

Decision No. 23918

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 COAST TRUCK LINE, a corporation, for  
 a certificate of public convenience  
 and necessity authorizing it to extend  
 its service from Oceanside to El Segundo  
 and intermediate points via the Coast  
 Highway.

)  
 )  
 ) Amended  
 ) Application  
 ) No. 17343  
 )

ORIGINAL

H. J. Bischoff, for the Applicant.

Edward Stern, for Railway Express Agency, Inc., Protestant.

Wm. F. Brooks, for The Atchison, Topeka & Santa Fe  
 Railway Company, Protestant.

Rex W. Boston, for Asbury Truck Company, Los Angeles and  
 San Pedro Transportation Company, Boulevard  
 Express and T.R. Jakeway, Protestants.

C. R. Reynolds, for the San Diego Chamber of Commerce,  
 interested party.

Chas. A. Bland, for Board of Harbor Commissioners of  
 Long Beach, Protestant.

J. P. Puckett, for Puckett Freight Lines, Ltd.

BY THE COMMISSION -

O P I N I O N

The above numbered and entitled application, as amended, is a petition by Coast Truck Line, a corporation, for a certificate of public convenience and necessity authorizing it to operate an auto trucking serving between Oceanside and El Segundo and intermediate points, with the right to serve all points within three miles of the route traversed, via the Seashore (Ocean) highway, said service to be operated as an extension of the service applicant is now operating between San Diego and Los Angeles via the so-called coast route.

The rates proposed to be charged, the service proposed to be given and the route proposed to be followed are shown in exhibits attached to the amended application, said amendment having been filed with the consent of the Railroad Commission.

Public hearings were held before Examiner Kennedy at San Diego, Long Beach and Los Angeles, evidence heard and an order of submission made. The matter is now ready for decision.

At the public hearing held in San Diego the Chamber of Commerce of San Diego filed a petition in intervention, said petition setting forth "that portions of the route and territory proposed to be served by applicant is not now served with direct service by a franchised freight or auto truck line, or railroad, as regards direct or single line freight or auto truck service or rail service between San Diego on the one hand, and points north of Serra, California, on the other, and to this extent supports the application."

C. F. Reynolds, freight traffic manager of the San Diego Chamber of Commerce, as a witness, qualified the organization's petition by the following statement: (Page 51 Transcript, lines 23 to 29; page 52, lines 1 to 13):

The Committee authorized Mr. Reynolds, manager of the traffic department, to appear before the Railroad Commission at a hearing to be held at the County Court House, at 2 p.m., today, in support of the application of the Coast Truck Line to serve certain portions of the territory not now served by the existing franchise truck lines, and railroads, giving direct service to San Diego and the other points in the application, with the understanding that in addition to that, this support is only to be accorded to the commodities named in Exhibit B of the proposed rate schedule, and is not applicable to boat shipments of crude oil, petroleum products, or of its derivatives in tank cars from outside territory at this time or at any later date.

That, in addition to the petition of intervention, as I have just mentioned, is the Chamber of Commerce's position in this application. The Executive Committee feels that there should be service to and from the territory that is not now served by franchise truck operators and rail carriers. Of course that would be north of Serra, California, the junction of the Seashore and Coast Highways. I believe that is about all.

The witness stated further that the affirmative interest of his organization did not extend to service between San Diego and Wilmington and El Segundo "that are now served directly by the

Santa Fe to and from San Diego." As regards said point, the witness declared the organization was neutral. Santa Monica and Ocean Park, named by witness as points service to which has the approval of the organization, are not proposed to be served by applicant, being beyond the proposed terminal at El Segundo.

The following appeared as protestants to the granting of the application:

Railway Express Agency, Inc.  
The Atchison, Topeka & Santa Fe Railway Company  
Asbury Truck Company  
Los Angeles & San Pedro Transportation Co.  
Boulevard Express, Inc.  
T. R. Jakeway  
Puckett's Freight Lines, Ltd., protestants as to  
service between Long Beach and Balboa.  
Board of Harbor Commissioners of the City of Long Beach.

By reference the record in the matter of Application No.16491, decided November 30, 1930, by Decision No.23069, was made part of the record in this proceeding. By such application, Coast Truck Line, applicant herein, sought authority to operate a truck service between Wilmington, San Pedro and Long Beach on the one hand, and points in San Diego county, including the city of San Diego, on the other hand, over the same route laid down in the instant proceeding. Application No.17343 now being considered, as to route, is identical with the route shown in Application No.16491, except as to that part extending from the Los Angeles harbor points to El Segundo, a distance of approximately 17 miles. The applications also differ in that the instant application proposes service to points intermediate between Wilmington, San Pedro and Long Beach and Oceanside.

Very close to half a hundred witnesses testified in this proceeding, the testimony of several being entered by stipulation. Of the witnesses thirty five appeared on behalf of applicant, and twelve in support of the protests entered.

Following is a resume of the testimony offered by applicant at the San Diego hearing:

J. B. A. Brennan - Buyer for wholesale grocer:

Proposed service convenience but not a necessity; can get along without it. Receives approximately 250 cases of goods a month (50 pounds average weight) from Wilmington and San Pedro. No perishables. No choice of carriers if speed the same. Quicker the delivery the better, but can get along with slower.

Percy A. N. Boyle - Traffic manager, department store:

Receives shipments by boat at Los Angeles and San Diego harbors, mostly of eastern origin. Probably 50 tons a year available for proposed truck service. Now uses steamer between Los Angeles harbor and San Diego. Seldom uses rail. No complaint. Does not ship from El Segundo or Long Beach.

Clarence E. Sams - Purchasing agent, Neuner Bros.:

Gets daily shipments of auto parts from Ford plant at Wilmington. Five to seven tons monthly. Would use daily truck service if established. Now using private carrier.

E. R. Ferris - Manager, San Diego branch, Zellerbach Paper Co.:

Receives possibly 20 to 25 tons a year from Los Angeles harbor, part of which will be available for proposed truck line. Service not absolutely necessary.

W. M. Boyce - General machinery business, motors and elevator equipment:

Receives 18 or 20 tons a year from Boston. Now getting by boat. Would use daily truck service. Last shipment year ago.

Guy Wilson - Sales manager, Stubbs Motor Corporation:

Receives motor parts from Long Beach, 18 or 20 tons monthly. Would use daily truck service. Now using private carrier.

Paul B. Rayburn, Chief clerk, Machinery, Pipe & Supply Co.:  
(wholesale)

Estimates annual tonnage from Los Angeles harbor 180 tons. Now moving partially by private carrier. Would use proposed service. Last year shipments once a week. Perhaps four times a year shipments amounted to 20 tons. Objects to delay if rail used.

Jno. E. Parsons - A. O. Reed & Co., Inc., plumbing and heating contractors:

Once in a while (about every four months), gets goods from Los Angeles harbor. Daily truck service would be convenience.

Thos. C. Swift - West Coast Gas Engine Co. (Com) re-  
frigeration:

Gets goods from east coast by boat to Los Angeles harbor. Shipments 8 or 10 times a year (40 or 50 tons total). Would use daily truck service. No complaint against existing service.

Clifford Neale - San Diego Hardware Co. - Retail:

Gets goods from East via Los Angeles harbor. Daily truck service would be a convenience. Has shipments three or four times a month. Fifty percent of goods now come direct to San Diego. No complaint against existing service.

L. H. Bates - San Diego Coffee Co., wholesale:

Gets goods from South and Central America; tea from China and bags from East Coast. About two tons a month. Daily service advantageous; would avoid delay; not necessary every day; now moves by boat Los Angeles harbor to San Diego. Transportation paid by consignors. Now uses rail.

G. A. Cookson - Traffic Manager, Marston Co., department store:

Stipulated same testimony as Percy A. W. Boyle.

L. F. Roitsch - Baggage Master, U. S. Grant Hotel:

Daily truck service would be convenient to hotel guests. Has occasion to use several times a week.

H. A. Barraclough - Bolinas Packing Co. (olives):

Ships small lots to Long Beach, Wilmington and San Pedro, one half ton to five tons occasionally. Probably 150 tons a year. Nothing southbound.

J. C. Wood - Tuna packer:

Ships at times to Los Angeles harbor goods destined to East Coast. Sometimes direct by boat from San Diego. Regular shipments, probably 100 tons a year, to customers at Long Beach and Wilmington. Daily truck service with store door delivery important. Very little southbound freight. Uses rail for car lots; has Santa Fe spur track facilities. Sixty five percent (65%) of total tonnage L.C.L. Packs 150,000 cases a year, average weight per case 30 pounds.

H. D. Ellery - Oceanside shipper and warehouseman:

Ships beans and grain to Wilmington and San Pedro. This year shipped 8500 sacks weighing 100 pounds each. Daily truck service not necessary. Satisfied with service now getting. Simply testified because requested.

L. A. Magee, Manager of ranch near Oceanside:

Stipulated testimony would be the same as H. D. Ellery.

Following is a resume of the testimony offered by applicant at the hearing at Long Beach:

Richard D. Pearsall, manufacturer of mayonnaise, etc.:

Output of \$100,000 a year. Has customers in Balboa, Newport and Laguna. Ships 4000 pounds a month between Long Beach and San Diego, three quarters of which goes to San Diego. Distributed from there to points north along coast by agent. Uses own truck now or common carrier truck service via Los Angeles. Proposed service would be convenient and would be used. Never uses rail.

Elmer J. Brickell, Manager, Supply Department, Mutual Orange Distributors, co-operative:

Daily truck service as proposed would facilitate movement of citrus fruits and fertilizer, the latter from Los Angeles harbor. Now using private carrier and Coast Truck Line (inland route). Cannot approximate tonnage available for proposed service. No complaint against rail service. (Stipulated testimony of C. A. Skolfield at Los Angeles would be same as Brickell's).

H. L. Thomason, company witness:

Describes territory in vicinity of Escondido, with reference to location of packing houses.

J. S. Fleming, Traffic Manager, Stewart Carter Co. packers - olives, tuna, etc.

Annual output in excess of \$2,000,000. Would use proposed service probably one-half ton daily, three-quarters of which goes to San Diego. Proposed service very convenient. Now uses rail and water services and ships some via truck to Los Angeles. Wants store door delivery.

M. L. Jontz, Traffic Manager, American Encaustic Tile Co.  
with plants at Los Angeles and Hermosa:

Needs daily truck service from Hermosa for San Diego. Average monthly tonnage (LCL) from Hermosa plant to San Diego 18 tons. Proposed service eliminates one handling and delay caused by change at Los Angeles. No complaint as to rail service.

E. R. C. Toyes, Secretary, Gladbrook Packing Co.,  
packers of pickles, etc. with plant at Long Beach:

Output handled by agents. Proposed service would be of material aid to his business. Would eliminate cost of haul to Los Angeles. Ships 8 to 10 tons a week to San Diego, mostly via Los Angeles. Dissatisfied with rail C.O.D. service. Believes railroad should be servant of shippers.

F. A. Ellsworth, Secretary, John B. Roberts, Inc.,  
packers of pickles, etc., at Long Beach:

Proposed daily truck service would be convenience. Now ships 6 to 8 tons a month, four fifths of which goes to San Diego. Proposed service would enable him to extend his policy of "prepaid freight, delivered store door." Now using boat service or truck to Los Angeles, thence via rail. Ships four times a week.

W. T. Eumes, salesman for C. J. Hendy Co. of San Pedro,  
ship chandlers and dealers in marine supplies:

Now uses own truck twice a week to send commodities to Balboa and Newport, yachting centers. Proposed service would be material convenience. Several tons available, shipments varying in size.

S. H. Mitchell, San Pedro Marine Hardware Co., dealers  
in ship supplies:

Stipulated testimony would be same as that of witness Eumes.

Gerald B. Harmeton, Los Angeles, shipper of honey and  
beans.

Daily truck service not essential except for small lots. Firm handles from 5000 to 10,000 bags of beans out of a total San Diego county production of 75,000 bags. (Average shipment ranges from 20 to 30 tons). Moved 1000 cases of honey by truck. Not familiar with rail or truck rates. Business has special transportation needs on spur of moment.

Walter E. Seeley, of Wilmington Transfer and Storage Co.,  
operating commercial warehouse:

Daily truck service would be convenience. Favors application on ground establishment of proposed service as "another step" in development.

S. Vogel, Auditor, California Fuel Utility :

Would use proposed service for transportation of briquettes, fuel used for domestic and orchard purposes. Busy season October to February. Shipments range from 1 to 5 tons. Doubt if plant is located in area proposed to be served.

Paul Fouke, Long Beach, Dealer in paper bags, wrapping paper, kitchen ware and janitors' supplies:

Daily truck service would be quite an accommodation. Sells as far as Laguna, using own trucks part way. Trip about every ten days. Would use for shipments ranging from 50 to 300 pounds.

Ray B. Leach, Manager, San Pedro Chamber of Commerce:

Directed to appear and testify Board of Directors approved report of Transportation Committee of Commission endorsing application. No investigation by Commission other than meeting of Commission and discussion of application. Protestants not represented at meeting.

A. S. Hamilton, Acting General Manager, Coast Truck Line:

Testified that applicant has available ample equipment. He also described service now being given by applicant between San Diego and Oceanside and San Diego and Los Angeles. He said that a survey made by traffic department of applicant showed 140 tons a month available for proposed service. Of this tonnage 120 tons would be provided by Standard Oil Company at El Segundo. Did not know how much of the tonnage would be offered for transportation between Long Beach or Wilmington for points south.

Following is a resume of the testimony offered by applicant at Los Angeles:

E. P. Nickerson, Los Angeles manager, West Disinfectant Co., dealers in disinfectants, paper towels, etc.:

Gets goods from East by boat at Los Angeles harbor three or four times a month. Has used trucks altogether last three or four years. Rail service not suited to business. Has one large shipment a week, smaller practically every day. One third goes to San Diego. Would distribute from harbor instead of Los Angeles, if daily truck service established. Present conditions satisfactory.



C. A. Skolfield, Assistant Traffic Manager, California  
Fruit Growers Exchange:

See testimony of Elmer J. Brickell.

With the exception of five shippers using the service of T. R. Jakeway and other truck lines, protestants, all the testimony offered by carrier protestants was presented by officials of the protesting lines. Each described the service given, rail and truck. Rail line officials described the method used by the rails in handling harbor shipments to and from the territory proposed to be served by applicant. Several exhibits were offered, one (No.2) showing the consolidated service given by the Santa Fe, Union Pacific Stages, Pacific Electric Railway, and Motor Transit Company between El Segundo, Wilmington, San Pedro, Long Beach and San Diego and intermediate points as of June 1, 1931.

The five shippers called by truck protestants were of the opinion that existing services were adequate and satisfactory.

C. B. Bland, representing the Board of Harbor Commissioners of the City of Long Beach, testified that the harbor board opposed the application solely because of the rate structure, which, he said, did not fully recognize the favorable geographical location of Long Beach. Rates fixed on a mileage basis would be satisfactory.

After a comprehensive review of the testimony and the exhibits in this proceeding we conclude and find as a fact that public convenience and necessity do not require the service proposed by applicant. We are not convinced that conditions have changed with any degree of materiality since November 13, 1930, the date on which the Commission, by its Decision No.23069, issued on Application No.16491, denied the application of Motor Service Express for a certificate authorizing operation between San Diego county points, including San Diego, and Los Angeles Harbor and

Long Beach. We may, with the record in the instant proceeding in mind, quote the following from Decision No.23069:

"While a limited number of shippers and receivers of freight might be served by the applicant's proposal, whose shipments now move from the east by steamer through the Los Angeles harbor, such shipments being ultimately destined to San Diego and San Diego county points, we are not of the opinion that justification has been shown for the diversion of such shipments from the steamer lines, rail line and truck lines, including that of the applicant, for the movement between Los Angeles harbor and San Diego county points, there being no substantial complaint against the rates and service as rendered by the presently authorized carriers nor no new business, of any substantial volume, to be developed by the inauguration of the additional service herein proposed. For these reasons and based upon our conclusion from the record herein, the application will be denied."

The application now under consideration is a proposal by applicant to extend its presently operated service between Los Angeles and San Diego, from Oceanside along the Seashore (Ocean) highway, serving Los Angeles harbor (Wilmington-San Pedro) and Long Beach as intermediates instead of as terminals as proposed in Application No.16491. El Segundo, a point approximately 17 miles from Long Beach, is proposed as a terminal, and in addition it is proposed to serve as intermediates a number of Beach communities, among them being Laguna Beach, Balboa, Hermosa and Newport. As was the case with the witnesses in Application No.16491, a number of witnesses testified that they would use the proposed service. Their estimates of tonnage available for the proposed new service, however, were anything but definite. They did not total a great amount. The tonnage estimate of applicant's assistant manager fixed the tonnage available as 140 tons a month. Of this amount, he testified 120 tons would be provided by Standard Oil Company at El Segundo. Supporting testimony by oil company officials was not offered. None of the witnesses voiced any particular complaint against existing services, except in a few instances in the matter of quick delivery.

For some the proposed service appealed because of the opportunity it offered for relief from the operation of their own trucks to some points. None was willing to abandon his own delivery entirely. There were no witnesses from the so-called beach cities, all of the testimony regarding their transportation needs coming from shippers doing business in the larger cities, with the exception of that of the traffic manager of American Encaustic Tile Co., which has a plant at Hermosa Beach. The testimony of dealers in farm products, in the main, indicates that their transportation needs are well satisfied, except on occasions of specific demand to meet exceptional trade conditions. Such occasion would not be relieved by a scheduled daily trucking service. All the testimony can well be summarized as a declaration by shippers that "more service would be an aid, not exactly needed but convenient."

The evidence of protestants clearly indicates that the territory has ample transportation facilities to meet all reasonable demands. Such rate advantages as would accrue by reason of the granting of the application do not justify the establishment of the proposed service.

#### 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 establishment by Coast Truck Line, a corporation, of an automobile truck line as a common carrier of freight extending the service of

applicant from Oceanside to El Segundo and intermediate points.

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

The effective date of the order herein is hereby declared to be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 3rd day of

August, 1931.

C. Deaver

Leon S. Williams

M. J. Curran

W. B. Lewis

James G. Stewart  
COMMISSIONERS.