

ORIGINALDecision No. 22488

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 K. M. STEVENSON and PAUL SHAFER,)
 doing business under the fictitious name)
 and style of Victorville Motor Express,)
 for a certificate of public convenience)
 and necessity authorizing an extension)
 of their present operative rights to)
 include auto trucking service transporting) Application
 freight and express to Needles, California,) No.16488
 and intermediate points beyond Daggett,)
 and also to extend the service to the)
 Nevada State Line serving the intermediate)
 points beyond Yermo.)

Phil Jacobsen, for Applicant.
 W. F. Brooks, W. T. Quirk and G.E.Harrison,
 for the Atchison, Topeka & Santa Fe Railway Company,
 Protestant.
 H. E. Scruggs, for Railway Express Agency, Inc.,
 Protestant.

BY THE COMMISSION -

O P I N I O N

K. M. Stevenson and Paul Shafer, a partnership doing business under the firm name and style of Victorville Motor Express, have petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by them of an automobile truck service as a common carrier of freight and express as an extension of their presently authorized operating rights as contained in Decisions Nos.18406 and 21168 on Application No.13691 which provide

"for the operation of a freight transportation truck line between Los Angeles, Colton and San Bernardino on the one hand, and between San Bernardino, Yermo and intermediate points on the other hand; provided, however, that no freight shall be transported between Los Angeles and San Bernardino; and provided further that applicants may distribute from Victorville, freight to all points 10 miles north, or 30 miles east and west of Victorville, all points to be drawn north of a line east and west through Hesperia over and along the following route: Between Los Angeles and Colton and San Bernardino over the Valley Boulevard and Colton-San Bernardino Highway, between San Bernardino and Barstow over the State Highway and between Barstow and Yermo over the National Old Trails route."

Applicants herein propose to extend service from Daggett to Needles, serving the intermediate points of Minneola, Ludlow, Bagdad, Amboy, Danby, Fenner and Coff's; also to extend service from Yermo to the California-Nevada State Line, serving the intermediate points at Mannix, Midway, Cronos, Baker, Halloran Springs, Yucca Grove, Windmill, Mountain Pass and Wheaton Springs.

A public hearing on this application was conducted by Examiner Handford at Needles, the matter was duly submitted and is now ready for decision.

Applicants propose to charge rates in accordance with a schedule marked "Exhibit A", as attached to the application; to operate service twice weekly, leaving Los Angeles at 6:00 P.M. on Tuesdays and Fridays; and to use present equipment in the operation of the proposed extensions.

Applicants rely as justification for the granting of authority for the desired extensions upon the following alleged facts; that applicants have been continually requested by shippers in Los Angeles and by receivers of freight along the routes covered by this application to establish the proposed service; that a volume of tonnage is now moving and will be available for transportation by applicants; and that applicants now own sufficient equipment to adequately serve the proposed extensions.

Paul Shafer, of applicant partnership, testified regarding the present operations and that terminals were now maintained at Los Angeles, Victorville, San Bernardino and Barstow, with agents at each terminal. The operation between Yermo and Daggett on the one hand and San Bernardino has been conducted for 2½ years. Fourteen trucks are now being operated by the partnership, including 10- 3 ton Reos and a refrigeratár truck having a 600 pound ice capacity and circulating brine tank, the

refrigerating apparatus having cost \$1600. Approximately \$45,000 is invested in the business, against which amount there is a present indebtedness of from \$10,000 to \$15,000. Witness estimates that three units of equipment will meet the requirements of the service resulting from the proposed extensions. Witness is in charge of the operations of the partnership east of San Bernardino and has had frequent requests during the past three months for the establishment of the proposed service, about a dozen of such requests originating at Needles. Store door pick-up and delivery and quick service have been the basis of the requests for establishment of the proposed service. Witness believes the number of requests has justified the instant application and that the granting of same would result in profitable operation as an extension of present operative rights. For the past 15 months the partnership has operated a daily interstate service to Los Vegas, Nevada, using 6 wheeled Reo trucks and operating between Daggett and the California-Nevada State Line over the same route as herein proposed for intermediate service in the State of California. This interstate operation has gradually increased in tonnage hauled and is now returning a profit. Witness estimates a tonnage of from 16 to 20 tons weekly to be available for movement over the Daggett to Needles extension, principally destined to Needles where it is proposed to establish an agency. The intermediate business on this proposed route is estimated by the witness to approximate not over 1½ tons weekly, being confined to supplies and merchandise for service stations, auto camps and garages along the highway which are operated for and patronized by automobile tourists.

K. M. Stevenson, one of applicant co-partnership, testified that he was in charge of the Los Angeles operations and that frequent inquiries were received for transportation of freight to Needles and to the smaller communities herein proposed to be served by the two extensions of routes. These inquiries,

averaging from 3 to 5 telephone calls daily, originate with Los Angeles shippers and are apparently based on the shippers' desire for store door pick-up, direct delivery, and to eliminate the present necessity of prepayment of shipments destined to non-agency points, particularly when the consignee may be located at a point on the highway not within a reasonable distance of railroad facilities. Witness estimates that 90 to 120 days operation will be necessary to place the Daggett-Needles extension on a compensatory basis, it being the experience of the witness that the volume of traffic increases after the establishment of a new service. Witness has made no solicitation of traffic for points intermediate between Daggett and Needles, but as regards Needles business his investigation with Los Angeles shippers indicates an estimated tonnage of approximately 115 tons monthly.

O. L. Butterfield, employed as agent for the Union Oil Company at Needles, testified that his agency received lubricating oil, aviation gasoline, lubricants and greases in cases, that he knew of the proposed service and that it would be a convenience if inaugurated. Witness has heretofore received shipments by truck from Los Angeles, the last being during the month of April, 1930, and consisting of a truck load of oils and greases. Truck shipments average about one per month and average about 10 tons each. The truck deliveries are more convenient in that they save trouble and labor in hauling shipments from the railroad freight station to his warehouse, and the expense of local drayage. Witness does not control the routing on shipments consigned to his agency. The express service of Railway Express Agency, Inc., insofar as same has been used for shipments, has been satisfactory and also the railroad service as rendered by the Atchison, Topeka & Santa Fe Railway Company.

Roy G. Christensen, residing on the highway at Bagdad and operating a store, service station and lunch stand, testified that he received ice cream, groceries, meat, ice, candy and soft drinks. Witness now goes to San Bernardino for the major portion of his supplies. If the proposed service were to be established it would be used by witness, who estimates that his shipments would approximate a weight of 1000 lbs. weekly. Witness is located about one-quarter mile from the railroad station at Bagdad but objects to the inconvenience of taking delivery of his shipments at the railroad station and carrying them across the tracks or going three miles by road with his automobile to a public crossing enabling delivery to be taken from the station platform. Witness has used the Railway Express Agency, Inc. for the receipt of milk but complains that the rates are too high.

Leslie W. Johnson, residing in San Bernardino and engaged in the tire business, testified that he made shipments into the territory proposed to be served; that he knew of the application and would use the service if authorized for the reason that many roadside camps, garages and filling stations are located at points on the highway which are distant from railroad stations or where no railroad agencies are maintained. Witness has used the freight service of the railroad for his shipments to Needles and has found it satisfactory.

H. Rossbach, residing in San Bernardino and engaged in the business of supplying motor parts and accessories, ships to Needles and highway points proposed to be served using such routing as may be specified by his customers. The proposed service would be convenient for him in the delivery of his merchandise to highway garages. Witness has no complaint regarding the rail express or freight service as now operating.

Elaine Osburn, employed as manager for Herman C. Lynn operating a motor truck and tire agency in San Bernardino, ships tires and truck repair parts into the territory, and would use

applicant's proposed service for shipments to highway garages estimating his shipments to approximate from 100 to 1000 lbs. per month. Witness uses the service of the Atchison, Topeka and Santa Fe Railway wherever possible and has no complaint regarding same.

The granting of the application is protested by the Atchison, Topeka and Santa Fe Railway Company and by Railway Express Agency, Inc.

Exhibits were presented showing the express rates of Railway Express Agency, Inc. and scheduled passenger trains upon which express was carried. Four round trips, daily, are available between Barstow and Needles, two round trips daily serving all intermediate points between Barstow and Needles, four round trips daily between Barstow and the stations of Ludlow and Bagdad, and three trips daily serving the station of Goffs from both Needles and Barstow.

Less than carload freight service is available on the Atchison, Topeka and Santa Fe Railway daily from Los Angeles to Barstow, Barstow to Cadiz and Needles; four times per week service between Barstow and Amboy. and intermediate points, tri-weekly service to points between Siam and Needles. In addition to the regular merchandise l.c.l. freight service, refrigerator car service is operated Wednesday of each week from Los Angeles for Minneola and all points to and including Needles, and on Saturday night for Needles only. This refrigerator car service cares for fresh vegetables and other perishable products and no additional rate is assessed for the service.

G.F. Connor, operating a bakery at Needles, testified that he received both freight and express by railroad, including flour in carload lots. A weekly average of six tons per week, 1000 lbs. of milk daily by express from Barstow, and the majority of the balance of the tonnage by l.c.l. freight, comprise his inbound tonnage. Witness does not need truck service his present transportation requirements being adequately and satisfactorily cared for,

and the proposed truck service being but once a week and proposing to arrive at Needles too late for his business needs.

Geo. G. Sargent, a furniture dealer of Needles, testified that he received shipments by rail freight from Los Angeles and San Bernardino, the service being satisfactory. Witness was of the opinion that in the event of the establishment of the proposed service he might make some use of it in shipping furniture out of Los Angeles for the reason that the packing and crating costs would be eliminated, shipments by rail requiring to be crated and fully protected before acceptance.

W.S. Perdue, engaged in the lumber business at Needles, testified as to his frequent use of rail freight and express service; that the service was entirely satisfactory and adequate; and that he would not use the proposed service.

G.F. Mohler, president of the Needles Chamber of Commerce, a city councilman, and proprietor of the Coco Cola Bottling Works, testified that he received freight by rail from Los Angeles, and also ships to points west of Needles. Very few express shipments are received. Witness expressed satisfaction with the rail and express service now being furnished and stated that he would not use the proposed truck service.

W.L. Carter, in the grocery and hardware business at Needles, testified that he received freight shipments by rail from Los Angeles, averaging about six tons monthly. Witness states that he receives good service from the railroad and sees no reason for changing his method of shipment to the proposed truck service.

J.C. Brown, a dealer in meats and groceries at Needles, testified that he received between 15 and 25 tons of merchandise monthly, receiving express shipments every day; that both rail freight and express service were satisfactory, and that he did not believe he could use the proposed truck service for the receiving of his shipments, such service not appearing attractive.

P.L. Mc Lain, a druggist of Needles, testified that he received freight shipments from Los Angeles by rail in an amount of approximately 15 tons per year. He uses some rail express service. Both the rail and express service are entirely satisfactory and he does not feel that the proposed truck service is a necessity for his business.

C. Biddle, employed as manager for the J.C. Penny Co., a department store at Needles, stated that most of his shipments from Los Angeles were transported by rail express, very little rail freight originating at that point. Witness would not use the proposed truck service if it were to be authorized and did not consider it necessary for his business.

Wm. M. Claypool, Jr., in the general merchandise business at Needles, testified that his concern received shipments from Los Angeles, practically all rail shipments being in less than carload quantities. A considerable volume of express is also received. No complaint exists as regards the present methods of transportation, excepting as regards eggs received by express from Riverside and transferred at San Bernardino resulting in some loss by breakage. Witness stated that the proposed truck service would not be attractive and that he would not use same if established, believing the present rail freight and express service to be adequate and generally satisfactory.

By stipulation it was agreed that the testimony of the following merchants and concerns at Needles would be the same as that of other Needles witnesses whose testimony is shown in the preceding paragraphs:- Pialto, shoe dealer; Yosimoto, groceries; Nichols, drygoods; Needles Gas & Electric Co.; Drake, meat market; Needles Ice Co.; Monohan-Murphy Co.; and City Meat Market.

A careful review and consideration of the record in this proceeding results in the conclusion that the proposed extension of applicant's route to serve the territory between Daggett and Needles

is not necessary, the merchants of Needles being apparently well satisfied with the present service now available by the present rail freight and express facilities. The frequency of service, both freight and express, together with the refrigerated car service for freight, without additional cost, is unquestionably superior to the truck service as proposed to be operated but twice weekly. The proposed service would be convenient for highway garages, service stations and auto camps located at points off the railroad, but the limited volume of traffic to be furnished by such consignees would not justify or insure the continuance of operation if a reasonable volume of business were not to be available at the proposed terminal at Needles. This portion of the application will, therefore, be denied.

As regards the service proposed between Yermo and the California-Nevada State Line as an extension of service now rendered between Los Angeles and Yermo. The record shows that applicants are now operating a daily interstate service to Las Vegas, Nevada. There appears no reason why the small volume of traffic destined to the sparsely populated highway points between Yermo and the California-Nevada State Line should not be carried by applicants on their Las Vegas trucks, some of the highway auto camps and oil stations being located on the highway in a desert country and at very considerable distances from rail or other authorized truck transportation. Such an operation would be a material convenience for the few residents of these outlying desert communities, which have been established principally to care for the automobile tourists entering California over transcontinental routes from eastern states. We believe, however, if such service be established that it should be conducted in connection with the operation of the Las Vegas trucks thereby rendering these small highway communities the advantages of a daily service rather than the operation of a twice weekly service as proposed by applicant. Operating mileage will also be

conserved for the applicant if the through Las Vegas trucks transport the relatively small volume of freight which would offer for the points intermediate between Yermo and the California-Nevada State line. The order herein will provide for the serving of these intermediate points by the use of the through Las Vegas trucks.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require the operation by K. M. Stevenson and Paul Shafer, co-partners operating under the fictitious firm name and style of Victorville Motor Express, of an automobile truck line as a common carrier of freight and express, as an extension of their present operative rights, between Daggett and Needles and intermediate points via United States Highway No.66, and

IT IS HEREBY ORDERED that such portion of Application No.16488 be and the same hereby is denied.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the operation by K. M. Stevenson and Paul Shafer, co-partners operating under the fictitious firm name and style of Victorville Motor Express, of an automobile truck service as a common carrier of freight and express between Yermo and the California-Nevada State line, via United States Highway No.91, serving all intermediate points including Mannix, Midway, Cronos, Baker, Halloran Springs, Yucca Grove, Windmill, Mountain Pass and Wheaton Springs, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to K. M. Stevenson and Paul Shafer, co-partners operating under the fictitious firm name and style of Victorville Motor Express, for the operation of an automobile truck line as a common carrier between Yermo and the California-Nevada State line and all intermediate points on United States Highway No.91, said points including the communities at Mannix, Midway, Cronos, Baker, Halloran Springs, Yucca Grove, Windmill, Mountain Pass and Wheaton Springs.

The authority hereby granted is not a new and separate certificate but as an extension of and as a consolidation with applicants' presently authorized operative rights for the transportation of freight between Los Angeles, Colton and San Bernardino on the one hand, and the territory between Victorville, Barstow, Daggett and Yermo on the other hand, as such operative rights are more fully set forth in this Commission's Decisions Nos.18406 and 21168 on Application No.13691, and as referred to in the preceding opinion. This order is issued subject to the following conditions:

1- The service between Yermo and California-Nevada State Line and intermediate points is to be rendered by the through trucks of the applicant in connection with their interstate truck service as now rendered to Los Vegas, Nevada, via United States Highway No.91 between Yermo and the California-Nevada State line.

2- Applicants shall file their written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

3- Applicant shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service within a period of not to exceed thirty (30) days from the date hereof.

4- 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.

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

Dated at San Francisco, California, this 21st day of May, 1930.

Cl. Seavey
Ernest

Pro. E. Lott

COMMISSIONERS.