minimum weight of three tons and is established solely for the transportation of commodities manufactured by the Los Angeles Pressed Brick Company, which are sold to the public at various points, some as far distant as 150 miles from the point of production.

Applicants now possess three trucks of a total capacity of approximately 12 tons, but propose to invest in excess of \$15,000 to provide four additional trucks. A. M. Seyster, representing a truck manufacturing company, testified that this equipment would be furnished to applicants and that they had financial ability to pay for it.

Applicants have been conducting a delivery service from the plant of the brick company for several years, and it was the testimony of James M. Carmichael, manager of transportation at the plant, that while other operators had been used in this service, applicants were the only ones possessing sufficient skill to make deliveries without loss from breakage, and that in future all deliveries by truck would be made by applicants, at the rates set forth in their Exhibit "A". Mr. Carmichael further testified that customers of the company have a choice of delivery, either by rail in carload lots, or by truck. Truck delivery is made direct from the plant to the point of use, and not only saves time but minimizes re-handling, with consequent loss from breakage. It was the

opinion of this witness that applicants' service, for these reasons, is especially beneficial to consignees, and that it is economically advantageous for distances not exceeding 75 miles.

Applicants' equipment is to be maintained in a building adjacent to the plant of the brick company and is to be subject to call at all times for the performance of the contractual relation. The plant employs constantly about 100 men and has a large production. This company also has a plant in Los Angeles, and by Decision No. 16021 on Application No. 11851, Frank P. Brown was authorized to establish a similar service for the Los Angeles plant.

Applicants' Exhibit No. 1 filed at the hearing, showing all deliveries made by them between October 1, 1925, and February 28, 1926, indicates a rather wide distribution of the products of the plant. While the exhibit does not show a movement to all the points sought in the application, it does show a movement sufficiently distributed to lead to the conclusion that the service may be useful to all the points sought. It was the testimony of applicant Megugorac that the rates proposed are based upon an operating cost of approximately 16 cents per ton mile. The bulk of the movement is between Santa Monica and points in the city of Los Angeles.

The granting of the application was opposed by Pacific Electric Railway Company and the Southern Pacific Company, serving most of the points sought by applicants, but no testimony was introduced by protestants except on cross-examination. The rail rate on carload lots is \$1.60 per ton, but this does not in-

clude delivery to the cars, loading on the cars and delivery from the cars at destination. It was the testimony of Mr. Carmichael that the truck rate varied only a few cents from the rail rate plus the cost of loading, unloading and delivery, and that the expeditious service provided by the use of trucks was attractive to customers. The L C L rates of protestants were not presented at the hearing.

It appears from the testimony that the service proposed by applicants is of particular benefit to consignees, and in this respect it presents satisfactory elements of public convenience and necessity. In addition, applicants expressed a desire to submit to regulation by this Commission under the Auto Stage and Truck Transportation Act, in the performance of their contract.

We therefore find as a fact, upon the record herein, that public convenience and necessity require the operation of motor truck freight service as proposed by applicants, and that a certificate therefor should be granted. An order accordingly will be entered.

O R D E R

L. P. Megugorac and Leo Perich, co-partners, having made application to the Railroad Commission for a certificate of public convenience and necessity to operate an automobile truck service for the transportation of clay products between Santa Monica and all points in Southern California within a

radius of 150 miles thereof, 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 operation of an automobile truck service as proposed by applicants herein, for the transportation of the products of the Los Angeles Pressed Brick Company from its plant at Santa Monica to Alhambra, Altadena, Arcadia, Azusa, Anaheim, Artesia, Burbank, Baldwin Park, Bassett, Brea, Balboa, Buena Park, Bell, Beverly Hills, Claremont, Chino, Corona, Covina, Compton, Clearwater, Culver City, Downey, Eagle Rock, El Monte, El Segundo, El Molino, Fullerton, Glendale, Gardena, Hermosa, Huntington Park, Hynes, Inglewood, La Crescenta, Lordsburg, La Verne, La Habra, La Canada, Long Beach, Lomita, Lankershim, Los Angeles, Montebello, Monrovia, Newport, Norwalk, Owensmouth, Ocean Park, Olive, Ontario, Orange, Palms, Placentia, Puente, Pasadena, Pomona, Riverside, Rivera, Redondo, Sunland, South Pasadena, San Gabriel, Sierra Madre, Shorman, San Dimas, Santa Ana, San Pedro, Santa Monica, Sawtelle, San Fernando, Tropicco, Tustin, Torrance, Upland, Whittier, Watts, Wilmington, Venice, Van Nuys, Verdugo and Walnut, and for no other service, over and along the following routes:

Los Angeles via all available routes.

Balboa Beach and all Pacific Coast beach points between Santa Monica and Balboa.

San Fernando via Hollywood and Cahuenga Pass.

Tustin via Bandini, Santa Fe Springs, Norwalk, Buena Park, Anaheim, Orange and Santa Ana (also Westminster).

Riverside (a) Via Foothill Boulevard and San Bernardino; (b) via Valley Boulevard, Pomona, Ontario and Colton; (c) via Valley Boulevard and Wineville; (d) via Prado and Corona.

Tujunga via Glendale and Montrose.

Also all points 20 miles on each side of the highway via all routes named; 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; 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 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 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.

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 21st day of April 1926.

H. B. ...

C. ...

Leon ...