

ORIGINAL

Decision No. 52219-

DECISION NO. _____.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)	
H. W. SPURR for certificate of)	
public convenience and necessity)	
to operate motor truck freight)	APPLICATION NO. 3517.
service between Stockton and Fresno.)	

Clary and Loutitt for Applicant.

Geo. D. Squires and J. H. Mulchay for
Southern Pacific Company, Protestant.

G. H. Baker and J. W. Walker for
Atchison, Topeka and Santa Fe Railway
Company, Protestant.

N. K. Lockwood and J. W. Pearce for
Wells Fargo & Company, Protestant.

GORDON, Commissioner.

O P I N I O N

H. W. Spurr applies for a certificate that public convenience and necessity require the operation by him of an automobile truck service as a common carrier of freight between Stockton and Fresno and intermediate points.

A public hearing was held at Stockton on March 11th, 1918, the matter was duly submitted and is now ready for decision.

At the hearing on this application the petition was amended to include C. P. Stanbrough and A. A. Jordan who desire to enter into a partnership agreement with the original petitioner, H. W. Spurr, and to operate the proposed service under the name of Stockton-Fresno Motor Truck Company.

Applicants propose to operate a service daily except

Sunday between Stockton and Turlock, a service of three trips per week between Stockton, Merced, Madera and Fresno serving only these stations, and a service of three trips per week between Stockton and Madera serving Turlock and all intermediate stations to Madera.

The equipment proposed for this service will consist of 3 30 H. P. Republic Trucks with carrying capacity of two tons each, also 3 trailers with carrying capacity of two tons each. Contracts have been executed for this equipment on a deferred payment plan and the sum of \$1,800.00 has been paid as the initial payment.

Schedules of rates to be charged for the transportation of freight and packages were filed as exhibit "A" with the application in this proceeding.

The applicants have had no previous experience in the operation of automobile truck lines as common carriers, but have performed some service in the hauling of grain and farm products in the territory around Stockton and between Stockton and Turlock. Some investigation has been made as to the prospective business in the territory between Stockton and Modesto and applicants have received encouragement from merchants and others regarding patronage that would be furnished if the line was inaugurated.

Merchants located in Stockton testified that the proposed service would be an advantage and that the delays incident to the movement of local freight between Stockton and the points in the San Joaquin Valley to be served by the proposed line, which have occurred during the period of congestion on the rail lines, would be eliminated. The proposed service would care

for the demand existing for prompt delivery from wholesalers, it being stated that due to the present high prices of commodities that small quantities of merchandise were purchased and that prompt delivery was an essential factor in the transaction of business.

Witnesses in favor of applicant testified that goods shipped by rail had been returned on account of delay in delivery by reason of arrival at destination too late for use by the consignee. Also that the proposed service would permit the handling of certain classes of commodities with less liability of damage than by the present rail routes.

The rates proposed by the applicants include pick-up and delivery within the incorporated limits of all cities on the proposed route and such plan provides a distinct advantage to the patrons of the proposed route over the service at present available via the rail lines. The rates proposed exceed those in effect as class rates by the rail lines by an amount of eighty cents per ton, but the proposed rates include pick-up and delivery at all points within the limits of incorporated cities along the route. The rates of Wells Fargo and Company, which serve the same territory, are approximately twice those proposed by the applicants, and while the Wells Fargo and Company's rates include pick-up and delivery such privilege is confined to certain defined limits whereas applicant proposes to extend such privilege to serve the entire community in each incorporated city.

No permits have been secured by applicants from the governing bodies of the various political subdivisions through which the proposed route will pass, as required by Section 3

of Chapter 213, Laws of 1917, but it is understood that such permits are to be applied for.

The Southern Pacific Company, The Atchison, Topeka, and Santa Fe Railway Company, and Wells Fargo and Company, appeared and protested against the granting of the petition for certificate of public convenience and necessity.

The passenger train service now rendered by the railroads upon which express is carried in the territory sought to be served by the applicants herein is as follows:

	Fresno to Stockton	Stockton to Fresno	Stockton to Modesto	Modesto to Stockton
Southern Pacific Company (Via east side of San Joaquin Valley)	4	3		
(Via west side of San Joaquin Valley)	1	2		
Atchison, Topeka and Santa Fe Railway Company	5	5		
Tidewater Southern Railway			8	8
<u>T o t a l</u>	10	10	8	8

Freight service for less than carload quantities is cared for by merchandise cars which operate daily on all three railroads between the points proposed to be served by applicants.

Representatives of the rail carriers object to the granting of the certificate sought by applicants on the basis that the railroads are now being operated by the United States Government and that any interference with the revenue of the carriers should not be allowed. The service proposed by applicants will furnish direct communication between shippers and consignees as merchandise will be picked up at the point of origin and be delivered at the location of consignee, thereby

saving the delay at stations and the necessity for wagon haul either at point of origin or destination. As regards the handling of such merchandise as has heretofore been cared for by express, not only will an amplified pick-up and delivery be provided for the public but same will be furnished at rates which are materially lower than those schedules for service by Wells Fargo and Company.

The Federal Government has frequently directed attention to the encouragement that should be given toward the diversion of merchandise and package freight to motor trucks. The Council of National Defense has recently passed a resolution in the matter, as follows:

"The Council of National Defense approves the widest possible use of the motor truck as a transportation agency, and requests the State Councils of Defense and other State authorities to take all necessary steps to facilitate such means of transportation, removing any regulations that tend to restrict and discourage such use."

In this proceeding it appears that not only is the service proposed desirable for the public convenience but that same will be rendered under conditions and rates that are not now available by the service of existing rail transportation companies.

I suggest the following form of order.

O R D E R

H. W. Spurr, C. P. Stanbrough and A. A. Jordon, co-partners in business, operating under the name of Stockton-Fresno Motor Truck Company, having petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by them of a motor truck line

as a common carrier of freight between Stockton and Fresno and intermediate points, a public hearing having been held, the matter having been duly submitted and the Commission being fully advised.

THE RAILROAD COMMISSION HEREBY DECLARES, That public convenience and necessity require the operation by H. W. Spurr, C. P. Stanbrough and A. A. Jordan, co-partners in business, operating under the name of Stockton-Fresno Motor Truck Company, of a motor truck line as a common carrier of freight between Stockton and Fresno and intermediate points; provided, that this declaration shall not become effective until said Spurr, Stanbrough and Jordan have procured from the Railroad Commission a supplemental order herein reciting that said Spurr, Stanbrough and Jordan have filed herein certified copies of permits from the governing bodies of all political subdivisions through which applicants intend to operate, as provided by Section 3 of Chapter 213, Laws of 1917; and provided, further, that the rights and privileges hereby granted shall not be assigned or transferred unless the written consent of the Railroad Commission to such assignment or transfer has first been procured.

IT IS HEREBY ORDERED, That no vehicle may be operated under 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.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 29th day of March, 1918.

Max Thelen

Alfred Gordon

Edwin O. Edgerton

Commissioners.