

ORIGINAL

Decision No. 7535

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of E. L. McCONNEL for certificate
of public convenience and necessity
to operate freight service extension
between San Luis Obispo and Santa
Maria and Orcutt, and between San
Luis Obispo and Santa Maria and
Guadalupe,

Application No. 4644.

In the matter of the application
of RAYMOND J. HEARNE for permission
to extend service, add equipment and
put into effect time and tariff schedules
rates, etc.

Application No. 4694.

In the matter of the application
of N. W. BIDDLES and P. L. LEEFEVER for
certificate to operate freight service
between San Luis Obispo and Orcutt.

Application No. 5277.

In the matter of the application
of L. H. KEENEY for certificate to
operate freight, express and baggage
service between San Luis Obispo and
Santa Maria.

Application No. 5370.

S. V. Wright for applicant E. L. McConnel.
Albert Nelson for applicant Raymond J. Hearne.
Preisler & Goble by Fred J. Goble for
Biddles and Leelever.
L. A. Enos for applicant L. H. Keeney.
C. P. Kaotzer for Pacific Coast Railway
Company.
K. B. Coleman for Santa Maria Valley Railway
Company.
J. R. Allen for American Railway Express
Company.
F. C. Lloyd for L & J Stage Company.

BY THE COMMISSION:

O P I N I O N

E. L. McConnell, now operating a freight truck line between San Miguel and San Luis Obispo, applies for authority to operate automobile freight trucks for the common carriage of freight between San Luis Obispo and Santa Maria with an extension from Santa Maria to Orcutt and one from Santa Maria to Guadalupe upon a schedule providing for a round trip service to Santa Maria and service on alternate days between there to Orchid and Guadalupe, using in said service one 2-ton G.M.C. truck, 2 - 1 ton White trucks and one 2-ton White truck.

After a public hearing upon said application it was denied for lack of sufficient showing of public convenience and necessity requiring the service. (See Decision No. 7142 of February 13, 1920).

Thereafter said applicant filed petition for re-^{un}hearing setting forth reasons why he was/able to properly and fully present his application, and that after said decision he was offered sufficient freight business to make the proposed line pay from the beginning of the service.

The petition having been filed too late, but feeling that there was merit in the grounds assigned for rehearing, the Commission set a time and place for hearing a motion to rescind its order of February 13th and reopen the matter for further hearing and to hear further testimony upon the original application.

A public hearing was accordingly held by Examiner Westover at San Luis Obispo in connection with the three other applications above numbered. At said hearing all of the applicants and protestants entered into stipulation to the effect that evidence might be submitted on the motion there made to rescind the order and reopen the matter for further hearing and also further evidence on the application, to avoid the necessity of an additional hearing if the Commission should conclude to set aside its order and reopen the matter.

At said hearing it was further stipulated that all four applications might be heard and decided together, the evidence taken under either application to be considered as in under each application so far as it appears to be applicable.

By his Application No. 4694, Raymond J. Hearne, now operating a freight truck line between San Luis Obispo and Arroyo Grande, serving Pismo as an intermediate point, applies for authority to operate freight trucks for the common carriage of freight between San Luis Obispo and Santa Maria, serving as intermediate points Pismo, Arroyo Grande and Pismo. This amounts to an extension from Arroyo Grande to Santa Maria of his present authorized line. He proposes to operate one round trip daily between the latter points, using in the service two 2-ton auto cars.

By Application No. 5277, M. W. Biddles and P. A. Lefever, partners under the name of Biddles and Lefever, apply for authority to operate freight trucks for the common carriage of freight between San Luis Obispo and Orcutt, serving as intermediate points Pismo, Arroyo Grande, Pismo and Santa Maria, on a schedule providing for one

round trip daily, using in the service one 5-ton White truck and one 6½-ton Packard truck.

By Application No. 5370, J. H. Keeney applies for authority to operate freight trucks for the common carriage of freight and express between San Luis Obispo and Santa Maria via Nipomo on a schedule providing for one round trip daily and using in the service one Nash 2-ton auto truck.

The Pacific Coast Railway, extending from San Luis Obispo to Los Olivos, serves Arroyo Grande, Nipomo, Santa Maria and Orcutt on its main line with a branch connecting Santa Maria and Guadalupe.

The Pacific Coast Railway Company showed net transportation earnings for fourteen months January 1, 1919 to March 1, 1920, after paying taxes of \$44,023.63, with bond interest accruals during this period of \$95,900. The total amount of less than car load freight handled by it from San Luis Obispo to Santa Maria and Orcutt for three and one-half months December 1, 1919 to March 15, 1920, averaged 49 tons per month, and from Santa Maria and Orcutt to San Luis Obispo during the same period averaged 2 5/7 tons per month. It considers the freight handled during these periods as fairly typical of conditions throughout the year.

The Santa Maria Valley Railroad, extending from Guadalupe to Leonard, serves Guadalupe and Santa Maria. The Santa Maria Valley Railroad Company showed a net income for 1919 of \$3,318.15 after paying taxes and interest on bonded debt, and that its sinking fund requirements for that period were \$5,720.24. Its total shipments of freight in less than carloads between Santa Maria and San Luis Obispo for the 14 months January 1, 1919 to March 1, 1920, average 3.8 tons per

month and between Santa Maria and Guadalupe 2.25 tons per month.

The above shown earnings of the railroads, of course include earnings from carload shipments. The showing of tonnage, however, is limited to less than carload shipments because the truck line applicants state that they are prepared at present to handle only less than carload shipments.

The remaining carrier in the territory is the I & J Stage Company, which operates a passenger and express service between San Luis Obispo and Santa Maria. Its interest arises from its express business.

The railroads protest the granting of authority to operate either truck line on the ground that the railroads furnish adequate service and that competition will be exceedingly severe because of their small revenues and the fact that the proposed truck lines would parallel most of their lines.

Each applicant protests against authorizing any other truck line for the stated reason that there is not enough business in sight to justify so many lines.

It was stipulated that the approximate population of the communities along the route is as follows:

San Luis Obispo, 7000; Santa Maria 4,500; Guadalupe 1,000; and that the registered voters in precincts in the other communities served are as follows:

Wipomo, 222; Los Berros, 87; Arroyo Grande, 412; Pismo, 161 and Orcutt 125. To the south of Santa Maria there is a well developed oil field with a population estimated at 5,500 outside of Santa Maria, the distributing point for which is Orcutt.

The testimony shows a very considerable amount of freight, including butter, eggs, meats, dairy products,

agricultural implements and merchandise to be moved between San Maria and vicinity on ^{the} one hand and San Luis Obispo, Paso Robles and intermediate points on the other. The shipment from one wholesale firm in San Luis Obispo to Santa Maria amounts to a yearly average of 1½ tons a day. Shippers testified to the need of truck service affording advantages of store door delivery, less breakage, less crating required and personal contact with drivers, enabling merchants to locate and purchase through them fruits, vegetables and supplies. Practically no testimony was offered tending to show need of such service between Santa Maria and Guadalupe.

Some of the complaints of service furnished by Pacific Coast Railroad Company relates to the fact that its morning train is due to leave San Luis Obispo at 5:50 A.M. arriving at Santa Maria at 8:00 A.M. too early to permit of shipments from San Luis Obispo that morning. Its afternoon train leaving San Luis Obispo at 3:30 P.M. due at Santa Maria at 5:35 P.M. usually is so late that local draymen and local express wagons will not deliver shipments until the following morning. Concerning the schedule of the morning train it is but fair to say that the testimony shows that the schedule of the morning train was established to meet the practically universal demand of the business men of Santa Maria for a mail train, which would bring the San Francisco and Los Angeles mail from San Luis Obispo at an early hour in the morning so that mail/^{matter} in reply could leave Santa Maria at midday and connect with the north and southbound mail trains at San Luis Obispo at about 3:30 P.M. daily.

We consider the showing made sufficient to justify the establishment of only one truck line between San Luis Obispo and Orcutt, but that there is not sufficient showing

of necessity for such service between Santa Maria and Guadalupe.

Considering equipment, nature and quality of service now being rendered and other features presented by the evidence, we are of the opinion that public convenience and necessity will be best served by authorizing the operation of the service proposed by Mr. McConnell, and his application was filed first. Mr. Hoarne, however, should be protected in his present operations.

O R D E R

A public hearing having been held upon the above entitled applications, the matter having been submitted and being now ready for decision,

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by E. L. McConnell of automobile truck line between San Luis Obispo and Orcutt, serving as intermediate points Nipomo and Santa Maria, provided said line shall not handle local shipments between Arroyo Grande, Pismo, San Luis Obispo and intermediate points.

THE RAILROAD COMMISSION HEREBY FURTHER DECLARES that public convenience and necessity do not require the operation of an automobile truck line as a common carrier of freight between Santa Maria and Guadalupe and that it does not require the operation of automobile truck line by Raymond J. Hoarne between Arroyo Grande and Santa Maria; nor by N. W. Biddles and P. A. Lefover between San Luis Obispo, Orcutt and intermediate points; nor by

L. E. Keeney between San Luis Obispo and Santa Maria.

The rights and privileges hereby granted may not be transferred nor assigned unless the written consent of the Railroad Commission to such transfer or assignment has first been procured.

IT IS HEREBY ORDERED that no vehicle may be operated in the service hereby authorized unless the said vehicle is owned by the applicant operating the line in which it is used or unless it is leased by said applicant under a contract or agreement satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that E. L. McConnell shall within 20 days from date hereof file with the Railroad Commission schedule and tariffs covering said proposed service, which shall be in addition to proposed schedule and tariff accompanying the application, and shall set forth the date upon which the operation of the line hereby authorized will commence, which date shall be within 90 days from date hereof, unless time to begin operation is extended by formal supplemental order.

The authority herein contained shall not become effective until and unless the above conditions are complied with.

IT IS HEREBY FURTHER ORDERED that Application No. 4694 of Raymond J. Hearne, Application No. 5277 of M. W. Biddles and P. A. Lefever and Application No. 5370 of L. E. Keeney be and they each are respectively hereby denied.

day of May 1920.

Dated at San Francisco, California, this 3^d

Emil O. Edgerton
H. D. Leland
Frank R. Wilson
H. B. Brundage

Commissioners.