

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CAESAR PELLIGRINI for a certificate
 of public convenience and necessity
 to operate an auto truck line for
 the transportation of property, for
 compensation, between Tunitas,
 Montara and intermediate points, and
 San Francisco, California.

ORIGINAL

) Application No. 11275

Sanborn & Roehl & De Lancey C. Smith, by A. B. Roehl
 and De Lancey C. Smith, for Applicant.

Harry A. Encell and Jas. A. Miller, by Jas. A. Miller,
 for Coastside Transportation Company, Protestant.

BY THE COMMISSION -

O P I N I O N

Caesar Pelligrini has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by him of an auto truck line for the transportation of property, for compensation, between Tunitas, Montara, and intermediate points, in the County of San Mateo, and the City and County of San Francisco and the town of Colma, San Mateo County.

Public hearings on this application were conducted by Examiner Handford at San Francisco, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge rates in accordance with a schedule as appearing in paragraph III of the application herein; to operate on a schedule daily, except Saturday and Monday, using as equipment 4 De Martino Trucks with a total manufacturer's rated capacity of 12 tons, together with such other equipment as the demands of traffic may require.

Applicant relies as justification for the granting of the application upon the following alleged facts:- (1) That for many years applicant has been and is now operating automobile trucks in the transportation of vegetables from Tunitas, Montara and

intermediate points to San Francisco and Colma, under private contracts, thereby affording an expeditious and efficient service to a large number of vegetable growers and producers; (2) that previous operations have been irregular, without fixed termini or over regular routes in that the time of departure, termini and route depended entirely upon the location of the farm or produce ready for shipment; (3) that in the handling of vegetables applicant's trucks call at the farms to receive shipments for transportation, making delivery thereafter to such consignees as are designated by the shippers; (4) that a large number of shippers and others have requested applicant to regularly engage in the hauling of merchandise, including food products, farming implements, and supplies of all kinds, from San Francisco to farms and places of business between Montara and Tunitas and intermediate points, and that applicant is ready, able and willing to render such service and to handle such freight on return trips from San Francisco; (5) and that the proposed service will be of great benefit to farmers, merchants and other inhabitants of the territory between Montara and Tunitas.

Caesar Pelligrini, applicant herein, testified that he had first engaged in the hauling of farm products and return shipments to farms and ranches at the time of the discontinuance of the service of the Ocean Shore Railroad; that he formerly had been engaged in the transportation of farm products from the San Francisco depot of the Ocean Shore Railroad to the wholesale produce and commission merchants in San Francisco. Witness further testified that he has heretofore hauled only for customers with whom he has done business for years; that he estimated his present investment in equipment to be approximately \$16,000 which would require approximately \$20,000 to replace. The service heretofore rendered consists of picking up shipments at the farm and delivery to the market district and commission houses in San Francisco and to railroad cars at Colma with return movement of groceries and other

merchandise direct to the farm. Applicant maintains no stations and does not propose to do so. Applicant has heretofore hauled artichokes, peas, beans, green corn, potatoes, sprouts and other vegetables. Empty containers have been and are proposed to be returned to shippers without charge. It is proposed to operate by having trucks leave San Francisco between 3:30 and 4:30 A.M., arriving on the ranches for pickup from 7:00 to 8:00 A.M., leaving Half Moon Bay 10:30 to 11:00 A.M., with arrival in San Francisco from 1:00 to 2:00 P.M., thereby permitting produce to be available for sale the same afternoon as transported and avoiding losses or deterioration. Applicant testified that he had been importuned to haul shipments from San Francisco to merchants, hotels and restaurants at Moss Beach, Miramar and Half Moon Bay, which business he had refused notwithstanding repeated requests; that there was no railroad service to the coast territory proposed to be served; that the ranchers requiring service were largely Italian and Portuguese, not fully familiar with the English language, and preferring his service for the reason that his drivers spoke either Italian or Portuguese, or both languages. Applicant further testified that he had never made any charge for the hauling of merchandise or supplies to the ranches from which he hauled produce or vegetables, and that it was his intention and offer of service to go into ranches to pick up shipments if there was a passable road, if not, shipments would be picked up on the highway.

F. B. Russi, M. I. Bozzini, E. Laurenzini, and A. Lucchesi, produce merchants of San Francisco, testified in behalf of applicant. These witnesses were familiar with the service of applicant and had found it to be prompt and satisfactory, especially as to the return of empty containers. All expressed complaint as to the service of protestant, Coasteide Transportation Company, as regards irregular service, delayed shipments resulting in produce arriving in depreciated condition or at hours after produce houses were closed. Complaint was also made as to

unsatisfactory service in the handling of empty containers. Two of the witnesses stated that if the service of applicaht was not available they would be compelled to put their own trucks into service handling their own produce to obtain the character of service they require.

Frank Torres, proprietor of Marine View Hotel, Moss Beach; Chas. A. Cavelli, in the general merchandise and hardware business at Half Moon Bay; John E. Francis, general merchandise at Half Moon Bay; Mrs. C. Quilichí, employed in grocery store at Moss Beach; C. Carlini in hotel business at Half Moon Bay; Antone Enos, a rancher at Half Moon Bay; A. Martolli, a rancher at Purísima; Mr. Dalcoletto, a rancher at Lobitos; V. Ballerinchini, owning a ranch near Half Moon Bay; A. Martini, owning ranches at Montara and Half Moon Bay; all testified in behalf of applicant. These witnesses were all familiar with the service heretofore rendered and as proposed by applicant and desired its establishment. Complaint was made as to the service of the protestant Coastside Transportation Company on the basis of high rates, irregular and generally unsatisfactory service. Difficulty had been experienced regarding the adjustment of claims. One witness testified as to the loss of \$1.40 per sack on a shipment of green peas due to delay in delivery, the shipment arriving a day later than the schedule provided. Two witnesses are now operating their own trucks by reason of unsatisfactory service of protestant, another proposes to put on his own truck if the present service of applicant should be discontinued. Much complaint was directed against the failure of protestant to satisfactorily handle returned containers, one witness having had 5 tons of grapes hauled from San Francisco and protestant refusing to bring back the empty boxes, another having had much difficulty by reason of his empty containers being delivered to other shippers than those to whom consigned. All these witnesses expressed the opinion that the service as proposed by applicant was necessary for their business and that the service of protestant had been unreliable and not dependable.

Mr. H. C. Butler, a member of the firm of Thompson & Butler, Consulting Engineers, testified that he had been employed to make a traffic survey and report as to the territory proposed to be served by applicant. The report filed as an exhibit shows that applicant had transported a total of approximately 5000 tons during the period November, 1924, to June, 1925, inclusive, all of which business will be retained by applicant if the desired certificate be granted. In addition to this tonnage it is estimated that approximately 1550 tons of back haul from San Francisco will be available, much of which is now being transported by private or unauthorized trucks. The report estimates that at least 60% of the new business, which would accrue to applicant if a certificate were to be authorized, would be tonnage that protestant Coastside Transportation Company has been unable to secure.

Mr. Thomas W. Springett, Auditor of protestant Coastside Transportation Company, testified in explanation of the complaints against service as made by witnesses for applicant. He attributed as a cause for the majority of the delays the road conditions required to be met, especially in the winter season and in the territory south of Half Moon Bay, delays in such territory being reflected in the transportation north of Half Moon Bay. Exhibits filed by this protestant show assets and liabilities as reflected by balance sheets as of December 31, 1923, and August 31, 1925, also the status of the Plant and Equipment Accounts at the same periods. These exhibits show an accumulated deficit from operation as of August 31, 1925, of \$28,064.98 and an investment in plant and equipment as of such date of \$149,031.75. An exhibit showing operating revenues and expenses for the period January 1, 1924, to December 31, 1924, shows a deficit of \$14,190.33 and for the period January 1, to August 31, 1925, of \$13,453.55. The equipment operated in freight service consists of 10 trucks with total rated capacity of 32½ tons and 4 trailers with total rated capacity of 10½ tons, a total available rated capacity of 43 tons. Two additional trailers were under construction at the time of the hearing.

Exhibits were also filed showing the schedule upon which freight and express vehicles were operated and a detailed statement showing a daily record for the period from January 1st to October 31, 1925, of trucks available for service, actually operated and idle, showing an average use of approximately 5½ trucks per day during the period covered by the exhibit.

Mr. Edw. Serratto, President and General Manager of protestant Coastside Transportation Company, testified as to the ability of his company to render satisfactory service over the territory herein sought by applicant and as to endeavors made by him to provide adequate equipment and service. The witness devotes his entire time to the business of the Company and makes frequent trips over the line and territory for the purpose of seeing that satisfactory and adequate service is being performed.

L. H. Wolters, Asst. Traffic Manager of Golden State Milk Products Co., of San Francisco; Adolph Koshland, grain and bean merchant of San Francisco; Dr. Della M. Moore of Half Moon Bay; Capt. L.A. Dunnigan of Rockaway Beach; R. G. Smith, Postmaster at Moss Beach; Jas. Teggart, commission-merchant of San Francisco; and J. E. Bazinet, hotel keeper at Rockaway Beach, testified that they had used the service of Coastside Transportation Company in the transportation of grain, beans, cheese, milk and cream, lumber, cement, provisions, groceries and small parcels and had received satisfactory service against which there was no complaints. Some of these witnesses were of the opinion that the lower rates proposed by applicant would result in some of their business being given to applicant if his service should be authorized.

Protestant contends that applicant has transported commodities from San Francisco to points on the proposed route and has received compensation for such movement; that such practice has been in violation of the statutory law and has diverted business which otherwise would be handled by protestant. Three witnesses from Half Moon Bay, one from Moss Beach, and one from San Francisco all called by applicant, testified that while he had transported pro-

visions and other commodities, the transportation had not been charged for but had been as an accommodation, applicant having purchased the commodities at their request and having hauled them on his trucks which were returning practically empty, the majority of the traffic being destined to San Francisco and the trucks returning practically empty, excepting for return of boxes, to the points where loads originate.

We have given careful consideration to the evidence and exhibits in this proceeding. It appears that applicant for many years has been engaged in the transportation of farm produce from the territory now proposed to be served as a common carrier on regular schedule, between fixed termini and over regular routes. The record is conclusive that applicant has heretofore conducted his operation in a manner that did not require the obtaining of a certificate of public convenience and necessity.

Applicant's patrons, and others who have not been satisfied with the service of protestant, Coastside Transportation Company, have requested that a regular service be established as contemplated by the application herein. Protestant, Coastside Transportation Company, although possessing ample equipment and organization, has not rendered a service which has met with the approval of many of its patrons, the record showing instances where ranchers and others are operating their own trucks in the carriage of their property, and others who state they will purchase and so operate trucks rather than use the facilities of such protestant. The causes of complaint are fully enumerated in the preceding portion of the opinion and are, in our judgment, of sufficient weight to justify the authorization of the competing service as herein proposed.

After full consideration of the record herein, we conclude and hereby find as a fact that justification has been shown for the granting of a certificate of public convenience and necessity to the applicant herein, and the order will so provide.

O R D E R

Public hearings having been held on the above entitled application, the matter having been duly submitted, the Commission being now fully advised and basing its order on the conclusion and finding of fact as appearing in the opinion which precedes this order,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Caesar Pelligrini of an automobile truck line as a common carrier of freight between Tunitas, Montara and San Francisco and Colma, serving as intermediate points the communities of Lobitas, Purisima, Half Moon Bay, Spanish Town, Balboa, Green Valley, San Pedro, Salada Beach and Burlington Beach, and from Half Moon Bay to Colma via San Mateo and the Peninsular Highway, no authority being hereby conveyed for the transportation of any freight locally between San Francisco and San Mateo. Also for the pick-up and delivery of property at farms or ranches located within a distance of $\frac{1}{2}$ mile along the routes herein above described, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Caesar Pelligrini for the operation of an automobile truck line as a common carrier of freight between Tunitas, Montara and San Francisco and Colma, serving as intermediate points the communities of Lobitas, Purisima, Half Moon Bay, Spanish Town, Balboa, Green Valley, San Pedro, Salada Beach and Burlington Beach, and from Half Moon Bay to Colma via San Mateo and the Peninsular Highway, no authority being conveyed for the transportation of freight locally between San Francisco and San Mateo, and subject to the following conditions:

1- Applicant herein shall file with the Railroad Commission his written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof; shall file, in duplicate, tariff of rates and time schedules within a period of not to exceed thirty (30) days from date hereof, tariffs to be in accordance with rates as set forth in paragraph III of application, and to be in form and substance satisfactory to this Commission, and shall commence operation of said service within a period of not to exceed sixty (60) days from date hereof.

2- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

3- No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all purposes other than hereinabove stated, the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 23^d day of December, 1926.

J. H. Brundage

C. S. Jones

Thos. C. Priddy
COMMISSIONERS.