

Decision No. 22745**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 MOTOR FREIGHT TERMINAL COMPANY for )  
 authority to operate over alternate )  
 routes via Lompoc between Harris ) Application  
 Station and Buellton, and between ) No. 15926.  
 Harris Station and Las Cruces. )

Hugh Gordon and C. Kelly Hardenbrook,  
 for Applicant.  
 C. Kelly Hardenbrook, for Lompoc  
 Chamber of Commerce, Intervenor in  
 behalf of Applicant.  
 Edw. Stern, for Railway Express Agency,  
 Inc., Protestant.  
 W.S. Johnson, for Southern Pacific  
 Company, Protestant.  
 Earl A. Bagby and R.M. Mather, for  
 Southern Pacific Motor Transport  
 Company, Protestant.  
 Harry N. Blair, for Valley and Coast  
 Transit Company, Protestant.

BY THE COMMISSION:

OPINION

Motor Freight Terminal Company, a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by it of an automobile truck service as a common carrier of freight over alternate routes in conjunction with its present authorized route between Santa Barbara and San Luis Obispo, said proposed alternate routes being as follows: -

- (1) Between Harris Station and Buellton, via Lompoc and all intermediate points, and
- (2) Between Harris Station and Las Cruces, via Lompoc and all intermediate points.

Authority is also requested for the operation of the proposed service as an extension of applicant's presently authorized service between Los Angeles and San Luis Obispo, and intermediate points, including the right to serve any point within one-half mile of the route traversed for shipments of any size, and within ten miles of the route traversed for shipments of ten tons or over, all

in accordance with tariffs, rules and regulations as now lawfully filed with this Commission and as herein proposed to be amended by tariffs, rules and regulations as appearing in an exhibit attached to and forming a part of the application.

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

Applicant proposes rates in accordance with a schedule marked "Exhibit A" as attached to the application; to operate at least one round trip, daily except Sundays, arriving at Lompoc in the early morning from points south, including Los Angeles and leaving Lompoc for Los Angeles and intermediate points between 12 o'clock noon and 2.00 P.M. together with such additional service as may be justified by the demands of traffic; using as equipment on the regular Lompoc run pneumatic tired equipment that a fast and expedited service may be available.

Applicant relies as justification for the granting of the desired certificate upon the following alleged facts; that Lompoc, a city of approximately 2000 residents, is located in a fertile valley producing large quantities of fruit, grain, vegetables and other products which are shipped to markets in Los Angeles and Santa Barbara; that many of these commodities require expedited service with minimum handling, such as applicant now renders on shipments from other authorized points; that a large volume of general merchandise, hardware, machinery, farming implements, drugs, automobile supplies and other commodities are regularly shipped to Lompoc from wholesalers and jobbers in Los Angeles and Santa Barbara, and applicant proposes to render service to the merchants and business men of Lompoc at rates which approximate the L.C.L. rail freight rates plus the cost of cartage from the rail station to the point of delivery; applicant's proposed rates including store door pick-up and delivery and avoiding disadvantage, cost and delay incidental to cartage

to and from rail stations; and that applicant has received a great number of requests for truck transportation to Lompoc and adjacent points along the route proposed to be traversed, and believes there is substantial demand for the extensions of its service into the Lompoc territory.

At the commencement of the hearing counsel for applicant stipulated that no authority was herein sought to transport freight in a northerly direction from Lompoc, or between Lompoc and San Luis Obispo and intermediate points, and that any order made herein could exclude such portion of the territory. Upon the entry of this stipulation in the record the protest of Valley & Coast Transit Company was withdrawn.

W.W. Mc Kee, a director and manager of the Coast Division of applicant with headquarters at Santa Barbara, testified that he estimated a freight tonnage of from 8000 to 10000 pounds daily to be available destined to Lompoc, no estimate having been arrived at regarding the outbound tonnage. At present the Lompoc Valley ships between 50 and 100 tons daily during the season, shipments consisting of fruit and vegetables. Witness is of the opinion that the tonnage in and out of Lompoc would justify the operation of more than one truck in such service. Witness has frequently visited the Lompoc territory and has interviewed practically all the merchants, and has received almost daily inquiries regarding the establishment of the proposed service, resulting in his conclusion that an overnight truck service from Los Angeles and Santa Barbara is a necessity for the public. Witness does not claim that the service of Railway Express Agency, Inc. is inadequate but does consider the rail freight service inadequate in point of time required to make Lompoc deliveries.

H.A. Ackley, a witness engaged in the grocery, hardware and radio business at Lompoc, testified that 20 per cent of his merchandise came from Los Angeles and that he received about

one-half ton of groceries weekly by rail freight, and 300 lbs. of radios and supplies about three times weekly by express. Witness does not now use truck service but would make use of the express truck service of applicant, if established, and also some use of the truck freight service, being of the opinion that the rail freight service is not as good as it was in former years. Radios and radio accessories require prompt shipment and are therefore forwarded by rail express, the majority of his other shipments coming to Lompoc via rail freight.

T.P. Kirkpatrick, one of the partners of the firm handling meats and smoked meats at Lompoc testified that he received shipments from Los Angeles two or three times weekly, shipments consisting principally of smoked and cured meats, averaging from 200 to 500 lbs. per shipment. Witness would make use of the proposed service, if authorized, and would move practically all his commodities by truck, his present consignments moving by rail freight and express in about equal proportions. His present express shipments average about 100 lbs. each, and he has no complaint regarding the present express service.

G.W. Whisler, employed as manager of Rudolph's Store at Lompoc, testified that his store handled dry goods, furniture, drugs and other commodities usually found in a department store, securing the majority of their stock from Los Angeles. Incoming shipments average from 2 to 3 each week those by rail freight varying from 200 to 2500 lbs. and those by express approximately 1000 lbs. weekly. The time in transit by rail freight approximates three days from the date of shipment to its arrival at the store of witness. The expedited overnight service proposed by applicant would be desirable. No complaint was registered by this witness regarding the service now available by rail express, the time in transit being considered satisfactory.

Robt. C. Lilley, a member of the City Council of Lompoc and a shipper of beans, grain and agricultural products, testified that he made shipments as agent for other merchants and also for his own account. He now ships to Los Angeles by both rail and truck, using trucks for full load shipments under contract with local truckmen. Witness believes that the proposed service will be of advantage to the Lompoc community and of value to him in the conduct of his business, and that he would make use of same if inaugurated.

G.T. Gunderson, Ford dealer at Lompoc, testified that he received from 3 to 5 tons of merchandise monthly from Los Angeles, shipments arriving by rail freight, rail express and truck, the tonnage being apportioned approximately 2000 lbs. by express, 4000 lbs. by rail freight and 4000 lbs. by private carrier truck. The rail express service has been satisfactory to this witness in point of time in transit, but witness anticipates the rates of applicant will be more favorable for him than those now paid for rail express. This witness is also the president of the Lompoc Chamber of Commerce and knew of the petition prepared by such body which was circulated among merchants of Lompoc by the witness and another representative, resulting in 90 per cent of the merchants signing such petition. He further testified that the directors of the Chamber of Commerce appointed a Transportation Committee to investigate the service of the applicant at points where it was now rendering service, and witness was appearing under authorization of the Chamber in support of and favoring the granting of the application.

Mrs. Gertrude S. Brown, one of the partners in Brown's Drug Store at Lompoc, testified that the store received shipments of about 2000 lbs. per month, 20 per cent of same arriving by rail freight, the majority of the balance by parcel post. The service proposed by applicant would be of advantage to her business and would be used. Witness rarely uses rail express service, though considering

it adequate as to time, believing rates to be too high, also objects to rail freight service for the reason that shipments are too long in transit, some times as long as ten days to two weeks from Los Angeles.

Jas. W. Upton, a witness engaged in automobile and battery sales and service at Lompoc, testified that he received many shipments from Santa Barbara, using mostly rail express or parcel post, and occasionally rail freight. The service proposed by applicant and rates scheduled would be satisfactory and result in securing his business. Witness testified as to receipt of satisfactory service via rail express and sees no advantage in applicant's proposal from a service standpoint as regards express.

Geo. S. Zelk, handling automobile tires and accessories under the name of Lompoc Tire and Motor Co. testified that he received shipments from Los Angeles three or four times weekly, aggregating about two tons of tires per month. Emergency shipments of automobile parts average from one to three times weekly. Witness uses mostly rail express for these emergency shipments, seldom using parcel post, and uses rail freight for his heavier shipments. Witness being interested in prompt service, rather than rates, believes the proposed service to be desirable and would use it, although would have no need for it for the shipments now handled by rail express if the present early morning delivery of express was continued. Witness estimates the average delivery of rail freight from Los Angeles to require three days.

J. La Four, a witness engaged in the laundry business at Lompoc, testified that he purchased his supplies at Los Angeles, shipping by rail freight and averaging approximately one-half ton of soap and from 500 to 600 lbs. of laundry supplies monthly. Witness seldom uses rail express, his shipments all being of considerable weight. Witness would use the proposed service, if authorized.

F.J. Mc Cabe, constable at Lompoc and also engaged in the tire business, testified that he received shipments from Los Angeles about four times monthly, such shipments averaging about 300 or more pounds each. Witness would make some use of the proposed service, if authorized.

C.B. Sedgewick, a butcher at Lompoc, testified that he received fresh and smoked meats from Los Angeles two or three times weekly shipments averaging from 100 to 500 lbs. in weight. His shipments of fresh meat arrive by rail express and are prepaid by the shipper. Witness would use the service proposed if same was established.

J.H. Lundberg, engaged in the stationery business at Lompoc, testified that he received shipments from Los Angeles by both rail freight and express; that the rates proposed by applicant were very satisfactory; and that he would use the service if authorized.

J.E. Burton, a druggist at Lompoc, testified that forty per cent of his incoming shipments originated at Los Angeles, shipments being received at least every other day. But a small percentage of his shipments arrive by rail freight. Witness believes the proposed service to be an advantage for his business and he would use said service if authorized.

J.A. Hardesty, Jr., a witness managing a chain store grocery at Lompoc, testified that approximately 35 per cent of his incoming shipments originated at Los Angeles and approximately 45 per cent at Santa Barbara, the Santa Barbara shipments now being handled by a local drayman residing at Lompoc. About 100 lbs. of rail express was received each week. Between four and five tons of merchandise was received from Santa Barbara each month. Witness would make some use of the proposed service, if authorized, as he was in position to control a portion of the routing of his incoming shipments.

R.R. Mercer, in the plumbing business at Lompoc, testified that he received freight from Los Angeles practically every day, very little express being received. Witness knows of the proposed service and rates, both of which are satisfactory and would cause him to use the service, particularly as regards shipments from Santa Barbara. This witness is not particularly interested in the matter of rates believing that prompt service and minimum time in transit to be the desirable features and enabling to carry a smaller stock thereby conserving the investment necessary for the conduct of his business.

Frank Day, a witness operating a garage and machine shop at Lompoc, testified that he received shipments by rail freight from Los Angeles, weights varying from 100 to 500 lbs. per month, seldom using rail express. Witness has knowledge of the proposed service and rates, which would be desirable for his business, and would use the service if authorized.

Mrs. I.J. O'Brien, employed by her husband, an electrical contractor at Lompoc, testified that shipments were received from Los Angeles practically daily by freight and rail express, with occasional shipments of parcel post. The rates and service proposed would be satisfactory and would result in all the business being given to applicant if the authorization was granted, even though there was no complaint as to the present rail express service. Witness complains that the rail freight service requires from 2 to 14 days to accomplish delivery of shipments from Los Angeles.

E.A. Vaughan, manager of the Light and Water Department of the City of Lompoc, testified that shipments by express and rail freight were regularly received from Los Angeles, averaging over 50 tons by rail freight and over 2500 lbs. by express, annually. The service and rates proposed by applicant would be of advantage for the business of the city and the



service would be patronized to the extent it proved advantageous, the service rendered being the determining factor. Witness has no complaint regarding the present transportation time of the existing rail express.

David J. Morgan, a partner in a variety store at Lompoc, testified that he received shipments from Los Angeles and Santa Barbara, ten per cent by rail freight, a little by rail express but the majority by parcel post. Witness would use the proposed service believing it to be an advantage for his business, and has no complaint as to the service now being<sup>rendered by</sup> rail express, his use of parcel post being for the lower rates available.

Tustin Nicoles, a witness in the sheet metal and plumbing business at Lompoc testified that he averaged an incoming shipment each week, heavy shipments arriving by rail freight, some smaller shipments by parcel post and very few shipments by rail express. The rates and service proposed would meet the requirements of witness and he would use the service to some extent.

F.J. Miller, operating a bakery and confectionary store at Lompoc, testified that he received very few shipments from either Santa Barbara or Los Angeles, and that he might make use of applicant's proposed service if he found that it would be useful for his business. Applicant has no complaint as to the service rendered by the existing carriers.

J.R. Lind, a merchant at Lompoc handling flour, sugar and canned goods, testified that he received 5 or 6 shipments each month from Los Angeles averaging a weight of from 7 to 8 tons, about one-quarter being received by rail express, the balance by rail freight. The service as proposed by applicant

would be convenient for witness as the time shipments were in transit would be lessened. Witness would use the proposed service, practically to the full extent of his requirements, although having no complaint as to the rail express service he was now receiving.

Adolph Ferini, a partner in a cigar store and billiard parlor at Lompoc, testified that he received shipments from Los Angeles and a very few from Santa Barbara, shipments being divided about equally between rail freight and express. Witness might use the proposed service for some of his transportation requirements.

H.D. Bauman, traffic manager of the Western Wholesale Drug Company of Los Angeles, testified that his company shipped drugs, chemicals and soda fountain supplies to Lompoc and was using applicant's service practically daily to Santa Barbara. Witness would use the service of applicant, if established to Lompoc, to the extent of approximately 500 to 1000 lbs. per month, believing that the proposed service would be satisfactory and superior to any existing available transportation. Witness ships to both Brown Drug Company and Burton Drug Company at Lompoc, and also ships industrial chemicals such as sprays and insecticides, his salesmen serving the Lompoc territory every other week. Witness has not recently checked the service available to Lompoc by rail freight but believes two days is required to accomplish delivery. Witness favors the truck transportation proposed because of the pick-up at the shipper's door and at a later hour than available for rail freight. Witness controls the routing of twenty-five per cent of the shipments from his company which are sold on a basis of f.o.b. Los Angeles. Witness considers the service herein proposed

practically similar to that rendered by rail express as to the element of elapsed time, he having no complaint regarding the service of the existing rail express.

H. Dieis, a witness employed as service manager in charge of shipping for E.A. Featherstone Company of Los Angeles, wholesale dealers in automobile accessories, testified that he made shipments to Lompoc, and would make use of applicant's proposed service if inaugurated. Witness now has shipments to Lompoc three or four times weekly, his customers usually specifying the routing, and such routing instructions being observed in the forwarding of shipments.

Robt. S. Stair, a witness employed by Blake, Moffitt & Towne, wholesale paper merchants of Los Angeles, testified that his company shipped to Lompoc and that he was familiar with the service proposed by applicant. Witness has heard complaint from his salesmen in the Lompoc territory regarding the long time necessary for delivery of shipments and is of the opinion that from 3 to 4 days are required for the transportation and delivery of rail freight. Witness testified that approximately ninety-eight per cent of his company's business in Southern California moved by truck and that ninety per cent of the business to points served by applicant's presently authorized lines was satisfactorily handled by the applicant.

H. Kiefer, credit manager for Reid, Murdoch Co. wholesale grocers of Los Angeles testified that his company shipped to retail grocers at Lompoc, averaging 10 to 12 shipments per month with an aggregate weight of from 1 to 3 tons. Witness would use the proposed service, if authorized, having had quite a few complaints from his customers at Lompoc regarding delayed rail freight shipments. Merchandise is sold by his company at a delivered price at destination, therefore the shipper fully controls the routing of shipments.

E.W. Swacker, a witness employed as assistant to the general superintendent of the baking department of the Safeway Stores, testified that his company operated a branch store at Lompoc to which shipments were made once each week, shipments varying in weight from 500 to 4000 lbs. Witness now uses applicant's service to other points on its authorized lines and would welcome the establishment of the proposed service and would use it daily for bread shipments, starting with two boxes daily each containing 30 loaves of bread. The balance of shipments to Lompoc would continue to be transported, as now, by the company's own trucks.

A.T. Knopp, a witness employed as Traffic Manager for the Western Auto Supply Co. at Los Angeles, testified that his company now shipped to Lompoc. Also that shipments were now made daily to all points on applicant's authorized lines and that the proposed extension of service would be utilized. Witness uses but little rail express service to Lompoc, the majority of his smaller shipments moving via parcel post.

C.L. Cooper, employed as traffic manager for the Cudahy Packing Company, Los Angeles, testified that his company made shipments to retail stores in Lompoc, forwarding between 4000 and 5000 lbs. weekly. Witness now uses applicant's service to other authorized points and would use the proposed service for all his shipments to Lompoc. Witness now ships fresh meat to Lompoc by rail express and smoked and cured meats and other packing house products by rail freight. Witness has no complaint as to present service, no complaints having reached him from his customers, nor has made any comparison of the time of the service proposed with that of the rail express service now available. Although the Cudahy Packing Company pays transportation charges for the delivery of its products, the routing instructions of its customers are observed.

C.P. Firestone, manager of stores and service for the Firestone Tire and Rubber Co. of Los Angeles testified that his company made shipments to Lompoc, and that the proposed service would be used to the extent of about 2 tons monthly, shipments being made each week. Witness controls the routing and would divert all his shipments to the proposed service of applicant, notwithstanding that he had received no complaint as to existing service, for the reason that his Los Angeles factory was not advantageously located for the forwarding of less than carload shipments. Witness rarely ships by rail express and has no complaint regarding such service. Witness has used applicant's lines to other authorized points and has received satisfactory service.

W.C. Rockwell, employed in the traffic department of Brunswick Drug Company, wholesale druggists of Los Angeles testified that his company now used the service of applicant for shipments to Santa Barbara; that shipments were made to Lompoc which would be diverted to applicant's line if authorized; shipments averaging one ton per month would be forwarded; and that the proposed service would be satisfactory. Witness further testified that consignees paid the transportation charges on their shipments and controlled the routing. Witness has used the service of the rail express to Lompoc and has found it to be satisfactory and has no complaint as to its inadequacy.

F.E. Brockman, a witness employed as shipping clerk for M.A. Newmark, wholesale grocer of Los Angeles, testified that his company now made shipments to Lompoc by rail freight; that customers specify the routing; that shipments to Lompoc average approximately one and one-half tons monthly, shipments being made every other week. Witness has used the service of applicant to other authorized points and has found it to be satisfactory.

Jerry Wulfert, a witness employed as service manager for Banta Company, dealer in automobile equipment at Los Angeles, testified that his company made shipments to Lompoc, and would use applicant's service, if authorized, making approximately three shipments weekly averaging 100 lbs. each. Witness has used service of applicant to other authorized points and has found the service to be satisfactory. Witness controls the routing to Lompoc and has used rail freight, very little express being forwarded. No complaint has been received from consignees regarding present service but witness would use truck service, believing it to be more convenient to send all shipments by truck.

Mr. Rent, a witness employed as territorial representative for Pacific Coast Rubber Co. in Ventura, and Santa Barbara Counties, testified that his company made shipments to Lompoc, 5 or 6 shipments being made monthly, the annual tonnage to Lompoc aggregating 15000 to 20000 lbs. The proposed service of applicant would care for witness' needs and would be used for all the shipments into the Lompoc territory, his company having used the service of applicant for approximately four years to points authorized to be served and having had satisfactory service.

The granting of the application was protested by Southern Pacific Company, Railway Express Agency, Inc., and Southern Pacific Motor Transport Company.

P. W. Barnard, a witness for protestant Southern Pacific Company and employed in the office of its vice-president, testified regarding train schedules and service available for the transportation of freight by his company into Lompoc. A merchandise car leaves Los Angeles at 9:45 A.M. for Lompoc, daily except Sunday. This direct service was inaugurated on July 18, 1929 and offers adequate service in that the car is

never filled to capacity and a doubling of the tonnage would not require the use of additional equipment. Witness stated that his company considered the present available tonnage was so light that any diversion of business might necessitate the withdrawal of the present through car service. Witness also presented an exhibit showing time in transit of all shipments consigned from Los Angeles to Brown's Drug Store at Lompoc, via rail freight, during the months of August, September and October 1929, such exhibit showing 21 shipments to have moved. Of these shipments 12 were available for delivery at Lompoc on the following day and the remaining 9 were available for delivery on the second day following their receipt at Los Angeles although as to 6 of these 9 shipments by reason of a Sunday intervening while in transit, a one day delivery was not possible. Witness regards the record of the Brown Drug Co. shipments as typical of the service rendered on less than carload shipments from Los Angeles to Lompoc.

R.S. Fisher, District Freight Agent of Southern Pacific Company with headquarters at Santa Barbara, testified that Lompoc was included in territory under his jurisdiction, and that his representative interviewed merchants and shippers on his weekly trips. Witness has received no complaints relative to the less than carload freight service serving the Lompoc community.

J.H. Cain, employed as route agent for Railway Express Agency, Inc. with headquarters at San Jose, testified that the Lompoc Agency was under his jurisdiction and that he had received no complaints regarding the service of his company as regards Lompoc business during the two years that he had been in charge of the territory; that the agency of his company at Lompoc was located at the Southern Pacific station and was open

on week days from 7:00 A.M. until 10:00 P.M. for the receipt and delivery of express shipments. Free pick-up and delivery service is maintained, the territory being covered twice daily, the service covering all the business district of Lompoc and 95 per cent of the morning deliveries, covering the overnight service from Los Angeles, being delivered to consignees before 8:00 A.M. The handling of express between the main line station of Surf and Lompoc is handled by the facilities of Southern Pacific Motor Transport Company operating passenger and express vehicles, with extra trucks available to care for heavy shipments. This service has proven adequate to meet all demands and no delay in transfer of shipments has occurred. An exhibit filed shows two round trips, daily, to be available between Los Angeles, Santa Barbara and Lompoc.

Thos. W. Twait, employed as supervisor of vehicles for Railway Express Agency, Inc. at Los Angeles described the delivery terminals maintained by his company at Los Angeles and the character of the free pick-up and delivery service there maintained. Pickup and delivery service is available in a territory having an area of sixty-six square miles in the City of Los Angeles. One hundred and one trucks are regularly employed in this service, with thirty additional trucks available for emergency service, the total investment in trucks for pick-up and delivery service in Los Angeles being \$318,469. Witness has had no complaint from shippers as to inadequacy of facilities or delayed service.

F.E. Belcher, in the retail furniture business at Lompoc, testified that he used the freight service of Southern Pacific Co. for the majority of his shipments, making but small use of express service. Although witness signed the petition circulated by the Chamber of Commerce of Lompoc requesting the



proposed service he was entirely satisfied with the present rail freight and express service, both freight and express being received at Lompoc on the day following its shipment from Los Angeles.

Homer A. Harris, secretary-manager of Associated Produce Dealers and Brokers, a Los Angeles trade organization of wholesale produce dealers, testified that the peak hours of trading on the Los Angeles market was between 4:00 and 7:00 A.M.; that shipments of produce were received by rail and truck and that he had heard no comment as to the inadequacy of available service from the members of his organization, who usually preferred to have their consignments arrive by rail. Contract truck haulers sometimes supply growers with free crates for the packing and shipping of lettuce, and such free material is an item often inducing growers to patronize truck service. Witness knows of 50 cars of onions per year moving by rail from the Lompoc district to the Los Angeles market. Witness stated that an arrival in Los Angeles between midnight and 4:00 A.M. would meet the requirements of the peak hours of the market, although was of the opinion that the rate was the determining factor in the shipment of vegetables and farm produce.

I.F. Rousey, employed by the Continental Bakery of Los Angeles, testified that his company shipped all classes of bakery products, except bread, to Lompoc. Shipments are made by rail express practically daily. Pick-up of shipments are regularly made 3 or 4 times daily and emergency pick-up is available when requested. Witness has known of pick-up being made as late as 8:30 P.M. when requested, and as the plant of witness company is located about six miles from the Southern Pacific station in Los Angeles such service is considered to be very satisfactory. Witness has no need for the

proposed service.

J.J. Amador, employed by the Paramount-Famous-Lasky Company in Los Angeles, testified that his company shipped moving picture films to Lompoc, serving two theatres in such community using rail express for transportation. The service is adequate and satisfactory, pickup and delivery being available daily including Sunday, the business of the company being located about four miles from the Southern Pacific station at Los Angeles.

Fred Yamada, employed as bookkeeper by Okuhira Company, produce merchants of Los Angeles, testified that his company receives lettuce, beans and peas from Lompoc by rail express, the service being entirely satisfactory and the cost of such transportation being paid by the grower.

Mr. Kuazi, employed as bookkeeper for the Highland Produce Company of Los Angeles, testified that his company received peas, beans and lettuce from the Lompoc district by express; that the growers selected the method of transportation; and that the deliveries and service received was satisfactory.

J.R. Beard, employed by Montgomery Ward & Co. of Los Angeles as assistant to the superintendent of merchandise, testified that his company made shipments to individual customers at Lompoc; that he handled all complaints and had received none as to transportation; that his company's plant in Los Angeles was located about 5 miles from the railroad station of the Southern Pacific Company; that two express pick-ups were available daily; and that he had no complaint regarding the transportation facilities now available.

L.A. Stump, president and general manager of a wholesale bread bakery in Los Angeles, testified that he shipped bread to Lompoc via railway express; that he had heard no complaints from his customers; that the bakery pays transpor-

tation charges and controls the routing, charges being paid on the net weight of the shipments. Witness has no need for the proposed service, that now available being satisfactory.

Geo. Nickolas, employed by Zaffus Brothers, dealers in fruit and produce at Los Angeles, testified that his firm received green peas, artichokes and lettuce by rail express from Lompoc; that the service was entirely satisfactory and without cause for complaint.

Mr. Godfrey, employed as manager for the parts department of the Studebaker Corporation at Los Angeles, with plant located about four miles from the Southern Pacific station, testified that his company shipped its parts to Lompoc; and that the service of the rail express was entirely satisfactory.

Y. Matsumoto, bookkeeper and office manager for the American Produce Co. of Los Angeles, testified that the rail express service as used in the transportation of produce from Lompoc has been satisfactory and without complaint. Witness stated that truck service was not always dependable in the transportation of perishable vegetables, there being no provision for refrigeration and trucks were often overloaded, with resultant breakdown and delay in arrival in time for the best market conditions.

Harry M. Dami, office manager and bookkeeper for the I. & L. Produce Company of Los Angeles testified that his company received produce from the Lompoc territory. Peas and beans were received by railroad express, lettuce sometimes by rail express and sometimes by truck, berries by express and truck. Witness prefers the service rendered by the rail express as resulting in the arrival of shipments in better marketable condition, but as growers decide the method of shipment, the commission house is governed by their wishes

although the condition of the produce on arrival has a material bearing on the price obtained when placed on sale at the wholesale market.

M.E.B. Egbert, a wholesale dealer in magazines at Los Angeles testified that he made shipments to Lompoc from 3 to 5 times each month, having used the service of the rail express for more than three years. Witness pays the transportation charges, has received satisfactory service and would not use the additional service proposed.

C.E. Curtis, a witness employed by the Fox Film Corporation at Los Angeles, testified that his company shipped films to Lompoc about three times weekly; that the rail express service used for transportation has been very satisfactory films being picked up twice daily from the company's plant located over seven miles from the Southern Pacific station in Los Angeles. Witness has no need for the additional truck service as proposed by applicant.

R.J. Chezern, a witness employed by Arncost & Royston, Inc., wholesale florists of Los Angeles, testified that his company shipped cut flowers and florists supplies to the Lompoc territory practically daily, using the service of the railroad express; that daily express service was a necessity; and that truck service using closed vans could not be used for floral shipments. Witness has no complaint as to the character of service heretofore received from the railroad express and has no need for the additional truck service proposed. Shipments now average 400 lbs. weekly, heavier shipments moving during the period October to June of each year.

G.R. Sherari, in charge of the shipping department of the Howard Automobile Company of Los Angeles, testified that his company shipped to Lompoc using railway express and parcel post. The routing is usually designated by the customer,

practically all orders for auto parts being emergency.

Witness has no complaint as to the character of service heretofore rendered by railroad express, and is entirely satisfied with the service.

M.K. Lewis, a witness residing at Lompoc and a retailer of farm implements and hardware, testified that he used railroad freight, railroad express and trucks for the transportation of his shipments. Rail freight is used about twice weekly, rail express about three times weekly, service from both classes of transportation being satisfactory. Witness receives shipments by truck on an average of once weekly, shipments weighing from 1000 to 2000 lbs. and are hauled by Geo. Reed, an uncertificated local carrier, covering about one-half of witness' inbound tonnage. Witness patronizes this local drayman because he was solicited for a portion of his shipments and because of business relations with this drayman. Witness signed the petition of the Lompoc Chamber of Commerce requesting the installation of the proposed service because of the solicitation of the party circulating the petition but does not now concur with the expressions of the petition believing that the rail freight and rail express facilities will adequately care for his future needs.

L.B. Smith, a witness residing at Lompoc and engaged in the hardware and farm implement business, testified that his incoming shipments were generally heavy and averaged four times weekly by rail freight and two or three times weekly by rail express, the rail shipments averaging from 400 to 500 lbs., with the heaviest shipments running as high as 3000 to 4000 lbs. Witness has been in business at Lompoc for twelve years. The service by rail express is also considered to be adequate, witness being able to telephone his orders to Los Angeles as late as 3:30 P.M. and receive

delivery of the merchandise on the following morning. Witness has seldom used truck service for deliveries from Los Angeles, having found the rail freight and express service to be adequate and satisfactory. Witness might use the proposed service if it were to be established and the rates were lower. He also signed the petition of the Lompoc Chamber of Commerce, but at the time of the hearing was neutral as to the granting of the application.

W. Ziesche, a witness in the jewelry business at Lompoc, testified that he received shipments by parcel post and rail express from Los Angeles, shipments arriving two or three times weekly. Witness receives overnight service by rail express and delivery to his store by 8:00 A.M.

A.L. Melvy, a witness in the jewelry business at Lompoc, testified that he received shipments from Los Angeles by railroad express and infrequently by rail freight; that daily service was available; and that rail express shipments were delivered to his store before 8:30 A.M. Witness has found the rail freight and express service to be satisfactory for his needs and knows of no necessity for the proposed truck service.

W.A. Calvert, a witness operating the Lompoc Theatre at Lompoc, testified that he used the service of the railway express for the handling of his moving picture films about four times weekly and has found such service to be entirely satisfactory to serve his business. Witness has received special service at times and sees no necessity for the additional truck service proposed by applicant.

Cus Acquislavage, a witness residing at Lompoc and in the grocery business, testified that he received shipments from Los Angeles by rail freight and rail express, shipments moving at least twice each week and averaging in weight between 300 and 400 lbs. The service received has been entirely satis-

factory, express shipments being delivered at his store between 7:30 and 8:00 A.M.

S. Watts, a witness residing at Lompoc and dealing in groceries, fruits, vegetables, dried and smoked meats, testified that he frequently received rail freight shipments from Los Angeles, and but few rail express shipments. Freight shipments vary in weight from one-half to two or three tons, there being usually a heavy shipment once each week and smaller shipments almost daily. The rail freight service has been very satisfactory and witness has no need for the proposed truck service and would not use it.

H.A. Whittemore, agent for the Southern Pacific Milling Company at Lompoc testified that his company handled beans, grain and barley, shipping such commodities to Los Angeles. Witness uses rail freight and finds it satisfactory. Very little freight arrives from Los Angeles, but rail freight service has been satisfactory. His company stores commodities produced in the Lompoc Valley, some of which are cleaned and processed before shipment, and outbound shipments are usually in carload quantities. Witness has sometimes shipped small lots by truck to Los Angeles, but has no complaint as to the character of rail freight service heretofore rendered. Witness has no need for the additional truck service proposed by applicant.

B.F. Ruffner, of Ruffner & Ruffner, automobile dealers and agents for Buick and Dodge automobiles at Lompoc, testified that his firm used railroad freight service frequently and also railroad express service practically daily; that railroad freight shipments varied from 100 to 500 lbs; that express shipments were delivered each morning by 8:00 to 8:30 A.M.; that the railroad freight and express service now received was perfectly satisfactory.

Mr. Skarup, operating the Nash Automobile Agency at Lompoc, testified that he frequently received shipments from Los Angeles by railroad express, shipments consisting of auto parts and accessories and averaging from 25 to 100 lbs. in weight; that although his shipments were emergency in nature the service of the rail express was satisfactory; and that he had no need for the additional truck service proposed.

Jas. Tokuyama, a witness residing at Lompoc and employed as manager of the Guadalupe Produce Company, testified that he made shipments to Los Angeles by rail freight and express. The rail express service is satisfactory, lettuce and tomatoes being shipped. Witness ships all kinds of vegetables, including cauliflower, turnips, beets, carrots, peas, lettuce and tomatoes, by rail freight, principally in carload lots, ten to fifteen cars having been shipped during the past season, said shipments arriving in good condition and the service being satisfactory. Some ten truckloads were forwarded to Los Angeles during the past season and such method of transportation was not entirely satisfactory, it having been found that shipments by truck wilt somewhat and do not arrive in the best of condition. The cars shipped by rail freight move under refrigeration supplied by the railroad company which method of shipment is most satisfactory.

J.K. Swan, located at Lompoc and local dealer for Chevrolet automobiles in the Lompoc Valley, testified that he used both rail freight and rail express for his shipments from Los Angeles. He uses rail freight 3 or 4 times weekly, rail express practically every day, rail express being delivered to his place of business about 8:00 A.M. daily. While witness has made some use of truck service for the delivery of acetylene gas cylinders from Los Angeles, his present transpor-



tation needs adequately cared for, and he would not use the proposed service if it should be established.

We have carefully considered the record consisting of the evidence and exhibits in this proceeding.

By resolution of the Chamber of Commerce of Lompoc, as passed and approved March 18, 1929, a copy of same being attached to the application herein, the Chamber of Commerce by its President and Secretary and twelve directors endorse the proposal of applicant believing that the service of applicant is necessary and will have a beneficial effect upon the community. An undated petition, copy of which was attached to the application herein, signed by 84 residents and business men of the City of Lompoc requesting the applicant to apply for and the Commission to thereafter grant the application for regular truck service to Lompoc from Los Angeles and intermediate points on the belief that the service now furnished by applicant to other communities was satisfactory and that a similar establishment of service would tend toward the upbuilding of the City of Lompoc. On September 3, 1929, the application herein was filed.

We do not find from the testimony that the authorization of an additional carrier is justified. The present service of the Southern Pacific Railroad provides overnight freight service for the residents of Lompoc and vicinity by means of a special car which is opened first at Lompoc and after discharging its load for Lompoc, terminates at White Hills. It is of record that the tonnage handled by this car is extremely light, that more than double the tonnage for Lompoc could be handled without the necessity of increasing equipment. If the tonnage be diminished, it is possible that the old schedule of three freight services per week by a car which does local work from Santa Barbara will be restored,

due to an insufficient volume of tonnage justifying a straight car originating at Los Angeles and first opened at Lompoc. There is no justified complaint against the service of the rail freight carrier as regards Lompoc shipments and we are of the opinion that the service as now rendered is a reasonable one, without substantial complaint, either as to rates or time of delivery.

Regarding the express service, the testimony is almost universally commendatory as regards this class of transportation, what little complaint there is existing concerning the matter of rates which some witnesses consider high. Time of delivery and store-door delivery at Lompoc is reasonable and expeditious and the pick-up and delivery area in Los Angeles is materially greater than that proposed by the applicant, without regard to the frequency of such service.

It is obvious that no new business would be created by the granting of the application but that a diversion of a portion of the business now moving would be a direct result, thereby materially weakening the ability of the regularly authorized carriers, who have for years served the community at Lompoc, to continue the present service which appears to be a reasonable and satisfactory one. The question of express rates was not a material issue during the hearings, it developed, however, that those unwilling to pay the rates lawfully assessed by Protestant Railway Express Agency Inc. made frequent use of the facilities of parcel post resulting in their shipments being handled on the same train as the express shipments and with arrival at the same hour at Lompoc. While a lower rate is enjoyed by the use of this method of transportation, there is no pick-up and delivery either at Los Angeles or Lompoc, and there are certain restrictions imposed as to the weight and size of packages. The service of parcel post will continue to

be available for such shippers and receivers as may desire its use.

We are of the opinion and hereby find as a fact that public convenience and necessity do not require the granting of the application.

ORDER

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 conclusions 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 do not require the operation by Motor Freight Terminal Company, a corporation, of an automobile truck line as a common carrier of freight and other property between Harris Station and Buellton via Lompoc and all intermediate points, and between Las Cruces and Harris Station, via Lompoc, as a part of service already authorized by certificates issued by this Commission, and

IT IS HEREBY ORDERED that this application be and the same is hereby denied.

Dated at San Francisco, California, this 5<sup>th</sup> day of August 1930.

[Signature]  
[Signature]  
[Signature]  
COMMISSIONERS.