

Decision No. 21005

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

-----oOo-----

In the Matter of the Application
of F. M. HODGE, JOHN D. KWIS and
E. A. ROSE, a co-partnership,
doing business under the name of
the SAN JOAQUIN VALLEY TRANSPORTATION COMPANY for a certificate
extending motor freight service
into Hanford, Armona and Lemoore.

ORIGINAL

Application No. 15095.

Douglas Brookman for Applicant.

W. S. Johnson for Southern Pacific Company, Protestant.

Edward Stern for American Railway Express Company,
Protestant.

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

L. E. Wolters for Golden State Milk Products Co.,
in favor of application.

BY THE COMMISSION:

O P I N I O N

F. M. Hodge, John D. Kwis and E. A. Rose, doing business under the name of San Joaquin Valley Transportation Company, petition the Railroad Commission for an order declaring that public convenience and necessity require the operation by applicant of an auto truck service as a common carrier of freight between Hanford, Armona and Lemoore on the one hand, and Los Angeles and points intermediate between Los Angeles and Hanford on the other hand. Authority is also sought by applicant to operate its trucks to points five miles on either side of the highway traversed in accordance with the foregoing application and to route its trucks between Los Angeles and Fresno via the main highway between Hanford, Armona and

Lemoore.

Public hearings were held by Examiner Gannon at Los Angeles and Hanford, the matter was submitted, and is now ready for decision.

Applicant, by Decision No. 9460 dated September 3, 1921, was granted a certificate to operate an automobile freight truck service between Los Angeles and Fresno and intermediate points. Over this route it operates a daily overnight service and now seeks to extend such service so as to include Hanford, Armona and Lemoore on the one hand, and Los Angeles and points intermediate between Los Angeles and Hanford on the other hand. Extension of service between Fresno and Hanford, Armona and Lemoore is not sought in this application, but authorization is requested for the routing of trucks to Fresno on the main highway between Hanford, Armona and Lemoore.

Rates to be charged for the service, time schedules to be maintained and equipment to be used are all fully set forth in exhibits attached to the application and made a part thereof.

In protest against the granting of the application appeared Southern Pacific Company, Atchison, Topeka and Santa Fe Railway and American Railway Express Company.

The General Manager of applicant company testified that his company had received numerous requests for the proposed service from shippers into this territory. Its present service, chiefly for butter out of Hanford and Lemoore, is via another truck line to Fresno where shipments are loaded on to their own trucks southbound. This method was found to be unsatisfactory and applicant then arranged with two

creameries to haul their butter on a private contract basis, bringing their trucks back empty from Los Angeles. At least thirty shippers have requested applicant to extend its truck service into the Hanford territory and applicant believes there would be a considerable tonnage moving each way, consisting principally of general merchandise northbound and butter and creamery products southbound.

The traffic manager of the Los Angeles Chamber of Commerce testified that there appeared to be a demand for more expedited service into Hanford and Lemoore. There was introduced a letter from the general freight agent of Southern Pacific Company, protestant herein, dated September 5, 1928, advising this witness that the rail company "regretted exceedingly" the present service, but that third morning delivery to Hanford and Lemoore "is the best we can do." However, on rebuttal, it was shown that in actual practice second day rail delivery was being effected in Hanford, Lemoore and Armona.

Applicant's proposal was endorsed by some ten witnesses from Los Angeles and by stipulation the testimony of eight additional witnesses from this territory was admitted. These witnesses, for the most part, were traffic managers representing various manufacturing and wholesale establishments and their testimony indicated a desire for transportation service which would enable Los Angeles dealers to more actively compete with San Francisco and Oakland houses. They felt they were entitled to an overnight truck service to Hanford and adjoining towns, as they now enjoy such service to other San Joaquin Valley points. The impression

seems to be general that the present rail freight service affords only third-day delivery.

At the hearings held in Hanford applicant produced a considerable number of witnesses most of whom testified they would use overnight truck service should it be available. American Railway Express service is satisfactory but charges would be prohibitive on shipments ordinarily designed to go by freight.

Counsel for applicant stated that sixty witnesses had been subpoenaed from Hanford and vicinity and after offering the testimony of twenty-three of these it was his belief that the remainder would testify similarly, and accordingly their testimony was dispensed with by applicant.

One of the co-partners of applicant company, with headquarters at Fresno, testified that direct truck service to Hanford and Lemoore, rather than the present method of shipping by truck to Fresno and thence trans-shipping to Hanford, would effect a saving in time of 26 hours and in distance of 54 miles. From November 1st to January 15th they handled a total of 42,000 pounds by truck via Fresno to Hanford and Lemoore.

Witnesses protesting the granting of the application testified jointly on behalf of Southern Pacific Company, American Railway Express Company and Atchison, Topeka and Santa Fe Railway. Hanford witnesses, seven in number, representing various lines of business, testified that the existing freight and express service from Los Angeles was satisfactory and adequate and that there was no necessity for additional service. Some of the objection to truck service was based upon a feeling that the rail lines should be protected in the fields which they had pioneered and

were adequately serving, particularly when there appears to be no demand for added service.

Approximately fourteen public witnesses were called by protestants at Los Angeles. While some of these maintained their own trucking services, and others were infrequent and light shippers of freight, on the whole the testimony from this source seemed to establish the fact that the present facilities to Hanford, Lemoore and Armona were adequate.

An operating witness for Southern Pacific Company testified he had made a check of merchandise moving from Los Angeles to Hanford, Armona and Lemoore during the month of September, 1928, and found that the average transit time to Hanford was slightly less than 40 hours, to Armona slightly less than 41 hours and to Lemoore 43 hours. Merchandise destined to these three points is received at Los Angeles up to four p. m. of the shipping day, and is loaded in a car containing freight for points on the branch line from Goshen Junction to Coalinga. This car goes forward from Los Angeles at 7:25 p. m., and is available for delivery at Hanford at 8:00 a. m. of the second day, at Armona at 9:00 a. m. of the second day and at Lemoore at 11:00 a. m. of the second day. The transit time of forty hours covers the period between receipt of the freight at 4:00 p. m. and its arrival at Hanford. He had also checked the tonnage moving to these points during the same period and ascertained that the average daily shipments to Hanford aggregated 2572 pounds, to Armona 435 pounds and to Lemoore 565 pounds. Refrigerator cars, iced during the summer, for the handling of butter and dairy products are

provided the year round, leaving Hanford at 8:00 a. m. and arriving at Los Angeles at noon the following day.

The travelling freight agent of this rail line testified he called on shippers in the territory between Fresno and Bakersfield and received no general complaints.

A representative of American Railway Express Company testified that his company maintained free collection and delivery service in Hanford and Lemoore as well as Los Angeles, with an overnight service from Los Angeles. An exhibit introduced by this protestant shows six daily express services, three each way, serving Hanford, Armona and Lemoore.

A careful review of the record in this proceeding leads us to the conclusion that there is no outstanding demand for the proposed service and that the application should be denied. If we accord to the testimony of applicant's witnesses the fullest weight we find the record still far short of showing public convenience and necessity.

The application apparently is predicated upon the belief that the present rail service affords at best a third-day delivery at Hanford, Armona and Lemoore. In fact, many witnesses, particularly among the Los Angeles shippers, so testified. The fact is that these three communities are, and apparently have been receiving second-day delivery from Los Angeles, and such delivery can be taken early enough on the morning of the second day to make the merchandise available for that entire day. The testimony of all witnesses, therefore, so far as it expresses dissatisfaction with present rail service based on a third day delivery must necessarily be of no avail. The strongest link in applicant's case was forged by its Los Angeles witnesses, and we are inclined

to believe their testimony would have been materially weakened, if not entirely withheld, had they not been under a misapprehension as to actual transit time.

Applicant subpoenaed sixty witnesses from Hanford and vicinity, of whom twenty-three actually testified. We are not impressed with the strength of their testimony; on the contrary, not being voluntary witnesses, they testified generally more or less half-heartedly.

The shippers and receivers of freight and express called by Southern Pacific Company and American Railway Express Company are, as a rule, satisfied with the service to Hanford, and there was no substantial complaint against the service to^{the} other two towns. We believe the present rail facilities, all things considered, adequately serve the communities involved.

From the record before us we conclude that public convenience and necessity do not require the establishment of the proposed extension of service, and the order will find accordingly.

ORDER

Public hearings having been held in the above entitled application, 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 proposed service, and

IT IS HEREBY ORDERED that Application No. 15095 be
and the same is hereby denied.

Dated at San Francisco, California, this 22nd
day of April, 1929.

W. S. Smith

C. J. Seamy

E. J. Smith

Leon Whitell

W. J. Carr

Commissioners.