

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
 HODGE TRANSPORTATION SYSTEM, a corporation,
 for certificate of public convenience and
 necessity to operate capacity load motor
 freight service between
 Bassett—Santa Ana, : Santa Barbara
 Capistrano, : Ventura,
 Corona, : Wilmington
 East Highlands : Yucaipa
 Hemet : points inter-
 Huntington Beach : mediate also
 Los Angeles : points reached
 San Fernando : by tap lines
 San Pedro :
 and
 Los Angeles, Wilmington and San Pedro,
 California.

ORIGINAL

Application
No. 7152

Randall, Bartlett & White, by Louis B. Randall and Harry N. Blair, and Devlin & Brookman, by Douglas Brookman, for applicant.

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

H. J. Bischoff, for Coast Truck Lines, Protestant.

E. K. Bennett, for Los Angeles & Salt Lake Railroad Company, Protestant.

R. C. Gortner and T. J. Day, for Pacific Electric Railway Company, Protestant

Howard Robertson, for California Truck Company, Citizens Truck Company, Pioneer Truck & Transfer Company, Star Truck & Transfer Company, Paul Kent Truck Company and Los Angeles Draymen's Association, Protestants.

Durley & Downes, by W. M. Durley, for Los Angeles & Santa Barbara Motor Express Company, Protestant.

Daly & Daly, by James H. Daly, for City Transfer & Storage Company and Union Transfer Company, Protestants.

F. D. Howell, for Motor Carriers' Association, Protestant.

Hocker & Austin, by Robert E. Austin, for H. C. Venable and A. D. Spence, Protestants.

John W. Hart and Herbert W. Kidd; for T. R. Rex, Keystone Express, S. & M. Transfer Company, Independent Truck Company, Advance Truck Line, L. A. & S. P. Transportation Company, Thomas Richards, Van Nuys Truck Company, Chino Express, Rice Transportation Company, Triangle & Orange County Express, L.A.; Ojai & Ventura Express, Union Transfer Company, Seal Beach Auto Dispatch, Orange County Fast Freight, Newport & Balboa Freight Line and Weigans & Smith, Waterman & Carne, Coachella Valley Transportation Company, and Tucker Truck and Transfer Company; Protestants.

T. A. Woods and M. Thompson, by M. Thompson, for American Railway Express Company, Protestant.

Rodney S. Sprigg, for Allen Brothers and Smith Brothers Motor Truck Company, Covington Transfer Company, R. A. Stein, W. E. Allen and P. D. Cushing, Protestants.

K. F. Beyerle, for Murrieta Valley Motor Freight Line, Protestant.

E. D. Hall, Lankershim, in propria persona, protestant.

R. J. Kimbro, Orange, in propria persona, protestant.

Paul Burks and E. T. Lucey, for Atchison, Topeka & Santa Fe Railway Company, protestant.

BY THE COMMISSION:

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

Hodge Transportation System, a corporation, has applied to the Railroad Commission for an Order declaring that public convenience and necessity requires the establishment by it of a motor truck transportation service between Los Angeles, Wilmington and San Pedro and certain other points in Southern California together with points intermediate along the several lines or routes herein proposed and as more fully set forth by a schedule marked Exhibit "B" attached to and forming a portion of the application in this proceeding.

Public hearings on the above entitled application were conducted by Examiner Handford at Los Angeles; the matter was duly

submitted and is now ready for decision.

Applicant proposes practically a capacity load service to be rendered between Los Angeles, Wilmington and San Pedro, (the latter being the harbor points of Los Angeles) and practically all territory adjacent and tributary to Los Angeles and Los Angeles Harbor proposing service over eleven routes and intermediate points on such routes briefly described as follows:

- I - Between Los Angeles, Wilmington and San Pedro and the following points,- Cabazon, Banning, Beaumont, Riverside, San Jacinto, Hemet, Pomona, Alessandro, Temecula, Murrieta, Elsinore, Highgrove, Wineville, Ontario, Chino, Pomona, Spadra, Puente, Bassett, El Monte.
- II - Between Los Angeles, Wilmington and San Pedro and the following points,- Beaumont, Yucaipa, Redlands, Colton, Bloomington and So. Cucamonga.
- III- Between Los Angeles, Wilmington and San Pedro and the following points,- Victorville, Hesperia, San Bernardino, East Highlands, Highlands, Rialto, Fontana, Etiwanda, Cucamonga, Alta Loma, Uplands, Claremont, La Verne, San Dimas, Covina, Glendora, Azusa, Duarte, Monrovia, Sierra Madra, Lamanda Park, San Gabriel, Alhambra, Altadena, and Pasadena.
- IV - Between Los Angeles, Wilmington and San Pedro and the following points,- Capistrano, Irvine Station, Tustin, Santa Ana, Villa Park, Modena, Orange, Anaheim, Fullerton, Brea, La Habra, Lexington, Whittier and Montebello.
- V - Between Los Angeles, Wilmington and San Pedro and the following points,- Yorba, Richfield, Glinda, Placentia, Casa Blanca, Arlington and Corona.

- VI - Between Los Angeles, Wilmington and San Pedro and the following points,- Huntington Beach, Westminster, Los Alamitos, Artesia, Norwalk, Downey, Bell, Stanton, Buena Park and La Mirada.
- VII - Between Los Angeles, Wilmington and San Pedro and the following points,- Rivera, Clearwater, Garden Grove and Long Beach.
- VIII- Between Los Angeles, Wilmington and San Pedro and the following points,- Los Angeles, Gardena and Torrance.
- IX - Between Los Angeles, Wilmington and San Pedro and the following points,- Sawtelle, Palms, Santa Monica, Venice, Playa del Rey, El Segundo, Manhattan, Hermosa, Inglewood, Redondo, Clifton and Harbor City.
- X - Between Los Angeles, Wilmington and San Pedro and the following points,- Santa Barbara, Montecito, Carpinteria, Ventura, Oxnard, Calabasas.
- XI - Between Los Angeles, Wilmington and San Pedro and the following points,- Saticoy, Santa Paula, Milmore, Pirra, Saugus, San Fernando, Somis, Moorpark, Simi, Santa Susana, Owensmouth, Van Nuys, Lankershim, Burbank and Glendale.

Applicant proposes a schedule of rates in accordance with Exhibit "A" as attached to and forming a part of the application in this proceeding also Amendment No. 1 to Exhibit "A" as filed at one of the hearings. The proposed schedule and amendment thereto outlines rates on a distance basis on a graduated scale from a minimum of three tons to a maximum of ten tons also providing special commodity rates based on a percentage of distance rates per ton and per quantity classification on the following

commodities:- apples, beans, case goods, citrus fruit, fertilizer, shocks and walnuts.

The schedule proposed by applicant does not provide for a regular service over any of the routes hereinabove mentioned it being the intention of applicant to supply equipment for the movement of freight as soon as possible after request is made and in no instance later than forty-eight hours from the time request for transportation is made. A detour of five miles on either side of the main travelled highway over the routes hereinabove mentioned is contemplated to be furnished by applicant and as a part of the regular main line haul.

The equipment proposed to be used by applicant consists of three trucks each of five and one-half ton capacity, seven trucks each of three and one-half ton capacity, six trucks each of two and one-half ton capacity, two trailers each of seven and one-half ton capacity, five each of six ton capacity and eight each of three ton capacity; also one semi-trailer of twelve ton capacity and two each of eight ton capacity.

Applicant relies as justification for the granting of the application herein upon the following alleged facts:-that there is a vast tonnage, much of which is perishable in its nature, moving into and out of Los Angeles and Los Angeles harbor points the carriage of which can best be accomplished by motor trucks, and that the service proposed is in character substantially the same as that at present being rendered by applicant herein.

Applicant is before the Commission in this proceeding requesting a certificate of public convenience and necessity under the provisions of Chapter 213, Statutes of 1917, and amendments thereto, on the basis that Section 2 of such Statutory Legisla-

tion prohibits the transportation of persons or property for compensation on any public highway in the State except in accordance with the provisions of the statute, and Section 1, Paragraph C defines the term "transportation company" as every "corporation or person ***** owning, controlling, operating or managing any***** auto truck *** used in the business of transportation of persons or property, or as a common carrier for compensation over any public highway in this state between fixed termini or over a regular route,*****". Applicant claims that the service it proposes to render, and is now rendering, although without certificate, falls within the requirements of the Statute and that public convenience and necessity requires the authorization by the Railroad Commission of a certificate as prayed for herein.

Mr. F. M. Hodge, president of applicant corporation, testified that in the year 1919 he began handling perishable fruits to the cannery of Charles Stern and Sons at Wineville and during the following year also handled shipments for the California Growers Association operating some five canneries. The entire transportation needs as regards movement by truck were handled for these companies include not only fruit picked up and carried to the canneries but the finished product as contained in cases after the fruits were canned. The business has rapidly grown and in the period from September, 1920, to September 21, 1921, inclusive, Mr. Hodge transported by truck approximately forty thousand tons of freight such tonnage being segregated among the principal commodities, roughly as follows:

Apples	1776	Tons
Beans	625	"
Boxes	100	"
Case Goods	8000	"
Chemicals	500	"
Fertilizer	7000	"
Flour	215	"
Cans	91	"
Corn	73	"
Grapes	1000	"
Grapefruit	338	"
Honey	134	"
Lemons	3000	"
Lumber	200	"
Machinery	243	"
Oranges	5000	"
Paper	1250	"
Peaches	5000	"
Shooks	1500	"
Pipe	500	"
Straw	500	"
Sugar	250	"
Vegetables	500	"
Walnuts	125	"

As to the rapidity of the growth of the business the witness testified that in the month of October, 1920, there were handled 1458 tons of all classes of commodities and that in October, 1921, a total of 5,236 tons were handled by the facilities of this applicant. There has been a demand for at least twenty-five percent more tonnage than the applicant has been able to handle and business has been refused for the reason that applicant, pending a determination on behalf of the Commission as to the pending application, did not care to procure or acquire more equipment although all old customers have been cared for and when the volume of equipment owned by applicant was not sufficient to meet the demands of traffic trucks have been hired that the requirements of customers and patrons might be satisfactorily met.

Mr. W. E. Webber, sales manager of the California Walnut Growers Association, such association controlling the product of forty-two packing houses in southern California, testified that his association used truck transportation because it was quicker, more convenient and in some cases cheaper than other forms of transportation. The convenience arises from the fact that this method of transportation is considered by the witness to be more flexible and the statement of the witness in this regard is of interest and as follows:

"I might state as an instance, that if we were to ship a car of walnuts to Chicago and there are two grades in that car, one grade might not be produced at the house from which the car is rolling and, therefore, it would be necessary to send fifty or one hundred bags from another house. Now, we can very quickly get that done by truck. It might move a few miles only. We can get that done in an hour or in two hours, or a matter of that kind. But if we shipped it by rail it would take two or three or four or five days before it got there. Therefore, we can immediately make up our carloads, immediately consolidate them by the use of the trucks and we could not do that by local freight.

Question: That is, there is a quicker movement and a more flexible movement?

Answer : Much quicker and more flexible. The same thing applies to our steamer shipments. The market for our product is seasonal and it is very necessary that we get our walnuts to the early market, to the holiday market, and by using the steamers we can, by employing the trucks to bring the stuff from the packing houses to the steamer, watch the move of the steamer and when it is almost ready to sail we can put our stuff on the dock and save in some cases many days, where if we had to move it by local freight we would have to allow for the slowness of the freight and we cannot use the actual sailing dates as the basis for shipment."

This witness testified that the principal movement of the product controlled by his association was from points in Santa

Barbara, Ventura, Los Angeles and Orange Counties, to Los Angeles and the harbor points and that the product of some thirty-seven packing houses located in such counties moves between the packing houses and Los Angeles and Los Angeles harbor points, also that from 5000 to 7500 tons of walnuts would move during 1921 season; that the service rendered by the applicant had been satisfactory in meeting the transportation requirements of the California Walnut Growers Association.

The export manager of the California Fruit Growers Exchange, handling citrus fruits, testified as to the satisfactory service that had been received from applicant in the transportation of citrus fruits between packing houses and to the Los Angeles harbor.

The manager of Charles Stern and Sons, handling canned goods and green fruit, testified that his concern now handles all its product of canned goods by truck and that satisfactory service had been rendered by applicant.

The secretary of the Agricultural Chemical Works testified as to the satisfactory handling of from 3,500 to 4,000 tons of chemical fertilizer and products entering into the manufacture of same from Los Angeles harbor points to the factory at Los Angeles.

The inspector of transportation for the Fruit Growers Supply Company testified as to the use of the facilities of the applicant in the handling of box shocks to packing houses controlled by the Fruit Growers Supply Company and as to the frequent necessity of breaking up carloads of shock at Los Angeles and shipping small quantities by truck from Los Angeles to any of the one hundred thirty packing houses supplied by this company in case that any of such packing houses were temporarily short of shock account

delayed carloads which might be en route.

The traffic manager of the California Growers Association, such association being engaged in packing and canning of fruits and vegetables, testified as to the satisfactory and expeditious handling of approximately 18,000 tons of shipments destined to or originating with the packing houses of this association.

The manager of the Harbor Box and Lumber Company, principally engaged in the handling, manufacture and distribution of box snook, testified as to the satisfactory handling of between 500 and 600 tons of snook during the preceding six months.

Other testimony commending the service offered by applicant was given by the district manager of the California Fruit Growers Exchange; the superintendent of a large cannery at Ontario; the traffic manager of the Pacific K. & H. Chemical Corporation and the office manager of the Republic Supply Company handling oil well supplies.

A statement introduced by applicant as an exhibit and marked Exhibit "No. 13" indicates that the total tonnage handled by applicant during the period from September 1, 1920, to September 1, 1921, inclusive, over all routes amounted to 82,803,353 pounds and that of this tonnage 13,730,560 pounds was destined to Los Angeles, 4,163,347 pounds was destined to San Pedro and 5,943,988 pounds was destined to Wilmington. Of the total tonnage 14,120,861 pounds originated at Los Angeles, 1,309,998 pounds originated at San Pedro and 2,002,327 pounds originated at Wilmington. The total tonnage included in the above figures is in excess of the actual tonnage handled for the reason that frequently in the handling of tonnage from point of origin to destination it would require, in some cases, to move over more than one route as outlined by applicant herein and as

more specifically referred to in the list of routes and points thereon served as previously listed in the earlier portion of this opinion. At the hearing on this application applicant filed its amendment No. 1 to Exhibit "A" such amendment providing rates for distances one hundred to one hundred and thirty miles, inclusive, such rates being graduated on a scale of weights ranging from three tons to ten tons, inclusive, and also providing certain commodity rates upon which commodities a percentage of the basic distance rates would be applicable to such commodity rates and the percentage thereto applicable being as follows:

	90%	or	Tonnage	and	Distance	Rates.
Apples	90%	"	"	"	"	"
Beans	70%	"	"	"	"	"
Case Goods	85%	"	"	"	"	"
Citrus fruits	90%	"	"	"	"	"
Fertilizer	60%	"	"	"	"	"
Shocks	70%	"	"	"	"	"
Walnuts	85%	"	"	"	"	"

All commodities not specifically provided for under the special distance and tonnage rates above referred to would take the distance rate on the tonnage basis as provided for in the schedule of rates appearing in applicant's Exhibit "A" as originally filed with the application and amendment No. 1 to Exhibit "A" as filed at the initial hearing on this proceeding, such rates covering a minimum of three tons and a maximum of ten tons for distances ten miles and under to and including one hundred and thirty miles which latter is the maximum distance for which rates are quoted.

The application also contemplates the serving of territory which may be located a maximum distance of five miles on either side of the main highways comprising the various routes herein proposed by applicant such detours from the main highway to be

made over traveled roads and the distance of five miles on either side of the highway comprising the main routes was stipulated by council for applicant to mean not a straight line distance at right angle from the highway but a distance of five miles via traveled roads which may lead to or from the main highway on any scheduled route.

The granting of this application is opposed by the Southern Pacific Company, the Atchison, Topeka & Santa Fe Railway Company, the Los Angeles and Salt Lake Railroad Company, and the Pacific Electric Railway Company, all rail carriers in the district in which applicant proposes to operate. Also by practically every freight, express and truck line serving any portion of the routes over which applicant proposes operation in southern California as well as by the American Railway Express which latter operates in connection with the rail carriers already noted as protestants. The application is further protested by the Los Angeles Draymen's Association, a voluntary association composed of the California Truck Company, Citizen's Truck Company, Pioneer Truck and Transfer Company, Star Truck and Transfer Company and Paul Kent Truck Company all of whom are engaged in the business of hauling between docks on Los Angeles harbor and the city of Los Angeles. The council for this protestant, Los Angeles Draymen's Association, stipulated that the protest of this association was specifically as regards the transportation of shipments between the city of Los Angeles and points on Los Angeles harbor, that no protest was entered against transportation between Los Angeles and other points than those on

Los Angeles harbor as proposed to be served by applicant in the list of routes as hereinabove mentioned nor was protest made against the transportation of shipments which might originate at or be destined to Los Angeles harbor points if such shipments originated at or were destined to points other than the city of Los Angeles or intermediate between the city of Los Angeles and Los Angeles harbor points.

Protestant, Southern Pacific Company, through its witnesses, claims to have satisfactory and adequate facilities for the transportation of all commodities which might be offered at reasonable rates satisfactory to the shipping public and presented statements as exhibits showing the car service and transit time of eighty-three cars of citrus fruits at southern California points and destined for movement via San Pedro in the period from January to August, inclusive, 1921, also exhibits showing expenditures which had been made for improvement of freight facilities at its stations in southern California during the years 1918 to October, 1921, inclusive, such expenditures totaling the sum of \$193,700.00 the heaviest items of expense, however, and those aggregating over the sum of \$10,000 being as follows:

Replace 100 ton scale with 150 ton scale at Los Angeles, - amount -----	\$10,788.00
Construct tracks to serve Los Angeles Union Terminal Company at Los Angeles -----	25,218.00
Facilities for switch engines at Los Angeles -----	14,962.00
Install water stand and extend passing track at Moorpark -----	14,442.00
New water facilities at Cabazon -----	18,977.00
Repairs to wharves at San Pedro for year 1919 -----	14,192.00
Repairs to wharf at San Pedro for year 1918 -----	10,017.00

It is apparent that many of the principal expenditures as above outlined are not specifically those which might be termed to be fully chargeable to facilitating freight operation nor to the business handled in the territory specifically covered by this application. A considerable amount of the expense is properly chargeable to the conduct of the passenger business, which is not contemplated by applicant herein, and to the handling of freight business much of which is interstate in character and does not require consideration as regards this specific application. A statement was filed by this protestant showing the total freight proportion of agency payrolls for the month of July, 1921, at stations located in communities proposed to be served by applicant herein such statement showing an aggregate monthly expense of \$53,330.00. There is, however, no segregation as between the local business for which applicant herein proposes to compete and the through business with which applicant will not be in competition and which through business necessarily constitutes a very considerable volume of protestant's business and which through business it is assumed returns the major portion of protestant's freight revenue at the stations covered by this exhibit.

This protestant filed an exhibit showing a comparison of commodity rates between representative points on the line of protestant as against rates proposed by applicant between similar points. This statement shows that practically without exception the rates of applicant are higher than those of this protestant although it must be considered that the rates of protestant are for service from station to station only, are for carload quantities, and do not include any pick-up or del-

ivery at warehouses or what might be termed "roadside" pick-up and delivery the rates being for carloads only and the loading of commodities in carload quantities necessarily being an expense required to be met by the shipper.

Protestant, Pacific Electric Railway Company, through its witnesses, introduced testimony and exhibits showing the character and frequency of service available by the use of the line of this protestant also rates between points served by its line and also proposed to be served by applicant herein. Exhibits were furnished showing a comparison of rates, both as to class and commodity rates, with those proposed by applicant and a study of such rate comparison shows that with but few exceptions the rates proposed by applicant are considerably higher, as to both classes and commodities than those available for the public by the use of the facilities of this protestant. In almost every case where a lower rate exists on the line of the Pacific Electric Railway such fact is accounted for by the greater distance required to be traversed by applicant company than that if the rails of the Pacific Electric are used. The difference in rates in favor of protestant, Pacific Electric Railway Company, is most marked on the commodity rates as proposed to be made applicable to fertilizer and citrus fruits and the situation as regards the transportation of carload business is comparable to that hereinabove referred to in considering the protest of the Southern Pacific Company that shippers by rail in carload lots are necessarily required to do their own loading which is, of course, an expense the cost of which must be considered as one of the items of transportation. Applicant herein offers a facility, particularly as regards the transpor-

tation of fertilizer, in that not alone are the trucks loaded by the employees of the truck company but a distribution at the point of destination is made which conserves expense to the consignee in that roadside deliveries at orchards, ranches and farms can be made at the point most convenient for the user of this commodity.

Practically every motor freight line operating under the jurisdiction of the Railroad Commission in the portions of southern California proposed to be served by the applicant appeared or were represented as protestants in this proceeding. It is the general contention of these particular protestants that the transportation field by motor truck in the district proposed to be served is now adequately cared for by the existing authorized lines, that ample facilities and service are available for the use of shippers and that the granting of the application would interfere with the ability of existing authorized truck carriers to give the character and class of service to which they are obligated and which they are now offering to the public. The following data has been compiled from statements introduced as exhibits and testimony of this class of protestants:

<u>Protestant</u>	<u>EQUIPMENT AVAILABLE</u>		<u>Rated Capacity</u>	
	<u>Trucks</u>	<u>-Trailers</u>		
Los Angeles & Santa Barbara Motor Express Company.	10	6	52 3/4 Tons	
T. R. Rex	5	5	50	"
Keystone Express	8	4	50	"
Vance Truck Line	3	-	10	"
Chino Express & Transfer	4	2	18	"
Seal Beach Auto Dispatch	2	1	7 1/2	"
Union Transfer & Storage Co.	9	2	44	"
Los Angeles & Oxnard Express	5	1	28	"
Waterman & Carne	6	2	86	"
Los Angeles & San Pedro Trans. Co.	12	10	74 1/2	"
Service Motor Express	8	3	30	"
Independent Truck Co.	5	3	35	"
Thos. Richards Motor Express	12	3	63	"

<u>Protestant</u>	<u>Trunks</u>	<u>-Trailers</u>	<u>Rated Capacity</u>
Rice Transportation Co..	7	1	25 Tons
Ojai Ventura & Los Angeles Express	6	2	28 "
S. & M. Transfer Co.	3	2	10 "
Van Nuys Truck Co.	5	1	21 "
Triangle-Orange County Express	15	6	40 "
Totals	125	54	672 3/4"

INVESTMENT IN EQUIPMENT, TERMINALS AND ACCESSORIES.

<u>Protestant</u>	<u>Investment</u>		<u>Total</u>
	<u>Equipment</u>	<u>Terminals, etc.</u>	
T. R. Rex	\$ 25,000	2,500	27,500
Keystone Express	26,300	1,200	27,500
Vance Truck Line	10,000	---	10,000
Chino Express & Transfer	16,314	1,000	17,314
Seal Beach Auto Dispatch	5,300	400	5,700
Union Transfer & Storage Co.	20,460	4,000	24,460
Los Angeles & Oxnard Express	21,000	9,000	30,000
Waterman & Carne	28,000	2,900	30,900
Los Angeles & San Pedro Trans. Company	57,421	4,540	61,961
Service Motor Express	16,000	500	16,500
Independent Truck Co.	12,500	1,000	13,500
Thos. Richards Motor Express	29,990	5,067	35,057
Rice Transportation Co.	17,281	1,092	18,373
Ojai Ventura & Los Angeles Express	30,000	1,500	31,500
S. & M. Transfer Co.	11,000	3,000	14,000
Van Nuys Truck Co.	24,000	1,000	25,000
Triangle-Orange County Express	15,540	4,000	19,540
Totals	\$ 366,106	\$ 42,699	\$ 408,805

ESTIMATED PERCENTAGE OF FULL TRUCK LOAD HAUL.

<u>Protestant -</u>	<u>Proportion of business June to August, 1921, inclusive that was full truck load haul.</u>
T. R. Rex	50%
Keystone Express	5%
Vance Truck Line	25%
Chino Express & Transfer	10%
Seal Beach Auto Dispatch	65%
Union Transfer & Storage Co.	50%
Waterman & Carne	35%
Los Angeles & San Pedro Trans. Co.	60%
Service Motor Express	45%
Independent Truck Co.	10%
Rice Transportation Co.	32 1/2%
Ojai, Ventura & Los Angeles Express	20%
Los Angeles & Oxnard Express	40%

An exhibit was filed by protesting motor carriers, operating under the jurisdiction of the Railroad Commission as common carriers, showing a comparison of rates of the present authorized lines with the rates proposed by applicant herein. This comparison shows a total of seven hundred seventy-four rates which were considered and of this number, with the exception of one hundred forty-three, all the rates of applicant are higher than those of the protestants and in the instances where rates are lower such rates are, in the majority, those quoted on ten ton lots as to what may be termed "class rates" and as regards commodity rates are principally in nine and ten ton lots with but few instances where a lower scale is prescribed covering the entire schedule as ranging from three to ten tons inclusive as proposed by applicant.

As to the protest of the Los Angeles Draymen's Association, a voluntary organization comprised of trucking companies operating principally between Los Angeles and Los Angeles harbor points, the base rate as charged by this association is \$2.50 per ton to which must be added \$1.00 per ton if a pick-up and delivery service is performed in the city of Los Angeles. In addition to the so-called "base rate" the association publishes a schedule of commodity rates ranging from \$1.20 per ton to \$4.00 per ton such rate applicable between Los Angeles and San Pedro-Wilmington and to which also must be added, when pick-up and delivery is performed in Los Angeles, the sum of \$1.00 per ton. A comparison of the association rates with those of the applicant (applicant's rates including pick-up and delivery without charge) indicates that for lots of three to ten tons, inclusive, under the class rates that the rates proposed by

applicant are less than those of the association when shipments move between Los Angeles and Wilmington. As regards shipments between Los Angeles and San Pedro the rates of applicant on class rates are higher on shipments three to six tons, inclusive, the same rate appearing on a seven ton shipment and rates eight to ten tons, inclusive, being lower than those of the association.

In general as regards the matter of rates, those herein proposed by applicant are greater than those existing by the lines of the authorized carriers there being some few exceptions where a lesser rate is proposed and such lesser rate usually occurs where a ten ton shipment, either under the class or commodity rate, is to be handled.

No evidence was presented on behalf of protestants, Atchison, Topeka & Santa Fe Railway Company and Los Angeles and Salt Lake Railroad Company. These protestants serve territory also served by the Pacific Electric Railway Company and Southern Pacific Company at equivalent rates and the situation as regards these protestants is comparable with that of protestants, Pacific Electric Railway Company and Southern Pacific Company.

We have given careful consideration to all the evidence and the voluminous exhibits introduced by both applicant and protestants in this proceeding. We are of the opinion and find as a fact that applicant proposes a service that is required by the public convenience and necessity in that an expedited service for quantity shipments is offered and that such service has heretofore been rendered by applicant in con-

siderable volume and has satisfactorily met the requirements of the shipping public. There is no evidence before the Commission indicating that any carrier appearing herein as protestant has heretofore satisfactorily met the demand for expedited service as furnished by applicant for which authority is now requested. The rates proposed by applicant, as heretofore considered in more specific detail, are in the great majority of instances higher than those proposed by existing carriers either by rail or motor truck and the basis for such higher rates is the superior expedited service which has been rendered. None of the motor truck companies operating under the jurisdiction of the Commission, and appearing as protestants herein, are able to cover the territory herein proposed to be served by applicant, without the necessity of a transfer at some point, usually Los Angeles. The transfer of shipments necessarily means delay even if all arrangements will have been made to have trucks ready for loading upon the arrival of other trucks at a transfer point. It is our opinion, and we hereby find as a fact, that the service proposed by applicant is such that applicant is in the business of transportation of property for compensation over the public highways as comprised within the scope of this application and between fixed termini and over regular routes and that for such form of transportation a certificate of public convenience and necessity is required from the Railroad Commission in accordance with the provisions of Chapter 213, Statutes of 1917, and amendments thereto.

We further find from the testimony and exhibits herein that applicant has not justified operation over the proposed

Route No. 6 as regards intermediate points between Los Angeles, Wilmington, San Pedro and Huntington Beach and the order herein will be conditioned eliminating the intermediate points of Westminster, Los Alamedas, Artesia, Norwalk, Downey, Bell, Stanton, Buena Park and La Mirada.

In view of the foregoing findings of fact we are of the opinion that a certificate of public convenience and necessity should be issued to applicant herein which will authorize the character of service which has heretofore been satisfactorily rendered by applicant to its patrons, but that such certificate should be limited as to commodities which may be handled and not constitute an authorization for the general handling of all classes of commodities or for the establishment of a regular service on quantities less than those herein proposed by applicant. We are of the opinion that all products of agriculture, and other commodities necessary in their production, manufacture and distribution should be included in the authorization granted, as well as oil well supplies and machinery, but that a general authorization for the carriage of all commodities should not be granted, it appearing from the evidence in this proceeding that applicant is desirous of securing authorization for the continuance of the service heretofore established. The order, therefore, will be conditioned as regards the commodities to be handled and if a demand exist in future for the transportation of additional classes of commodities an application should be made to the Commission and a showing be thereafter made as to the public necessity and convenience requiring their transportation.

O-R-D-E-R .

Public hearings having been held in the above entitled proceedings, the matter having been duly submitted and the Commission being fully advised and basing its order on the findings of fact as appearing in the opinion preceding this order,

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by Hodge Transportation System, a corporation, of a motor track freight service over the following routes:

- I - Between Los Angeles, Wilmington and San Pedro and the following points,- Cabazon, Banning, Beaumont, Riverside, San Jacinto, Hemet, Perris, Allesandro, Temecula, Murrieta, Elsinore, Highgrove, Wineville, Ontario, Chino, Pomona, Spadra, Puente, Bassett, El Monte.
- II - Between Los Angeles, Wilmington and San Pedro and the following points,- Beaumont, Yucaipa, Redlands, Colton, Bloomington and So.Cucamonga.
- III- Between Los Angeles, Wilmington and San Pedro and the following points,- Victorville, Hesperia, San Bernardino, East Highlands, Highlands, Rialto, Fontana, Etiwanda, Cucamonga, Alta Loma, Uplands, Claremont, La Verne, San Dimas, Covina, Glendora, Azusa, Duarte, Monrovia, Sierra Madre, Lamanda Park, San Gabriel, Alhambra, Altadena, and Pasadena.
- IV - Between Los Angeles, Wilmington and San Pedro and the following points,- Capistrano, Irvine Station, Tustin, Santa Ana, Villa Park, Modena, Orange, Anaheim, Fullerton, Brea, La Habra, Leffingwell, Whittier and Montebello.

- V - Between Los Angeles, Wilmington and San Pedro and the following points, - Yorba, Richfield, Olinda, Placentia, Casa Blanca, Arlington and Corona.
- VI - Between Los Angeles, Wilmington and San Pedro and Huntington Beach excepting, however, that no service shall be rendered to points intermediate between Huntington Beach and Los Angeles, Wilmington and San Pedro, the intermediate communities herein excluded being as follows, - Westminster, Los Alamedas, Artesia, Norwalk, Downey, Bell, Stanton, Buena Park and La Mirada.
- VII - Between Los Angeles, Wilmington and San Pedro and the following points, - Rivera, Clearwater, Garden Grove and Long Beach.
- VIII - Between Los Angeles, Wilmington and San Pedro and the following points, - Los Angeles, Gardena and Torrance.
- IX - Between Los Angeles, Wilmington and San Pedro and the following points, - Sawtelle, Palms, Santa Monica, Venice, Playa del Rey, El Segundo, Manhattan, Hermosa, Inglewood, Redondo, Clifton and Harbor City.
- X - Between Los Angeles, Wilmington and San Pedro and the following points, - Santa Barbara, Montecito, Carpinteria, Ventura, Oxnard, Calabasas.
- XI - Between Los Angeles, Wilmington and San Pedro and the following points, - Saticoy, Santa Paula, Fillmore, Piru, Saugus, San Fernando, Somis, Moorpark, Simi, Santa Susana, Owensmouth, Van Nuys, Lankershim, Burbank and Glendale.

The authority hereby contained also includes operation over territory which may be located a maximum distance of five miles on either side of the main highway comprising the various routes hereinabove mentioned, such detours from the main highway to be made over traveled roads and the distance of five miles on either side of the highway comprising the main routes as hereby stated to mean not a distance measured at a right angle but the distance via traveled roads which may lead to or from the main highway on any of the above scheduled routes.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Hodge Transportation System, a corporation, covering the routes hereinabove specifically mentioned and subject to the following conditions:

I.- The minimum weight of any ^{individual} shipment which may be transported under the provisions of this certificate, over the routes herein authorized, shall be three tons.

No authority is hereby conferred for the establishment of regular scheduled operation or for the carriage of commodities other than herein specified.

The commodities herein authorized to be transported, in lots of not less than three tons as the total of any individual shipment, are those constituting the products of agriculture and other commodities necessary in the production, manufacture and distribution of agricultural products.

These authorized commodities would include fruits, vegetables, nuts, lumber, boxes, shooks, cans, paper, pipe, chemicals, fertilizer, agricultural and packing house machinery, case goods, etc. The carriage of oil well supplies and machinery is also included in the authorized commodities to be transported by applicant herein.

No other commodities than those herein above specified may be transported unless so authorized by this Commission after the filing of proper application and a decision thereon.

II.-

Applicant 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 certificate thereby granted; and shall within thirty (30) days from the date of this order file with the Railroad Commission its 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 Exhibit "A" and amendment No. 1 to Exhibit "A" of the application in this proceeding; and shall further file with the Railroad Commission 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 hereinabove 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 Railroad Commission.

III.- The rights and privileges hereby granted may not be assigned, leased, transferred, hypothecated, or sold nor operation thereunder 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.

IV.- No vehicle may be operated under the authority conferred by this certificate unless such vehicle is owned by the applicant herein or is leased by such applicant under a contract or agreement on a basis satisfactory to the Railroad Commission. All operation conducted under the authority conferred by this certificate shall be in accordance with the operating rules and safety regulations of the Railroad

Commission as contained in Decision No. 4814

on Case No. 1110 as decided November 6, 1917.

Dated at San Francisco, California, this 12th day of
April, 1922.

H. B. Brundage

William M. Martin

W. F. Benedict

Commissioners.