

Decision No. 7221

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application)
of Manuel P. Martin for certificate)
of Public Convenience and Necessity)
to operate freight (consisting of)
milk only) service between San Jose)
and San Francisco.)

APPLICATION NO. 5037

BY THE COMMISSION:

O R D E R

Manuel P. Martin by this application asks the Commission for certificate declaring that public convenience and necessity require operation by him of a freight truck service between San Jose and San Francisco for the transportation of milk. The application sets forth that a five ton Packard truck will be employed and milk handled at the rate of 14 cents per 10 gallon can with no charge for the return of the empty cans. It is alleged that facilities now offered milk shippers are not adequate or satisfactory and that it is proposed by this applicant to take the milk direct from the farmers to the agencies of the distributors at San Francisco. At the hearing the application was amended to the extent that the rate to be charged would be 16½ cents per ten gallon can. This rate made up of 14 cents paid by the producer and 2½ cents paid by the San Francisco Dairy Company, the latter charge being for the special service involved in making deliveries to dairy headquarters located at 1553 Turk Street, San Francisco.

A public hearing was had on the application before Examiner Geary at San Francisco on Tuesday, March 2, 1920.

Manuel P. Martin alone appeared as the witness in support of the application. His testimony was to the effect that contracts had been entered into with a large number of milk producers located at San Jose, Santa Clara, Lawrence, Mt. View, Palo Alto and other points and that milk was delivered only to the San Francisco Dairy Company at San Francisco.

The equipment used in performing the service consisted of two trucks and a trailer. Two round trips are made daily, one leaving Santa Clara at 10 A.M., arriving at San Francisco at 3 P.M., the other leaving Santa Clara at 10 P.M. and arriving at San Francisco at 3 A.M. From 210 to 240 cans are handled per trip or approximately 450 cans per day. The contention was also made that the auto truck service furnished conveniences not offered by the older established service rendered by the railroad and express companies. It was stated that the service was one of great importance to the milk producers inasmuch as the milk was picked up by the trucks either on the farm or at a point on the highway, the contracts providing that the trucks would diverge from the highway into the farm yards, if the distance was not over three quarters of a mile. Where the distance was greater than three quarters of a mile, the milk would be brought to the highway by the producer or if picked up by the trucks a charge of 2¢ per mile per can in addition to the 16½ cents per can would be assessed for points located more than three quarters of a mile from the highway. It was further stated that producers met with difficulty in securing labor to move the milk between the farms and the railroad stations to meet early morning trains and this was one reason why the auto milk service had been established.

The granting of the application was protested by the Southern Pacific Company and by the American Railway Express Company, it being alleged that the service offered by these common carriers was adequate, the rates reasonable and the facilities satisfactory. The testimony, however, showed that at the present time in the territory under consideration more milk is being handled by this truck company than is carried by both the railroad company and express company combined. The rates of the railroad company and the express company are materially higher than those being assessed by this applicant. The express company rates ranging from 26 cents from San Jose to San Francisco and 15 cents from San Bruno to San Francisco for a ten gallon can. In addition to paying these higher rates the producers must provide the transportation from the farm to the railway station at the point of origin and from the depot at terminal point to the distributing dairy. It will thus be seen that the charges either by express or railroad baggage service are greatly in excess of those assessed by this applicant.

The Southern Pacific Company runs a special milk train leaving San Jose at 4:50 A.M. daily arriving at San Francisco at 7:30 A.M. and a number of other trains upon which the milk can be handled but apparently the service offered does not meet requirements of the shipper as indicated by the large volume of the milk going to the truck company.

This application was filed October 10, 1919, but applicant, because of a misunderstanding of the law, commenced operation in August 1919, under contracts with the producers and has been operating the service continuously since that time without having received a certificate of public convenience and necessity from this Commission, thus being in violation of Chapter 213, Statutes of 1917, as amended effective July 22, 1919. The Legislation in 1919, for the first time, brought contract carriers under the

jurisdiction of this Commission. Transportation companies should familiarize themselves with the law and not establish services of any kind until proper authority has been issued.

After giving careful consideration to all of the testimony in this proceeding, we are of the opinion that the public is entitled to the benefit of the lower rates offered by this applicant for services which appear to be more expedited and more convenient than those rendered by the express company or the railroad company.

We are of the opinion that the application should be granted.

The Railroad Commission hereby declares that public convenience and necessity requires the operation by Manuel P. Martin of an automobile truck line as a contract carrier of milk between San Jose and San Francisco provided, however, that the rights and privileges granted him may not be transferred or assigned unless the written consent of the Railroad Commission to such transfer or assignment has been first secured.

IT IS HEREBY ORDERED that no vehicle may be operated under this certificate unless such vehicle is owned by such applicant herein or is leased by such applicant under contract or agreement on a basis satisfactory to the Commission.

Dated at San Francisco, California, this 8th day of March 1920.

Edwin C. Egger
Walter J. ...
Frank ...
H. T. ...
Jessie ...
COMMISSIONERS