

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MOTOR TRANSIT COMPANY for an order modifying
certain conditions contained in C.R.C.
Decision No.13454, insofar as the same
relates to the carriage of express over
applicant's automobile stage lines, and for
a certificate of public convenience and
necessity authorizing applicant to transport
express matter over certain of its automobile
stage routes known as the Dillingham leased
lines.

Application
No.11502

ORIGINAL

- H. W. Kidd, for Applicant,
- A. L. Hammell, Mark Thompson and Edward Stern for
American Railway Express Company, Protestant,
- E. E. Bennett, for Los Angeles & Salt Lake Railroad
Company, Protestant,
- H. J. Bischoff, for Coast Truck Line, and Los Angeles
& Newport Express, Protestants,
- C. W. Cornell and F. A. Betts for Pacific Electric
Railway Company, Protestant,
- C. W. Cornell, F. A. Betts and L. C. Zimmerman, for
Southern Pacific Company, Protestant,
- L. W. Butterfield and W. N. Irwin, for the Atchison,
Topeka & Santa Fe Railway Company, Protestant,
- Phil Jacobson for T. R. Rex, proprietor, Rex Transfer,
Protestant,
- R. L. Mc Nitt, for Pasadena-Pomona Stage Line, Protestant,
- Everett Mc Cab, for United Parcel Service, Protestant,
- Warren E. Libby and Harry N. Blair, for Keystone Express,
Rex Transfer Company, Triangle-Orange County Express,
Boulevard Express, and Service Motor Express, Protestants,
- Richard T. Eddy, for Richardson Transportation Company,
Protestant.

BY THE COMMISSION -

O P I N I O N

Motor Transit Company, a corporation, by its amended appli-
cation, has petitioned the Railroad Commission for an order

(1) Authorizing the removal of the restrictions now
contained in this Commission's Decision No.13454 on
Application No.8454, as decided April 22, 1924, whereby
Motor Transit Company was restricted in the carriage of
express matter to a weight limit of forty (40) pounds
on each package, and to permit the carriage of baggage
and express parcels of a weight up to and including one
hundred and fifty (150) pounds per package.

(2) Granting a certificate of public convenience and necessity for the transportation of express over the so-called Dillingham leased lines, said lines now being operated by applicant Motor Transit Company under the authority of this Commission's Decision No.13373 on Application No.9917.

(3) Granting authority for the carriage of express and baggage over the lines heretofore acquired by applicant from A. B. Watson, operating under the fictitious names of Crown Stages and Crown Stage Lines by authority as contained in this Commission's Decision No.16725 on Application No.12812, as decided May 13, 1926, said lines being described as follows:

- I. "Between Santa Ana and Laguna via Tustin and Irvine, and serving all intermediate points.
- II. Between Santa Ana and Balboa, via Glorietta, Costa Mesa and Newport Beach, and serving all intermediate points.
- III. Between Long Beach and Pomona, via Seal Beach, Los Alamitos, Cypress, Anaheim, Fullerton and Brea, and serving all intermediate points.
- IV. Between Riverside and Long Beach via Seal Beach, Huntington Beach, Greenville, Talbert, Santa Ana, Orange, Olive, Corona and Arlington; and also an additional or alternative route in connection with such operations via Bolsa, Garden Grove and Westminster, and all points intermediate to the said termini (except that between Olive and Corona, and between Huntington Beach and Seal Beach, there is no operative right for the conduct of a local business)."

(4) Granting authority for the carriage of express and baggage over the lines heretofore acquired by applicant from Pickwick Stages System by authority as contained in this Commission's Decision No.16725 on Application No.12812, as decided May 13, 1926, said lines being described as follows:

"Between Los Angeles and Santa Ana and all points intermediate thereto, via Bandini, Santa Fe Springs, Norwalk, Buena Park, Fullerton, Anaheim and Orange, being the same operative rights heretofore leased and purchased by Pickwick Stages System from A.B.Watson, said transaction having been approved in C.R.C. Decision No.13177 made on Application No.8451; all of the said right, title and interest to said Pickwick Stages System, in and to said operating rights and under said lease and agreement for sale of same, having been, by said Pickwick Stages System, assigned to Motor Transit Company."

(5) Granting authority for the carriage of express and baggage over the line heretofore acquired by applicant from City Transit, Inc., a corporation, by authority contained in this Commission's Decision No.16257 on Application No.12607, as decided March 19, 1926, said line being described as follows:

"Between Pomona and San Dimas and intermediate points of La Verne and Bonita."

(6) Granting authority for the carriage of express and baggage over the lines heretofore acquired by applicant from Verdugo Hills Transportation Company, a corporation by authority contained in this Commission's Decision No.16888 on Application No.12683, as decided June 11, 1926, and Decision No.17160 on said Application No.12683, as decided July 26, 1926, said lines being described as follows:

"Between Los Angeles and Sunland via Glendale, Montrose, La Crescenta, Tujunga and other intermediate points."

(7) Granting authority for the carriage of express and baggage over the lines heretofore acquired by applicant from R. B. Cregar, by authority as contained in this Commission's Decision No.13371 on Application No.9780, as decided April 5, 1924, and Decision No.17377 on said Application No.9780, as decided September 21, 1926, said lines being described as follows:

Between San Jacinto and Idylwild via Oak Cliff and Kern Camp.

Between Riverside and San Jacinto via Eden Hot Springs and Gilman Hot Springs as intermediate points.

Between Kern Camp or Idylwild on the one hand and Banning, Beaumont or Riverside on the other hand, providing that no local service be operated between Banning, Beaumont and Riverside.

(8) Granting authority for the carriage of express and baggage over the line heretofore acquired by applicant from G. A. Schwen, by authority as contained in this Commission's Decision No.17546 on Application No.13223, as decided October 29, 1926, said line being described as follows:

Between Redlands and Yucaipa and the intermediate points of Yucaipa Junction and Sand Canyon.

(9) Granting authority for the carriage of express and baggage over the line heretofore acquired by applicant from Carl D. Hodge, by authority as contained in this Commission's Decision No.17120 on Application No.13005, as decided July 17, 1926, said line being described as follows:

Between San Bernardino and Oro Grande, serving the intermediate points of Hesperia Road, Camp Cajon, Cozy Dell, Mt. View Camp, Devore, Verdemon and Victorville.

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

Applicant proposes to establish a uniform weight limit for the transportation of express matter on the basis of 150 lbs. per package and to establish such service on all lines. The rates proposed to be assessed for the transportation of express are on three bases as follows:

1. Per hundred pounds on packages of normal weight and bulk and value. Where packages are very large, but of little weight or value, the rate proposed will be applied to the cubic feet of space occupied by the package in units of 10 cubic feet. When the package is small in size and of little weight, but of high value, the rate will be applied in units of \$100.00, instead of in units of 100 pounds or 10 cubic feet.

2. Rates quoted are in cents per hundred pounds, if the weight is greater than the bulk, or the value; or per 10 cubic feet if the package be large but of little value or weight; or per \$100.00 if the value be great, but the weight or volume be small; the rate in each case to be applied to the total value, weight or cubic feet of the contents, above and below the unit given, but in no case less than the minimum charge as proposed.

3. The unit of weight, cubic feet of space or value which yields the highest charge is the rate to be used in computing charges.

The offer of service as proposed by applicant is as follows:

To carry express on every passenger schedule to the full express carrying capacity of each passenger vehicle, that the express will be handled on the first passenger car departing after the receipt of the express shipment and in the order of its receipt, subject, however, to the suitability, size and volume of each shipment offered for transportation on passenger vehicles; that if at any time during the day an accumulation of 500 pounds of express matter occurs which cannot be handled on the passenger cars, then such accumulation will be handled by a truck or service car which will move out of the terminal as soon as such accumulation occurs; that if any accumulation of express exists in the terminal at the end of a business day such accumulation will be moved to its destination by passenger cars or service cars and be delivered sometime during the same evening.

or night, at destination, depending on the distance from point of origin to point of destination, excepting, however, points which may be located on applicant's lines in the San Jacinto and San Bernardino mountains.

Applicant proposes to transport trunks and other heavy baggage, weighing not in excess of 150 pounds per unit, and to carry same as free baggage in connection with all tickets purchased where the one-way fare is \$3.00 or more, and to transport trunks and other heavy baggage in connection with all tickets purchased where the one-way fare is less than \$3.00, charging, however, in the latter instance its regular express rates.

Applicant relies as justification for the granting of the application upon the following alleged facts:

- I. That the 40 pound weight limitation as imposed on applicant's operations in the carriage of express and baggage by the Commission's Decision No. 13454 on Application No. 8454, as decided April 22, 1924, is unreasonable and same works a hardship on applicant in the conduct of its express business; and that the shipping public are also inconvenienced by the fact that applicant is frequently obliged to decline to receive shipments offered for transportation when such shipments are of a weight in excess of 40 pounds per package.
- II. That applicant in the conduct of its business is obliged to maintain service cars for the purpose of transporting materials, repair parts and supplies between its various stations and over its lines; that such service cars make frequent trips on which any surplus express and baggage could be transported and for which express and baggage there was not available space on the regularly scheduled passenger vehicles; and that shipments of a weight up to and including 150 pounds per unit could also be carried on such service cars.
- III. That applicant has had frequent complaints from patrons of its express service as to its refusal to transport express shipments weighing in excess of 40 pounds per unit; and that the existence of such restriction has created unnecessary competition with applicant's service and has caused other operators to seek express rights for the carriage of express in units exceeding 40 pounds in weight.

IV That as to many of the lines and routes operated by the applicant it is furnishing by its express service the only common carrier service now existing, and that as to other sections of the territory served in part by rail carriers the express service now furnished by such carriers is so much slower than that now furnished and proposed to be furnished by applicant that the rail express service is used by the shipping public only for the movement of goods not requiring the rapid service afforded by applicant's express service; that the respective services are so radically different that they do not compete with each other; that as to other motor carriers operating over certain portions of applicant's lines and transporting freight, so far as known to applicant, said carriers do not furnish or purport to furnish an express service affording the same degree of expediency as that of applicant, but handle principally heavy and slow moving freight; and that applicant believes and therefore alleges that such motor freight carriers will not be adversely affected by the granting of the application.

F. D. Howell, Vice President and General Manager of applicant, testified as to the character of express and baggage service proposed; regarding the necessity for express service over the Dillingham lines which had been acquired by applicant and on which no express was transported; and as to the investigation and desirability of establishing a service for shipments of a maximum weight of one hundred fifty pounds in lieu of the forty pound maximum now authorized.

E. C. Burge, employed by the Echophone Manufacturing Company at Long Beach, testified his company had need for the proposed service of applicant between Long Beach and Pasadena and intermediate points over the route of the Dillingham Line, and that if the service were to be established it would be used by his company in the shipment of its products. The heaviest shipments would not exceed fifty pounds per package.

J. D. Schilling, operating a general garage business at Hynes, testified as to the need of applicant's service for the handling of shipments from Long Beach, there being no authorized stage or truck service available and it being

necessary to go to such point for material and parts, or to employ someone to make a special trip. Witness would use, and had a need for, the proposed service, the heaviest shipments being gear cases or rear ends for automobiles, estimated to weigh between 75 and 150 lbs. Batteries prepared for shipment weigh from 25 to 45 lbs., and wheels from 15 to 80 pounds.

H. W. Boulton, employed by the H. C. Smith Motor Parts Company at Whittier, testified as to the need of service, as proposed by applicant, by his company to Downey, Bellflower, Hynes, Brea and Long Beach, as well as for service to and from Los Angeles, the heaviest shipments anticipated being cylinder blocks for regrinding, weighing from 100 to 125 pounds.

L. W. Crouch, operating a cleaning and dyeing establishment in Long Beach, testified that he desired the service of applicant for the carriage of express between Long Beach and Pasadena, Whittier, Fullerton, Santa Ana, Orange, Anaheim and Balboa Beach. Witness is now operating his own automobile to serve points on the Dillingham line and retain his patronage. His shipments average from 3 to 7 pounds in weight, the maximum weight being 30 pounds.

J. W. Julian, operating a general automobile repair shop at El Monte, testified regarding his need for a service as proposed by the applicant between El Monte and Pasadena and Los Angeles; that his heaviest shipments would range from 64 to 150 pounds in weight; that the present service with the restricted weight limit of 40 pounds was satisfactory; and that the removal of the restriction would enable him to discontinue his present practice of using his own vehicle for the transportation of large repair parts.

Paul Giddings, a distributor of automobile piston rings, and residing in Pasadena, testified as to his need for the

proposed service of applicant in the distribution of his merchandise to points on the Dillingham line; that his shipments average 15 pounds in weight; and that the service would be used if authorized.

J. C. Ellis, in the blueprinting business at Alhambra, testified as to his need for service of the applicant over the Dillingham line to Whittier, Long Beach and intermediate points; that service via parcel post and express had not been entirely satisfactory or responsive to his needs; and that the frequency of the proposed service for small shipments would enable him to secure new business in competition with concerns located in Los Angeles.

T. L. Estep, handling automobile replacement parts at Whittier, uses the present service of applicant between Los Angeles and Whittier and desires the removal of the weight restrictions.

T. H. Little, employed by Wm. H. Hoegge of Los Angeles, dealers in sporting goods, testified that his concern used the present service of applicant and desired the removal of the weight restriction to eliminate the necessity for breaking down shipments to the weight limit of 40 pounds per package, some shipments not being convenient to repack, for instance, shot gun shells, a standard package weighing 65 pounds. Canvas cots in bundles are also shipped by the Hoegge company, such shipments weighing approximately 115 pounds. Similar testimony was given by O. Neimann, shipping clerk for Tufts-Lyon Arms Co., Los Angeles, who would use the service for shipments weighing in excess of forty pounds per package if the weight restriction were to be removed.

A. J. Hall, employed by Henry B. Day Company, wholesale dealers in automobile and upholstery trimmings at Los Angeles, testified that fifty percent of his shipments from Los Angeles now moved via Motor Transit Company, and that the volume of business would be doubled if the present weight restriction were to

be removed.

Harry L. Wilson, shipping clerk for Klein-Norton Company of Los Angeles, stated that his company now used applicant's service and desired the removal of the present weight restriction to reduce the cost of packing and preparing shipments for transportation, and to facilitate the movement of packages weighing in excess of forty pounds.

W. J. Watson, service manager for Buyer's Service Corporation, a purchasing agency in Los Angeles, serving approximately 700 garages and automobile dealers in Southern California, testified that the proposed service of applicant would be used if authorized, the average weight of shipments being 75 pounds.

C. W. Harding, shipping clerk for John W. MacMillen of Los Angeles, dealer in electrical supplies, testified the proposed service was desired to obviate the necessity of breaking down shipments to a maximum weight of forty pounds per package; and that seventy percent of the business forwarded by his concern for which the facilities of applicant were used was from Los Angeles to territory intermediate between Anaheim and San Bernardino.

L. E. Jessup, shipping clerk for Blake, Moffatt & Towne, dealers in wholesale paper and cordage at Los Angeles testified that the shipments forwarded by his company ranged from 20 to 150 lbs., it being his estimate that 20 percent of the shipments weighed less than 40 pounds, 50 percent from 40 to 75 pounds, 20 percent from 75 to 100 pounds and the remaining 10 percent from 100 to 150 pounds.

H. M. Miller, with the Miller Company, Anaheim, dealers in motor parts and accessories, testified his company had need for the proposed service for packages weighing from 40 to 150 pounds, and that the proposed service would be used if authorized, witness now sending his own car from Anaheim to Los Angeles to transport such shipments.

A. V. Gomez, employed as shipping clerk by Greer-Robbins Co., automobile dealers of Los Angeles, testified regarding need for the proposed service for shipments weighing in excess of 40 pounds per package and that such service would be used if authorized. Similar testimony was given by R. W. Henderson with the Albertson Motor Co., Los Angeles, dealers in Dodge cars and Graham trucks; J. H. Forsythe of Riverside Motor Supply Company, automobile supply parts, (maximum shipping weights, 60 to 75 pounds); C. O. Tatro of Mission Garage, Redlands, automobile parts; C. M. Slocum, Service Manager of The Ahlberg Bearing Company of Los Angeles, whose shipments seldom exceed 90 pounds; and E. A. Washburn, repair foreman of International Harvester Company's Los Angeles Branch, fifty percent of whose shipments range between 40 and 150 pounds per package.

C. E. Mahoney, operating a dental laboratory at Whittier and doing custom work for dentists located at points along the Dillingham lines, testified regarding the need of the service for small packages, the only service now available being the parcel post which is too slow for the handling of the business of this witness.

A. B. Lamb, Resident Manager in Los Angeles for the distribution of the motion picture films of the Metro-Goldwyn-Meyer Co., testified as to the need for applicant's service on films where shipments weighed from 50 to 75 pounds per package. D.F. Mitchell, with the Universal Film Exchange, and President of the Los Angeles Film Board of Trade (an organization of 17 film exchanges) testified as to a similar need, particularly for feature subjects which should move with the entire subject in one container. It was stated that a 5 reel feature would weigh from 45 to 55 pounds, an 8 reel feature from 88 to 90 pounds, and that 60 percent of the feature shipments would weigh in excess of the present maximum authorized weight of forty pounds.

W. C. Rockwell, with Brunswig Wholesale Drug Company, Los Angeles, desired the authorization for weight in excess of 40 pounds, for the reason that the restricted weight increased shipping room and packing costs in breaking down shipments to the 40 pound limit. D. S. Curran, with Milton G. Cooper Dry Goods Co., of Los Angeles; O. B. Price, Traffic Manager of Harper & Reynolds Co., hardware, plumbing goods, iron and steel, of Los Angeles; C. E. Priest, Vice President, Los Angeles Heavy Hardware Co.; J. C. Afflick of Western Electric Company, Los Angeles; M. S. Richardson, Traffic Manager, The Republic Supply Company, Los Angeles, all gave substantially similar testimony as that of witness Rockwell.

E. V. Ferguson, Manager, Wholesale Department of Crescent Creamery Co., of Los Angeles, testified his company would use the service of applicant in the transportation of ice cream if the weight restriction of forty pounds was removed, such restriction having prohibited the movement.

B. Swanson, a wholesale dealer in cut flowers in Los Angeles, testified that his average shipments weighed approximately 50 pounds and would be forwarded by applicant's proposed service, if same were to be authorized. Henry Siebrecht, a florist of Pasadena, testified that he needed the service over the Dillingham lines to enable him to care for his business and especially as to orders received from Long Beach; that he had lost some Long Beach business and had been obliged to fill other orders through Long Beach florists by reason of existing service which requires transfer through Los Angeles not being dependable for the delivery of rush orders. By stipulation, the testimony of four wholesale florists in Los Angeles was to be considered as being similar to that of witness Swanson.

A. E. Vincent, with J. Baumgartner Co., manufacturers of tamales, in Los Angeles, testified as to the need for the shipment of his products in packages over forty pounds in weight, such

products weighing 1.4 pounds per dozen when ready for shipment, and shipments of 50 dozen (or 70 pounds per package) being frequently necessary.

Michael George, Manager of Transportation for The Los Angeles Evening Herald, testified as to the need of applicant's service for the delivery of his publication from Los Angeles to Esperia, Victorville, Oro Grande, Sunland, La. Crescenta, Pomona, San Dimas, La Verne, Santa Ana, Orange, Norwalk, Fullerton, Anaheim Brea and Newport Beach; also as to the inconvenience caused by the present necessity for splitting bundles to bring same within the weight limit of forty pounds as at present restricted.

F. C. Richardson, employed by Moran & Mc Menamy, speedometer dealer in Pasadena and Los Angeles, testified that shipments from Pasadena to points on the Dillingham lines were now being forwarded by parcel post, but that the proposed service of applicant, if authorized, would be used and would be more expeditious. By stipulation, it was agreed that the testimony of S. W. Ranger of the El Monte Motor Co., Ford dealers at El Monte, would be the same as that of this witness.

Henry Schmitz, publisher of the Buena Park News at Buena Park, testified regarding his need for the proposed service in the transportation of paper print stock and type forms.

J. A. Warlanmont, Manager of Mitchell Brothers Garage at Buena Park, who now uses Triangle Express service, desires the service of applicant, as also does J.D. Wright, operating a super-service station at Buena Park, the latter particularly as regards shipments from Santa Ana.

William Rambo, with the Pomona Fixture & Wiring Co. of Pomona, would use the proposed service for packages exceeding 40 pounds in weight, although showing no substantial need; F. W. Botthoff, shipping clerk for the Electrical Corporation,

Los Angeles, would use the proposed service if customers requested such routing, as would William Jarratt of the J. M. Feldman Company, dealers in wholesale electric lighting fixtures at Los Angeles; A. F. Anderson with the Presto Lite Company at Pasadena, dealers in electrical equipment, needs service on the Dillingham lines, although was not advised that service was now available from Pasadena to Pomona and intermediate points via Lord's Pasadena-Pomona Stage Line.

Mrs. Blanche W. Scanlon, in the general dry goods business at Montrose, favors the establishment of an express service between Los Angeles and Montrose, her shipments having a maximum weight of approximately one hundred pounds; George Charboneau, in the furniture business at Montrose, expressed a similar need for service; and the testimony of A.W. Enright, of Mellus Brothers, dealers in tents at Glendale, and E. E. Langhrey, a hardware merchant at La Crescenta, was similar to that of Mrs. Scanlon and George Charboneau.

A. H. Rees, Storage Manager for Illinois Electric Company, O. H. Levier, a radio dealer of Whittier, and George F. Kohlenberger of the Stickley Radio Electric Company of Fullerton, desire the opportunity to ship electrical goods and radio material in packages exceeding a weight of 40 pounds.

W. A. Tobias, an automobile tire dealer of Pasadena, needs the proposed express service of applicant on the Dillingham lines to relieve him of the expense of operating his own car to make delivery to his customers. His shipments would average from 60 to 100 pounds in weight; M. C. Richardson, one of the proprietors of the Commercial Garage at El Monte, desires and would use the proposed service if established.

H. W. Brown, stockroom clerk for the Los Angeles Factory Branch of The Mack Truck Company, and E. C. Kreuger, Assistant Manager, Parts Department of Moreland Sales Company, Los Angeles

testified regarding their need for the service of applicant from Los Angeles to Victorville, Hesperia, Oro Grande, the Orange County territory, La Verne, San Dimas and Pomona.

Walker Jones, proprietor of a news stand and bookstore at Victorville, testified as to his need for applicant's proposed service, present facilities not being satisfactory for the receipt of newspapers; G. R. Seals, garage proprietor at Victorville, and Mr. Tedford, a garage operator at Oro Grande, also endorse the proposed service and will use same if authorized.

C. J. Miller, operating a service station and garage at Miller's Station, 4½ miles west of Hesperia, testified that the proposed service from San Bernardino would be advantageous, witness at present using a special car at his customers' expense for the securing of rush shipments from that point, the maximum weight of such shipments being from 45 to 50 pounds.

A. T. Knopp, with the Western Auto Supply Company in Los Angeles, endorsed the proposed service of applicant, especially as to the removal of the present weight restrictions and the serving of new territory where express rights are not now a portion of applicant's authorized service.

S. V. Mansur of the Mansur Motor Co. of Orange, and L.R. Starkey of the Starkey Manufacturing Co., of Orange, both desire the present weight restriction of 30 pounds per package on the Crown Lines removed and testified that the applicant's proposed service would be satisfactory and eliminate the necessity of sending their own trucks into Los Angeles to secure emergency or rush shipments exceeding a package weight of 30 pounds.

W. J. Geary, with Hockaday & Earlow, dealers in automobile parts at Santa Ana, testified regarding his desire for a removal of the 30 pound weight restriction on the Crown lines of applicant, claiming that on many rush shipments which would exceed such weight that the existing truck service is not sufficiently expeditious to meet the requirements of his customers and that

in some cases where customers could not be persuaded to wait for the truck delivery it has been necessary to refuse the acceptance of orders.

S. C. Sutton, with the Kinslow Machine Works, Santa Ana, desires an increase in the weight limit and if such were permitted he would be fully satisfied with applicant's present and proposed service.

G. E. Strachen, office manager for William W. Ross, Santa Ana dealer in Moreland Trucks, Crown and Diana automobiles, and garage service, testified as to the necessity for the raising of the 30 pounds limit per package now existing on the Crown Lines of applicant. Witness now uses the Triangle Express for his heavier shipments.

By stipulation it was agreed that the testimony of 149 witnesses representing the automobile supply industry in Los Angeles, Redlands, Montebello, Whittier, Fullerton, Downey, Anaheim, Riverside, La Habra, Brea, San Bernardino, Ontario and Upland, would be favorable to the applicant.

Similar stipulations were made regarding the testimony of witnesses representing 7 shippers of motion picture films located at Los Angeles; 36 shippers of wholesale and retail hardware, metals, wire and wire rope, machinery, farm implements and supplies located at Los Angeles, Redlands, Anaheim, Downey, Whittier, Upland, Redlands, Ontario and Riverside; and 20 shippers of shoes, dry goods, rugs and carpets, men's furnishings, and general merchandise located at Los Angeles, Redlands, Fullerton; Downey, Montebello, San Bernardino and Upland.

E. D. Melcher, Traffic Manager for the City of Pasadena and the Pasadena Chamber of Commerce, testified that there was a need for the service as proposed by applicant between Pasadena and San Bernardino and intermediate points, and between Pasadena and Long Beach and intermediate points, and between Pasadena and Santa Ana and intermediate points.

Exhibits were filed showing shipments offered for transportation which exceeded the weight limit now authorized. From these exhibits the following data has been abstracted, applicable to the territory now sought to be served by the amended application:

<u>Period</u>	Number Packages	Total Weight	Average weight per package	Number Packages Weighing over 100 lbs. each.
July 15 to Oct. 8, 1925.	65	7709 lbs.	118.6 lbs.	7
Oct. 8 to Dec. 4, 1925	59	4197 "	71.14 "	13
Dec. 4, 1925 to Jan. 8, 1926	22	1947 "	88½ "	3

The granting of the application is protested by the American Railway Express Company, Southern Pacific Company, Atchison, Topeka & Santa Fe Railway Company, Pacific Electric Railway Company, Los Angeles & Salt Lake Railroad Company, and practically all motor carriers of freight and express in the territory proposed to be served by applicant.

Witnesses who were merchants and receivers of freight were called by protesting motor freight and express carriers, there being 20 witnesses from Pomona, 2 from Colton, 4 from Redlands and 16 from San Bernardino. Of these 42 witnesses 19 used the service of Keystone Express, 20 used the service of Rex Transfer, 1 used the Vance Service, 1 used the Belt Line Express, 9 used the Service Motor Express, 5 used the San Bernardino Transportation Company's service, 4 used the American Railway Express, and 3 used the railroad freight service, either wholly or by distributing their business amongst such carriers. Twenty of the witnesses used the present service of applicant for shipments consisting of parcels not exceeding 40 lbs. in weight.

In the testimony of the 42 witnesses 5 definitely stated that the applicants present weight restriction of 40 pounds per package was satisfactory and 6 that there was no need for any additional service as herein proposed.

F. H. Wallihan, Secretary of the Business Men's Association of Ontario, testified that his organization comprised 135 members; that in accordance with instructions from his Board of Directors he circulated a questionnaire to certain members to ascertain their sentiment regarding the pending application; and that 30 questionnaires were sent out to which 21 responses were received. The responses to the questionnaires show the following data regarding shipments received from Los Angeles by the signers during the month of October, 1926:

<u>Routing</u>	<u>Number of Packages</u>	
	<u>40 lbs. and under</u>	<u>40 pounds and over</u>
Keystone Express	160	460
American Railway Express	30	14
Motor Transit Co.	176	5
Railroad Freight	<u>4</u>	<u>37</u>
	370	516

Nineteen of the respondents to the questionnaires reported the present freight and express transportation facilities between Los Angeles and Ontario were fully responsive to their needs and that it was not necessary, insofar as the needs of respondents were concerned, to raise the package weight limit of applicant from 40 to 150 pounds.

H. C. Naylor, Secretary of Uplands' Business Men's Association, filed as an exhibit a copy of the minutes of the regular monthly meeting of the Association held on November 12, 1926, at which meeting the Association voted to advise the Commission that, as far as the members of the Association were concerned, the present transportation facilities were adequate to meet the needs of the members.

A. V. Storer, manager of the Merchants Association of Pomona, testified that his organization consisted of 135 members; that he had made some investigation of the proposals of the applicant and of the existing transportation facilities available, from which he had concluded that there was no necessity for any change in the existing transportation facilities available to Pomona merchants.

T. R. Rex, operating under the fictitious name of Rex Transfer, testified that his operation covered routes between Los Angeles and Colton, Redlands, San Bernardino, East Highlands, Highlands, Rialto, Fontana and Yucaipa, a daily service being rendered to all points. Service was rendered twice daily to San Bernardino and Redlands, seventy-five percent of his business being destined to such points. An expedited service was operated by a fast truck leaving Los Angeles at 12:00 o'clock noon, arriving at San Bernardino at 3:00 P.M. thence going to Redlands and there arriving at 4:00 P.M., all deliveries being made at both points by 5:00 P.M. Witness operates 15 trucks and 6 trailers and is in position to satisfactorily care for all shipments which may be offered for transportation by his facilities.

H. G. Gunning, Secretary-Manager of Redlands Business Men's Association, an organization having 107 members, presented as an exhibit a copy of a resolution unanimously adopted at a meeting of the association on January 18, 1927, attended by 59 members, commending the service of the Rex Transfer, operated by T. R. Rex, as being entirely satisfactory and adequate in every way to the merchants of Redlands.

L. R. Kagarise, proprietor of and operating under the name of Keystone Express, operating from Los Angeles via the Valley Boulevard to El Monte (now Rosemead) and other points to Guasti, and over the Foothill Boulevard from Azusa to Cucamonga, using

as equipment 16 trucks and 5 trailers. His rates provide for pick-up and delivery and approximately 75 percent of his business is handled at his tariff minimum rate. A daily freight service is operated and express service twice daily, one express service leaving Los Angeles at 1:00 P.M. and delivering to consignees the same day, the other leaving Los Angeles on the freight trucks at 2:00 A.M. for the end of the route where it is transferred to the express trucks and delivered from the express trucks enroute to Los Angeles to cover the 1:00 P.M. departure. This witness opposes the granting of the application on the basis that sixty percent of the business that he is now handling would be open to competition under the proposed service of the applicant.

Protestant, American Railway Express Company, called as witnesses its Superintendent and other operating officials. From their testimony and exhibits filed the scope of the free pickup and delivery service offered by this carrier was established as regards the communities here sought to be served by applicant, also the rates and service available. In the city of Los Angeles 98 vehicles are employed exclusively in pick-up and delivery service. Service is available by this carrier by offering shipments or receiving same from all stations or trains, in addition to the free pick-up and delivery given at all principal points.

Herbert J. Banta, a wholesale dealer in automobile supplies at Los Angeles, testified that the average weight of his shipments did not exceed 40 pounds per package, probably not more than ten percent of his shipments being of heavier weight, and that he had no demand from his customers for a service as proposed by applicant.

Bruce Moore, with the Dean Hardware Company of Fullerton, a witness called by protestant American Railway Express Company, testified he had no need for the proposed service.

Hart Sheeran, Superintendent of Delivery for J. W. Robinson Co., a department store in Los Angeles, testified that he used the facilities of the Inter-City Parcel Service for all shipments of 40 pounds and under, and the American Railway Express Company and authorized truck lines for shipments in excess of a weight of 40 pounds per package; that the proposed service of applicant was not attractive, a direct delivery to consignee being necessary for his shipments.

Guy T. Hill, in charge of shipping for the Western Costume Co. of Los Angeles, testified he used the facilities of the American Railway Express practically all the time, and had no need for the proposed service of applicant.

E. M. Whitney, shipping clerk for Butler-Schultz Company, wholesale millinery at Los Angeles, testified that his concern rarely shipped merchandise where the packages exceeded a weight of 40 pounds and that the proposed service of applicant was not needed by his company.

Harry Galbraith, employed by Buffam's Department Store at Long Beach, testified he had no need for and would not use the proposed service of applicant, his business requiring a store door pick-up and delivery.

Louis T. Fletcher, President, Service Motor Express, operating between Los Angeles, Riverside, San Bernardino, Beaumont, Banning and intermediate points, and to Orange County points of Anaheim, Fullerton and La Habra, testified that two daily services were operated from Los Angeles to Riverside and San Bernardino, one leaving Los Angeles at 12:00 noon with afternoon delivery, the other leaving Los Angeles between 8:00 and 10:00 P.M. for delivery the following morning. The majority of this protestant's business consists of shipments weighing from 40 to 150 pounds.

J. W. Cawley, Manager of Los Angeles & Newport Freight Line, operating between Los Angeles, Huntington Beach, Newport, Balboa and Laguna Beach, testified that his line operated a daily service leaving Los Angeles about 4:30 A.M., making store door deliveries shortly after 9:00 A.M. Pick-up service is furnished in Los Angeles. Practically forty-five percent of this protestant's business is handled under his minimum weight charge and his company, now operating two trucks, is able to handle an increased tonnage without adding additional equipment, or to add more equipment and schedules if the volume of business increased.

No evidence in protest was offered by protestants Pacific Electric Railway Company, Atchison, Topeka & Santa Fe Railway Company, Southern Pacific Company or Los Angeles & Salt Lake Railroad Company

We have fully and carefully considered all the evidence and exhibits in this proceeding.

Since the filing of the original application much of the territory then covered by applicant has been transferred to other operators, some new lines have been acquired and by the latter fact competition has been eliminated on some routes which are now served exclusively by applicant as regards motor stage operation. The changed conditions are fully reflected by amendments to the application duly filed herein.

Regarding the proposal of applicant to carry baggage up to a limit of 150 pounds on each full ticket where the one-way rate for such ticket is \$3.00 or more. Although the record shows no testimony other than that of the officials of applicant company, and much of the higher rate transportation has been eliminated by reason of applicant having sold or leased lines on which the one-way rate exceeded \$3.00 per one-way ticket, the proposal appears in the public interest and the record

shows no material protest by competing motor carriers, and no protest whatever by rail carriers, against the granting of this portion of the application. A brief review of applicant's passenger tariff shows that the public would be served on its trips over the applicant's line between Los Angeles and Keen Camp, Idyllwild, San Bernardino Mountain Resorts north of and including Crestline and Barrel Springs; between San Bernardino and Camp Fleming and Cedar Glenn on the Arrowhead Lake via Waterman Canyon Route; between Lake Arrowhead, Camp Fleming and Richardson's Camp, Big Bear Dam and Pine Knot, between Arrowhead Lake, View Forest, Allison's Ranch, Fredalba Junction and Big Bear Dam and Pine Knot on the Lake Arrowhead to Big Bear route; between San Bernardino and Fredalba to Pine Knot and stations intermediate, between City Creek Bridge and Green Valley and stations intermediate to Pine Knot, between Dutch Johns, Barrel Springs, Inspiration Point, Fredalba, Fredalba Junction and Big Bear Dam and Pine Knot, on the City Creek Route to Big Bear; from Redlands, Mentone, Rainbow Ranch, Edison Power House, Lower Control, Forest Home Junction, Valley of the Falls- Forest Home to Summit, Oak Knoll Control and Pine Knot, from Mountain Home, Camp Angeles, Upper Control, 7 Oaks Junction, 7 Oaks, Clark's Ranch Road to Oak Knoll Control and Pine Knot on the Redlands to Big Bear Lake, via Mill Creek Canyon Route; from San Bernardino to Box "S" Ranch, Doble and Big Bear Valley, via Victorville route; and between all points where the combination of local rates of applicant results in a through one-way fare of \$3.00 or in excess thereof.

By stipulation of applicant the free baggage to be carried up to the limit of 150 pounds was to be such as is defined in Section 2181 of the Civil Code of the State of California. The order herein will provide for the granting of the application insofar as it refers to the carriage of baggage.

As to the increased weight of express matter sought to be authorized by the removal of the present restriction of 40 pounds per package for express matter when carried on the passenger stages to a maximum weight of 150 pounds per package to be transported in accordance with applicant's specific offer of service as hereinabove fully set forth. We have carefully reviewed the evidence and are not of the opinion that justification has been shown for the granting of the increase in weight to the extent herein sought. The record shows few instances where a weight limit as great as 150 pounds per package is needed or where shipments of such weight cannot be satisfactorily handled, and with reasonable expedition, by carriers already authorized to serve specific routes and communities. We are not impressed by the offer of service insofar as it proposes the transportation of express matter which, due to lack of space or character and suitability of shipment cannot be carried on passenger stages but is proposed to be carried on service cars or trucks. A specific offer has been made to transport by service cars to any point or on any route when an accumulation of 500 pounds is on hand which cannot be carried on the passenger stages of applicant. We believe that such an obligation would not be in the public interest in that it would require a material increase in the truck equipment of applicant, far beyond what may be necessary in the way of service cars to transport its own supplies and repair parts. There is no showing justifying the establishment of an express service, practically unlimited except as to the restriction to a maximum weight of 150 pounds per individual package, particularly in view of the record which shows that satisfactory and dependable service is available by authorized carriers having duly established routes, rates and schedules of service against which there is little or no complaint.

The primary business of this applicant is the transportation of passengers by automobile stage and the carriage of property has been developed as incidental to the passenger transportation. The present proposal of applicant seeks the establishment of an auxiliary and additional service for the carriage of property in competition with authorized carriers for which we find no justification from the record herein, nor do we find that it proposes to care for or create any new traffic but rather to divert traffic now moving by other authorized carriers against whom the record shows no complaint as to rates, schedules or service.

We are of the opinion and hereby find the following facts from the record herein:

1. That public convenience and necessity require the establishment by applicant of a service for the transportation of baggage over its authorized lines, said baggage to be of a weight not to exceed 150 pounds per piece and to be carried free between all points on applicant's system when the one-way passenger rate or fare is the sum of \$3.00 or more.
2. That public convenience and necessity requires the transportation of express packages or parcels not exceeding one hundred (100) pounds in weight per package or parcel between all points on the several operative divisions of applicant's system, said express matter or parcels to be carried only on the passenger cars of applicant.

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 findings 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 establishment by Motor Transit Company, a corporation, of a baggage service in conjunction with its passenger stage service for the free transportation of baggage, not exceeding in weight one hundred fifty (150) pounds per piece, between all stations on its system where the one-way rate or fare is the sum of \$3.00

or more, and

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity requires the operation by Motor Transit Company, a corporation, of an express service for the transportation of parcels and packages not exceeding a weight of one hundred (100) pounds per parcel or package, between all points on the several operative divisions of the Motor Transit Company system, said express to be carried only on the passenger cars or stages of applicant, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Motor Transit Company, a corporation, for the transportation of baggage, parcels and express in accordance with the foregoing declaration and subject to the following conditions:

1. Applicant shall file its written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from the date hereof.
2. Applicant shall file, in duplicate, within a period of not to exceed thirty (30) days from the date hereof, tariff of rates, schedules, rules and regulations, such tariffs, schedules, rules and regulations to be identical with those filed with the application and amendments thereto and as qualified by the order herein, and to be satisfactory in form and substance to the Railroad Commission. Operation of the service herein authorized shall be commenced within a period of not to exceed forty five (45) days from the date hereof.
3. The rights and privileges herein authorized may not be sold, leased, transferred, assigned, or service thereunder discontinued unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance of service has first been secured.
4. No vehicle may be operated by applicant herein unless said vehicle be owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.
5. The rights and privileges for the transportation of baggage and express are in lieu of all operative rights heretofore granted to Motor Transit Company, a corporation, except as to such rights as may heretofore have been granted for the transportation of baggage not exceeding thirty (30) pounds in weight.

6. No authority is hereby conveyed for the merging of operative rights or for the operation of equipment between divisions as heretofore established by other decisions of this Commission.

For all purposes, other than hereinabove stated, the effective date of this order is hereby fixed as twenty (20) days from the date hereof.

Dated at San Francisco, California, this 25th day of August, 1927.

W. J. Casey

Leon Whitford

David R. ...

W. J. ...
COMMISSIONERS.