

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
E. H. SHULL for certificate of public
convenience and necessity to operate
freight truck service between Los
Angeles, Oakland, San Francisco and
Berkeley and certain intermediate
points.

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) Application No. 7345
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ORIGINAL

In the Matter of the Application of
CALIFORNIA HIGHWAY EXPRESS, a corporation,
for certificate of public convenience and
necessity to operate motor-truck service
for transportation of certain personal
property between San Francisco and Los
Angeles, and Los Angeles and San Francisco,
and intermediate points.

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) Application No. 7376
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Harry A. Encell and Frank T. Smith for
Applicant, E. H. Shull

Milton Marks for Applicant, California
Highway Express

L. N. Bradshaw for Southern Pacific Company,
Protestant.

Edward Stern for American Railway Express
Company, Protestant.

B. Levy, N. W. Hall and E. T. Lucey for
Atchison, Topeka and Santa Fe Railway
Company, Protestant.

L. B. Randall for Hodge Transportation
Company and the White Lines, Protestants.

Devlin and Brookman, by Frank R. Devlin,
for San Joaquin Valley Transportation
Company, Protestant.

BY THE COMMISSION.

O-P-I-N-I-O-N

E. H. Shull, applicant in Application No. 7345, has
petitioned the Railroad Commission for an order declaring that
public convenience and necessity require the operation by him
of an automobile truck line as a common carrier of household
goods consisting of new or second-hand furniture, personal
effects, trunks and pianos between Los Angeles, Oakland, Berkeley,

and San Francisco and intermediate points, no shipments to be handled unless point of origin or destination is Los Angeles, Oakland, Berkeley or San Francisco, the application also eliminating any service between Bakersfield and Los Angeles or points intermediate.

California Highway Express, a corporation, applicant in Application No. 7376, has petitioned the Railroad Commission for an order declaring that public convenience and necessity requires the operation by it of a motor-truck service for the transportation of household and office furniture and equipment, baggage and personal effects, household goods and pianos between Los Angeles and San Francisco and all intermediate points, including territory located within twenty-five miles of the main highway between terminals, excepting however local intermediate business between San Francisco and Manteca and between Los Angeles and Bakersfield.

Public hearings on the above applications were conducted by Examiner Handford at San Francisco, the matters were by stipulation of interested counsel consolidated for the purpose of receiving evidence, were duly submitted and are now ready for decision.

Applicant, E. H. Shull, proposes to charge rates in accordance with a schedule filed as exhibit "A" and attached to Application No. 7345, to operate regularly three round trips per month, maintaining agencies at San Francisco, Oakland and Los Angeles. The equipment proposed to be used in the contemplated service consists of one Mack Truck 2½ ton capacity; one Kissell truck 2½ ton capacity; one Packard truck 2½ ton capacity; and one White Truck 3½ ton capacity. This applicant relies as justification for the granting of the desired certificate upon the alleged facts that the existing rail transportation lines require, under their regulations, that shipments of household goods and

personal effects must be securely packed and crated thereby causing an excessive expense to shippers; that the cost of local drayage from point of shipment to rail depot and from rail depot to ultimate destination of shipments is excessive and also necessitates six different handlings of shipments as against but two handlings by the proposed truck service; that there is a constant need for the transportation of trunks and personal effects of the public who may elect to travel by automobiles or auto stages; that the applicant has had experience in the handling of household goods in the "for hire" transfer business and is therefore capable of giving proper service to prospective patrons should a certificate be granted.

Applicant, California Highway Express, a corporation, proposes to charge rates in accordance with a schedule marked exhibit "A" as filed with the application in Application No. 7376, and as amended by permission at one of the hearings; to operate a round trip twice each week with such additional trips as may be justified by traffic conditions; to use as equipment in the proposed service two Wolverine enclosed vans, each of $3\frac{1}{2}$ tons capacity; one Giant truck with stake body of $2\frac{1}{2}$ ton capacity; one Chevrolet truck with stake body of 1 ton capacity; and two Garford furniture trucks, one of 2 ton and one of $1\frac{1}{2}$ ton capacity.

This applicant relies as justification for the granting of the desired certificate upon the following alleged facts; a wide-spread and consistent public demand for a rapid, economic and systematic transportation of household and office furniture and equipment, of pianos, personal effects, household goods and pianos in the territory sought to be served; that no other carrier is equipped to adequately and properly handle and transport the above classes of property unless same be crated; that the carrier has systematized the method and manner of handling the proposed business; that the service proposed to be rendered will effect

economies to the shipper or consignee in the saving of many charges for local hauling, crating, etc.; that the proposed service will meet the public demand for speedy transportation and prompt delivery of the classes of shipments sought to be handled; that advantages accrue to the public by the use of a carrier making possible the advantages of a house to house delivery; and that the proposed service to be rendered by this applicant reduces the risk of loss or damage incidental to frequent handling, packing, loading and reloading.

E. H. Shull, applicant in Application No. 7345, testified that he had six months experience in the transportation of household goods between Los Angeles and San Francisco, having operated for the Ambassador Transfer Company, an unauthorized carrier, and later for himself until he was advised that the regularity of his operation required a certificate of public convenience and necessity to conform to the provisions of Chapter 213, Statutes of 1917, and its amendments. On an average of from 10 to 12 tons of household goods were transported between Los Angeles and San Francisco, the average elapsed time being 34 to 38 hours if two men were employed on the trip and a maximum time of three days for the round trip if but one man was employed. The average time for handling a shipment from the point of origin to point of destination, usually covering the picking up of the shipment the day before the departure of the truck and delivering the shipment at its ultimate destination the day after arrival at the terminal was stated to be approximately 72 hours. An average of two tons per month was offered for movement between Los Angeles and Fresno. This witness estimates, from his observation and experience of six months, that 75% of the shipments of the classes of goods proposed to be handled is through traffic between terminals and that the remaining 25% is local or inter-

mediate business originating at or destined to a terminal.

Chester A. Nelson, President and Manager of California Highway Express - applicant in Application No. 7376, testified as to his experience in the handling of shipments as herein sought to be authorized by certificate, that originally he was giving the service from Los Angeles to any point and not following any specific regular route or holding himself out to operate between fixed termini; that the business grew to the extent that an average of three trips per week were being made between Los Angeles and San Francisco and the necessity for the securing of a certificate to legalize the operation became apparent. This witness described the standard equipment proposed to be used, two units of which have already been procured and which represent an expenditure of \$7,500. each and are specially designed for the class of business proposed to be handled, and include sleeping accommodations for drivers. This witness estimates 48 hours as the maximum time that will be required to accomplish delivery between point of origin of a shipment and its delivery at its ultimate destination. Two men are to be employed on each truck, enabling the operation to be conducted so that the requirement of the Commission prohibiting the working of an employee as a driver more than 10 hours in any 24 hour period will be complied with. Under the proposed method of operation household and other goods ordinarily requiring crating when offered for rail shipment will be accepted and transported without the necessity of crating, if so offered by shippers. From 5 to 20 inquiries per day are received by this witness at his Los Angeles office and the business at San Francisco and other intermediate points is cared for by an arrangement with local draymen and members of the California

Transfer & Storage Association and the Draymen's Association of California.

As indicative of the demand for the proposed service, this witness filed a statement as an exhibit indicating the growth of the demand for the character of service proposed to be rendered, an abstract from the statement showing volume of tonnage of shipments moving between points sought herein to be authorized by the Commission's certificate being as follows:

<u>Month</u>	<u>Number of pounds transported</u>
June, 1921 - - - - -	38,540
July, 1921 - - - - -	58,924
August, 1921 - - - - -	70,942
September, 1921 - - - - -	56,848
October, 1921 - - - - -	70,339
November, 1921 - - - - -	81,783
December, 1921 - - - - -	<u>134,131</u>
Total	511,507

During the period above mentioned a total of 547,545 pounds were transported, but of such quantity 136,038 pounds were moved between points other than those proposed in the instant application.

Other witnesses for applicants testified as to the demand for the character of service as proposed by applicants in that it offered advantages considered superior to those offered by shipment by rail; owners of the property being accommodated by prompt delivery from the point of origin to the ultimate destination; that their experience with the handling of shipments of the class of goods proposed to be transported has been very satisfactory by the trucking method; that the necessary packing and crating necessary to properly protect shipments intended for rail movement and to comply with the regulations

of the rail carriers added at least 50% to the original weight of the shipments; and that a considerable expenditure was necessary for the value of the material and labor necessary in the packing and crating of shipments intended for rail movement.

The granting of the desired certificates is protested by the Southern Pacific Company, the Atchison, Topeka & Santa Fe Railway Company; the American Railway Express, the "White Lines" and the San Joaquin Valley Transportation Company.

Witnesses for the Southern Pacific Company and Atchison, Topeka & Santa Fe Railway testified as to the service offered by their respective lines, presented exhibits showing the rates and rules and regulations governing the transportation of the class of shipments sought to be transported by applicants and statements showing time consumed in the transportation of representative shipments, both carload and less than carload. These statements show that on certain selected carloads the Southern Pacific Company transported shipments between San Francisco and Los Angeles in from 1 to 2 days; between Oakland and Los Angeles in 3 days; between San Francisco and Fresno in 1 day; and between Los Angeles and Fresno in 1 day. None of these shipments, however, were of the class of commodities proposed to be handled by the applicants herein, and the time shown covers only the movement by train as there was no information available as to time the shipments were received by the carrier from the consignor or as to the time the shipments were available for receipt by the consignee at destination. A record of less than carload shipments of furniture and household goods was furnished by a witness for protestant, Southern Pacific Company, and is as follows:-

<u>Date Delivered to Carrier.</u>		<u>Left</u>	<u>Arrived</u>	<u>Weight of Shipment Lbs.</u>
Nov. 8, 1921	San Francisco	Nov. 9, 1921	Los Angeles	Nov. 11, 1921-1000
Nov. 10, 1921	"	Nov. 11, 1921	"	Nov. 12, 1921-1310
Nov. 16, 1921	"	Nov. 17, 1921	"	Nov. 18, 1921-1150
Nov. 14, 1921	"	Nov. 14, 1921	Fresno	Nov. 15, 1921- 660
Nov. 16, 1921	"	Nov. 16, 1921	"	Nov. 17, 1921- 705
Nov. 5, 1921	Oakland	Nov. 5, 1921	"	Nov. 6, 1921- 270
-----	"	Nov. 4, 1921	Los Angeles	Nov. 7, 1921- 175

The Atchison, Topeka & Santa Fe Railway Company, protestant, provides a service from San Francisco by which goods from San Francisco are ready for delivery at Los Angeles on the morning of the third day following their departure from San Francisco; at Modesto and Merced and Fresno, on the following morning; and at Bakersfield on the morning of the second day.

The American Railway Express Company, protestant, presented evidence as to the number of trains upon which express matter was carried between San Francisco and Los Angeles and intermediate points, there being available eight round trips daily, six via the Southern Pacific Company (three each via the San Joaquin Valley and the Coast Routes) and two via the Atchison, Topeka & Santa Fe Railway. Messengers are carried on all trains to care for safety and security of shipments while in transit. This protestant, by its tariffs and rules and regulations governing same, carries certain of the classes of goods proposed to be carried by applicants without requiring crating as a protection, such as trunks, beds, bedsteads, floor coverings, folding cots, steamer, camp and opera chairs, mattresses, stools, pianos and organs. Pianos and organs, however, when offered for shipment uncrated are assessed double the first class rate. Evidence was also introduced as to the equipment available at the terminals of Los Angeles and Oakland and San Francisco for the pick up and delivery of shipments, and as to the free delivery limits in terminal cities and intermediate points along the route.

Protestant, San Joaquin Valley Transportation Company, already holding a certificate of public convenience and necessity over a portion of the route proposed to be served by applicants between Los Angeles and Fresno and intermediate points, objects to the granting of the applications in so far as same refer to the territory now served by this protestant not only as to the character of shipments proposed to be handled by applicants but also other classes of shipments which are now handled by such protestant as a common carrier. It was stipulated at one of the hearings on these matters whereby both applicants agreed that an order of the Railroad Commission if issued, and granting the applications herein sought, could contain a condition that would exclude the handling of all shipments between Los Angeles and Fresno and intermediate points except used household furniture which would include pianos and musical instruments, and when goods were shipped from one owner to another and also when such shipments were not intended for sale or trade and further when the shipments as above classified were not crated, boxed or wrapped. The origin and destination of shipments to be to and from residences only or from or to points where furniture and similar articles had been or were to be stored by the owner thereof. The acceptance of the foregoing stipulation by counsel for applicants herein eliminated the protest of the San Joaquin Valley Transportation Company.

We will now consider the matter of comparative rates as offered by the applicants herein as against those existing by the regularly authorized rail carriers and the American Railway Express Company. While the rates of both applicants include a number of intermediate points proposed to be served to and from terminals, it will be sufficient to illustrate a comparison of rates as regards the through business proposed to be handled between

San Francisco and Los Angeles, the same general comparisons being applicable as regards the intermediate business or for shorter distances out of either terminal. The following is a comparison of rates between San Francisco and Los Angeles:

	<u>Household Goods</u> <u>New or Second Hand</u> per 100 lbs.		<u>Trunks</u> <u>&</u> <u>Personal</u> <u>Effects</u> per 100 lbs.		<u>Pianos</u> <u>Grand</u> <u>Other</u>	
	A.T. & S.F. Ry. & So. Pac. Co.	L.c.l. (*)	94¢)			
	c.l. (*)	66¢)				
	L.c.l. (f)	117¢)				
	c.l. (f)	66¢)				
	L.c.l. (∅)	141¢)		Same rate as Household		
	c.l. (∅)	75¢)		Goods.		
American Railway Express	(∅)	334¢	334¢	(crated-334¢cwt-334¢ cwt. (uncrated-658¢cwt-658¢ cwt.		
Applicant Shull	(*)	520¢	335¢		30.00 ea.	25.00 ea.
Applicant California Highway Express	uncrated (*)	560¢	335¢		30.00 ea.	25.00 ea.
	crated (*)	400¢				

Note: (*) Indicates released to valuation of \$10.00 per cwt.
 (f) Indicates released to valuation of \$20.00 per cwt.
 (∅) Indicates released to valuation of \$50.00 per cwt.
 Carload minimum weight on rail lines 12,000 lbs.

To the freight charges as appearing in the tariffs of the protesting rail carriers must be added the expense of boxing and crating required by their tariff rules and regulations and the expense of cartage from point of origin to the railroad station and from the railroad station to the final point of destination of the shipment. The expense of local drayage in San Francisco on a shipment moving an average distance to the railroad freight station was estimated to range from 35 to 60 cents per cwt. with a probable general average of 50 cents. A similar average cost was thought to prevail in Los Angeles although the various witnesses had no exact data.

As to the expense of packing and crating for railroad shipment, such expense being necessary account the rules and regulations of the railroad carriers, testimony was given by various witnesses and particularly by Mr. Bekins of the Bekins Van and Storage Company operating in San Francisco, Oakland, Fresno and Los Angeles. A number of instances of representative shipments handled by his concern were covered by an exhibit filed of which the following is an analysis indicating the weight of shipments, the packing charges assessed, the expense of cartage to the railroad station and the freight assessed by reason of the shipment being consolidated in a carload movement.

Analysis of Various Packing & Shipping Reports.

	<u>Weight</u>	<u>Packing Charges</u>	<u>Cartage to R.R. Station</u>	<u>Freight</u>
No.1	2208 lb.	32.25	8.00	16.55
No.2	2842 lb.	35.65	16.00	21.35
No.3	5491 lb. (*)	71.20	18.50	43.05
No.4	3275 lb. (*)	78.35	29.00	26.30
No.5	5429 lb. (*)	60.65	34.50	42.50
No.6	1274 lb.	16.65	12.00	9.55
No.7	2028 lb.	38.95	16.00	-----

Note: (*) Includes Piano .

To arrive at the cost of delivering these shipments to their ultimate destination there should be added the cartage necessary from the railroad station to the point of destination and possibly some expense for uncrating the shipments and placing them in the residences at destination, which service is proposed to be performed by the applicants herein without extra expense to the shipper or consignee.

A comparison is made below as to the entire expense of moving these shipments between Los Angeles and San Francisco via the proposed lines of the applicants and via the facilities of the rail carriers plus drayage at each end and also via the facilities of the American Railway Express Company and in such comparison no

allowance is made for the extra weight that would naturally be occasioned by the packing and crating material, such being necessary to comply with the requirements of the railway carriers before acceptance for shipment, and upon which freight charges would be assessed by the rail carriers.

<u>Lot No. 1</u>	via rail shipment:		
	Cartage at both terminals	\$16.00	
	Packing charges	32.25	
	Freight charges 2208 lbs. @ 94¢ cwt.	<u>20.76</u>	\$69.01
	via American Railway Express:		
	Express charges 2208 lbs. @ 334¢ cwt.	75.75	
	Packing charge	<u>32.25</u>	106.00
	via Applicant Shall		
	Freight charges 2208 lbs. @ 5.20 cwt.		114.82
	via Applicant California Highway Express		
	If uncrated 2208 lb. @ 5.60 cwt.		123.65
	If crated 2208 lb. @ 4.00		88.32

<u>Lot No. 2</u>	via rail shipment:		
	Cartage at both terminals	32.00	
	Packing charges	35.65	
	Freight charges 2842 lb. @ 94¢ cwt.	<u>26.71</u>	94.36
	via American Railway Express		
	Express charges 2842 lb. @ 334¢ cwt.	94.92	
	Packing Charge	<u>35.65</u>	130.57
	via Applicant Shall		
	Freight charges 2842 lb. @ 5.20 cwt.	147.78	147.78
	via Applicant California Highway Express		
	If uncrated 2842 lb. @ 5.60 cwt.		159.15
	If crated 2842 lb. @ 4.00 cwt.		113.68

<u>Lot No. 3</u>	via rail shipment.		
	Cartage at both terminals	37.00	
	Packing charges	71.20	
	Freight charges 3491 lb. @ 94¢ cwt.	<u>51.62</u>	159.82

via American Railway Express		
Packing charges	71.20	
Express charges 5491 lb. @ 334¢	<u>183.40</u>	254.60
Add for piano if uncrated 1000 lb. @ 334¢ cwt.		33.40

via Applicant Small		
Piano	25.00	
Freight charges 4491 lb. @ 5.20 cwt.	<u>233.53</u>	258.53

Via applicant, California Highway Express		
Piano	25.00	
Freight charges 4491 lb. @ 4.00	<u>179.54</u>	204.54
Add if uncrated 4491 lb. @ 1.60 cwt.		71.86

Lot No. 4-via rail shipment.

Cartage at both terminals	58.00	
Packing charges	78.35	
Freight charges 3275 lb. @ 94¢ cwt.	<u>30.79</u>	167.14

via American Railway Express		
Packing charges	78.35	
Express charges 3275 lb. @ 334¢ cwt.	<u>109.39</u>	177.74
Add for piano if uncrated 1000 lb. @ 334¢ cwt.		33.40

via Applicant, Small.		
Piano	25.00	
2275 lb. @ 520¢ cwt.	<u>118.30</u>	143.30

via Applicant, California Highway Express		
Piano	25.00	
If crated 2275 lb. @ 400¢ cwt.	<u>91.00</u>	116.00
If uncrated add 2275 lb. @ 160¢ cwt.		36.40

Lot No. 5-via rail shipment

Packing charges	60.65	
Cartage at both terminals	69.00	
Freight 5429 lbs. @ 94¢ cwt.	<u>51.03</u>	180.68

via American Railway Express		
Packing charges	60.65	
Express charges 5429 lb. @ 334¢ cwt.	<u>181.36</u>	241.98
Add for piano if uncrated 1000 lb. @ 334¢ cwt.		33.40

via Applicant, Small		
Piano	25.00	
Freight 4429 lbs. @ 5.20 cwt.	<u>230.31</u>	255.31

via Applicant, California Highway Express		
Piano	25.00	
If crated 4429 lbs. @ 400¢ cwt.	<u>177.16</u>	202.16
If uncrated add 4429 lbs. @ 160¢ cwt.		70.86

Lot No. 6-via rail shipment

Packing charge	16.65	
Cartage at both terminals	24.00	
Freight 1274 lb. @ 94¢ cwt.	<u>11.98</u>	52.63

via American Railway Express		
Packing charge	15.65	
Express charges 1274 lbs. @ 334¢ cwt.	<u>42.55</u>	59.20
via Applicant, Shall		
Freight 1274 lb. @ 5.20 cwt.		66.25
via Applicant, California Highway Express		
If crated 1274 lb. @ 400¢ cwt.		50.96
If uncrated add 1274 lbs. @ 1.60 cwt.		20.38

On the basis of 50% being added to the weight of shipments by reason of packing and crating material, as testified by witnesses at the hearings, the net charges to be assessed by applicants on the foregoing lots (excluding the weight of pianos which carry a flat charge) would be as follows:

<u>Lot</u>	<u>Applicant</u>	
	<u>Shall</u>	<u>California Highway Express</u>
No. 1	\$76.54	\$82.46
No. 2	92.49	106.06
No. 3	130.69	192.66
No. 4	103.84	109.90
No. 5	178.50	190.31
No. 6	44.20	47.60

As to the matter of free pick-up and delivery limits, as heretofore appearing in this opinion the service performed by the rail lines consists of a station to station service and requires the hauling of goods from the point of origin to the railroad station and a similar haul by local draymen from the terminal station of the railroad to the point of ultimate destination. The free pick-up and delivery service of the American Railway Express Company covers approximately the better portion of the business and residential district of San Francisco and as regards Los Angeles a free pick-up and delivery within a radius of approximately four miles from the Seventh Street and Broadway headquarters of the American Railway Express Company in that city. It is, of course, apparent that no facilities exist for pick-up and delivery of shipments in rural communities as are offered by both applicants herein. Applicant, Shall, proposed

a free pick-up and delivery zone in Los Angeles for shipments weighing less than 1000 lbs. in a territory bounded on the east by Los Angeles Street; on the west by Figueroa Street; on the north by First Street; and on the south by Washington Street. On shipments weighing over 1000 lbs. a free pick-up and delivery within the city limits of Los Angeles excepting that the southerly boundary of such limits would be Manchester Avenue. In San Francisco a free pick-up and delivery on shipments weighing less than 1000 lbs. within a radius of one mile of applicant's office at 539 Turk Street, San Francisco. On shipments weighing over 1000 lbs., a free pick-up and delivery within the defined city limits of the city and county of San Francisco. As regards the cities of Berkeley and Oakland a free pick-up and delivery within the defined city limits of such communities on shipments weighing over 1000 lbs., a local transfer charge over the rate to or from Oakland or Berkeley to be added on shipments weighing less than 1000 lbs.

Applicant, California Highway Express, proposes to exact a pick-up and delivery charge at the drayage rate as charged by local city firms in any community when a shipment weighs less than 1000 lbs. In Los Angeles, provided a shipment weighs 1000 lbs. or more, free pick-up and delivery will be accorded within a radius of ten miles from the intersection of Seventh St. and Broadway in such city; a free pick-up and delivery will be accorded shipments of the same weight within the entire territorial limits of the city and county of San Francisco; and also a similar free pick-up and delivery on shipments as above will be accorded within the territorial limits of any incorporated city through which the proposed route of this applicant would pass.

The matter of storage is also of interest. It frequently happens that consignees are unable to take immediate delivery of their shipments for varying reasons, and therefore the disposition

to be accorded such shipments by carriers becomes a matter of public interest and one that should be considered in connection with these applications.

It is the custom of the rail carriers, protestants herein, to allow free time for a period of 48 hours after the first 7:00 A.M. from the date of service of notice to consignee of arrival of freight (exclusive of Sundays and legal holidays). After the expiration of the free time the storage rates as appearing in the tariffs of protestants are assessed based on the rates per cwt. as appearing in published tariffs. The rail carriers also reserve the option of removing consignments from their warehouse and storing same in a public warehouse at the owner's risk and cost.

The American Railway Express exacts no storage charges from consignees if delivery cannot be effected upon arrival of shipments. This company gives free storage on such shipments for a period of six months, holding same in their "On Hand" Department. At the expiration of the six months period the shipments are sold at public auction to cover the cost of charges accrued against same which are a lien on the shipment in the carrier's favor.

Applicant, Small, proposes to store shipments at destination for a period of 48 hours after their arrival without charge to consignee and if shipments are not called for within the free time they will be sent to a public warehouse. If it be necessary to unload a shipment at destination for the purpose of storage any delivery thereafter effected by applicant will be charged for at the local transfer rates.

Applicant, California Highway Express, proposes to place uncalled for shipments in suitable warehouses for storage for account of consignee if same are not accepted within 24 hours after the arrival of shipment at its point of destination.

The only matter now remaining to receive consideration is the matter of rates as proposed by both applicants herein. It is clearly shown from the foregoing statement of expense of transporting various shipments of the character proposed to be handled by applicants that the rates proposed by applicants are excessive for the character of service proposed to be rendered. It is true that an expedited service can be given by the facilities of the applicants herein but the contentions of applicants and their allegations as to the saving of cost to shippers and consignees is not borne out by facts as developed at the hearings on these proceedings. It is true that the shippers or consignees are not required to pay a number of separate bills for crating, packing, local drayage at both terminals in addition to the transportation charges but the public would be called upon to pay such charges in a lump sum to applicants herein and such charges as will be noted above average practically the same, or are in excess of, the charges of the American Railway Express Company and there is nothing before the Commission in this proceeding that indicates that the American Railway Express Company has not the requisite facilities to perform the prompt transportation of shipments, even though crating and packing of same may be necessary, and the expense of such packing and crating be considered in addition to the regular express charges for the actual transportation. The public is entitled to the facilities offered by applicants herein but at a rate which will be reasonable and we are of the opinion, after a very careful analysis of the rates offered by applicants in comparison with those now existing by the rail carriers and the American Railway Express Company, that the rates of applicants are excessive, unreasonable and should not be authorized by this Commission. The evidence in this proceeding indicates that applicant, California Highway Express, has a contract with the California Transfer & Storage Association, said contract having

been executed under date of June 25, 1921 for a two year period and it is understood that the provisions of this contract will be applicable if the application herein is granted. This contract provides that all the members of the California Transfer and Storage Association shall be constituted agents of the California Highway Express and for their services as agents such members of the association are to receive from the California Highway Express specified amount per 100 lbs. on all shipments secured by the members of the association and the amount per 100 lbs. specified for shipments moving between the more distant terminals (Los Angeles and San Francisco) is specified as \$1.60 per cwt. All points proposed to be served by applicant, California Highway Express, are also scheduled as to the rate per cwt. that will accrue to the members of the association for acting as agents and soliciting business for the applicant, California Highway Express. Inasmuch as no service whatsoever other than the solicitation of shipments is covered by this agreement we regard the agreement as one against public policy and one that should not receive the approval or sanction of this Commission in so far as it affects a proposed schedule of rates for any carrier proposing to operate under the jurisdiction of this Commission in the transportation of goods by motor truck. The through rate between Los Angeles and San Francisco as proposed by applicant, California Highway Express, is \$5.60 per cwt. on household goods, etc. uncrated; \$4.00 per cwt. on similar articles when crated; \$3.35 per cwt. on trunks and personal effects; and \$25.00 each on ordinary pianos and \$30.00 each on grand pianos. Out of these amounts per cwt. the California Highway Express is and would be required to pay to the mem-

bers of the California Transfer and Storage Association an amount of \$1.50 per 100 lbs. for the alleged services as agents of the members of the association. This would therefore make the net amount received by applicant, California Highway Express, for the transportation service rendered by it (and which includes all the actual service picking up the shipments at point of origin and delivering same at ultimate destination) the sum of \$4.00 per cwt. for household goods uncrated; \$2.50 per cwt. for household goods when crated; \$1.75 per cwt. for trunks and household effects and on pianos assuming for ready comparison a weight of 1000 lbs. to each piano an amount of \$9.00 for an ordinary piano and \$14.00 for a grand piano. It is our opinion that applicant herein should not be permitted, as a matter of public policy, to pay a greater amount than 10% of its scheduled rates to anyone in re-imbusement of their services as agents particularly in view of the character of service proposed to be rendered by such agents and as appears from the evidence in this proceeding. The movement of household goods, personal effects, etc. is usually brought to the attention of transfer, express and storage companies directly by the prospective shipper who investigates the methods by which his property can be moved and naturally endeavors to secure the most favorable rate therefor. This business requires little or no solicitation and it is unfair to the prospective patrons of the applicants herein to pay any such unnecessary amount as compensation for agents as has been proposed in these proceedings. We are of the opinion that the services proposed by applicant herein will meet a public convenience and necessity provided such services are made available for the public at just and reasonable rates and we therefore find as a fact that a just and reasonable rate for the transportation of the classes of goods proposed to be hauled by applicants

herein and between San Francisco and Los Angeles is as follows:

Household goods etc. - uncrated	\$4.40 per cwt.
Household goods etc. - crated	2.64 per cwt.
Trunks and personal effects	2.00 per cwt.
Pianos - Ordinary	15.00 each.
Pianos - Grand	17.50 each.

Other rates to intermediate points should be prepared on a graduated scale in consideration of mileage covered with the basic rate as that herein above prescribed between the terminals of Los Angeles and San Francisco.

O-R-D-E-R

Public hearings having been held on the above entitled applications, the matters having been duly submitted, the Commission having given careful consideration to the evidence and exhibits herein and being now fully advised,

THE RAILROAD COMMISSION HEREBY DECLARES, that public convenience and necessity require the operation by E.H. Small of a freight truck service as a common carrier of household goods (new or second hand furniture, personal effects, trunks and pianos) between Los Angeles and Oakland, Berkeley and San Francisco via the San Joaquin Valley route and serving as intermediates the communities of Pamosa, McFarland, Delano, Pixley, Tipton, Talara, Goshen Junction, Kingsburg, Selma, Fowler, Fresno, Herndon, Madera, Chowchilla, Athlone, Merced, Atwater, Livingston, Turlock, Modesto, Manteca, Tracy, Livermore, Lebec, Baileys, Seargas, Newhall and San Fernando, provided, however, that shipments will be handled only where the point of origin or destination is Los Angeles, Oakland, Berkeley or San Francisco and provided further that no local shipments will be handled between Los Angeles and Bakersfield or points intermediate thereto, and provided further that in accordance with stipulation entered into at the hearings of this proceeding that

no shipments will be handled between Los Angeles and Fresno and points intermediate thereto excepting that such shipments consist of used household furniture (which shall include pianos and musical instruments) which are shipped from owner to owner, are not intended for sale or trade, and when such shipments are not crated, boxed or wrapped. The origin and destination of shipments covered by this stipulation to be at residences only or to or from residences with the point of origin or destination as a warehouse or storage point in which shipments have been or are to be stored. The schedule of rates to be assessed by the grantee of this certificate for the transportation of property as herein authorized to be in accordance with the schedule hereinafter appearing in this order.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity requires the operation by California Highway Express, a corporation, of a motor truck service for the transportation of household and office furniture and equipment, baggage and personal effects and household goods (including pianos) between Los Angeles and San Francisco and the following intermediate points: Manteca, Modesto, Turlock, Livingston, Atwater, Merced, Athlone, Chowchilla, Modesto, Hernson, Fresno, Fowler, Selma, Kingsburg, Trover, Goshen Junction, Tulare, Tipton, Pixley, Delano, McFarland, Panoza, Bakersfield, Lebec, Saugus, Newhall, San Fernando, Tracy, Livermore, Hayward and Oakland; also all territory within twenty-five miles of the main highway passing through the above mentioned communities excepting however that authority is not hereby granted for the handling of business locally as between communities situated in the territory between San Francisco and Manteca or between Los Angeles and Bakersfield and provided further that in accordance with stipulation entered into at the hearings of this proceeding that no shipments will be handled between Los Angeles and Fresno and points intermediate

thereto excepting that such shipments consist of used household furniture (which shall include pianos and musical instruments) which are shipped from owner to owner, are not intended for sale or trade, and when such shipments are not crated, boxed or wrapped. The origin and destination of shipments covered by this stipulation to be at residences only or to or from residences with the point of origin or destination as a warehouse or storage point in which shipments have been or are to be stored. The schedule of rates to be assessed by the grantee of this certificate for the transportation of property as herein authorized to be in accordance with the schedule hereinafter appearing in this order.

The rates herein authorized to be published by applicants herein for the service proposed to be rendered shall be as follows:

Between San Francisco & Los Angeles

Household goods etc. - uncrated	\$4.40 per cwt.
Household goods etc. - crated	2.64 per cwt.
Trunks and personal effects	2.00 per cwt.
Pianos - Ordinary	15.00 each
Pianos - Grand	17.50 each

Other rates to intermediate points should be prepared on a graduated scale in consideration of mileage covered with the basic rate as that herein above prescribed between the terminals of Los Angeles and San Francisco.

No authority is hereby conveyed for transportation of shipments between Los Angeles and San Francisco and intermediate points over any portion of the so-called Coast Route through shipments to be confined to the San Joaquin Valley Route as herein above outlines.

IT IS HEREBY ORDERED that the applications herein for certificates of public convenience and necessity are granted subject to the following conditions:

- I. Applicants herein shall within fifteen (15) days from the date of this order file with the Railroad Commission a written acceptance of the terms of

this order and the certificates thereby granted; and shall within thirty (30) days from the date of this order file with the Railroad Commission their complete schedules of tariff rates and rules and regulations governing same in accordance with the provisions of this Commission's General Order No. 51; and shall further file with this Commission a statement stating the date upon which the service proposed to be rendered will be established and operation commenced. Failure to file with the Railroad Commission as herein above ordered the acceptance of the terms of this order and certificate, the schedules of tariff rates rules and regulations; or of the date upon which operation will commence will, unless otherwise ordered by supplemental order of this Commission cancel and render void the order herein without further action by the Commission.

II. The rights and privileges hereby granted may not be assigned, leased, transferred, hypothecated or sold nor operation suspended or discontinued unless the written consent of the Railroad Commission to such assignment, lease, transfer, hypothecation, sale, suspension or discontinuance of operation has first been secured.

III. No vehicle may be operated under the authority conferred by this certificate unless such vehicle is owned by the applicants herein or is leased by such applicants under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California this 8th day of February, 1922.

H. B. Rindiga
H. L. Leland
James R. Brown
W. H. Anderson
Commissioners.