

ORIGINAL

Decision No. 8403

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of FLETCHER & TREMBLE for cer-
tificate to operate freight auto
truck service between Riverside
and Los Angeles and between River-
side and San Bernardino.)
Application No. 5887.

Chas. E. Tribbit, Jr. and Lester G.
King, for applicants.

E. W. Bradshaw and F. B. Austin for
Southern Pacific Company.

M. W. Reed and W. R. Dowler for The
Atchison, Topeka & Santa Fe
Railway Company.

E. Everett Bennett for Los Angeles
& Salt Lake Railroad Company.

Frank Marr, W. R. Millar and C. E.
Jones for Pacific Electric Railway
Company.

E. R. Magarise for Keystone Express.

BY THE COMMISSION:

O P I N I O N

D. F. Fletcher, Martha Tremble and
Elmer Tremble, co-partners under the name of Fletcher
& Tremble, engaged in business under the fictitious name
of Service Motor Express, by the above application apply
for authority to operate auto freight truck service as

a common carrier of freight between Los Angeles and Riverside and between Riverside and San Bernardino.

The application is for leave to handle through freight only between the three points mentioned. No authority to give local service is sought.

Public hearings upon the application were held by Examiner Westover at Los Angeles and Riverside.

Applicants now operate a line between Los Angeles and San Bernardino via Ontario but do not serve Ontario. They handle about eight tons of freight per day from Los Angeles and about one ton per day to Los Angeles. There are also two other truck lines operating between Los Angeles and San Bernardino. There are no truck lines serving Riverside but it is served by four rail carriers and one express company, namely, Southern Pacific, Santa Fe, Salt Lake and Pacific Electric railways, and the American Railway Express.

Applicants propose if the application be granted to operate their San Bernardino line through Riverside and serve Riverside. The distance between San Bernardino and Riverside is about ten miles and operation through Riverside would lengthen the line about seven miles. The only question is whether public convenience and necessity requires auto truck service for Riverside.

The rail carriers appear to be giving excellent service on its class. It was not suggested at the hearing that the service by rail can be improved by more efficient operation by the rail carriers as freight shipped from Los Angeles wholesale houses, received by the rail carriers in the afternoon, can be delivered by the Riverside local drayage and transfer companies to Riverside merchants upon the

opening of their stores the following morning.

However, applicants propose to pick up or receive freight in Los Angeles at a much later hour and give a store door delivery in Riverside upon opening of the stores the following morning. Their proposed rates for the entire service, including pick-up and delivery at each end of the haul, are lower than the freight rates of the rail carriers without drayage at either end.

Applicants propose a free pick-up and delivery zone covering the entire city limits of Riverside. They would use their present specified free delivery zones in San Bernardino and Los Angeles and outside of these zones apportion a charge per hour varying with the size of the truck used in the pick-up and delivery service.

From the testimony of a number of wholesale houses in Los Angeles it appears that they ship by truck in preference to rail within a radius of some 50 to 75 miles. A number of them have as much volume of business in Riverside as in San Bernardino. They would use applicants' truck service if established because it would enable them to forward shipments two or three hours later in the day than they can now do by rail, and consequently allow them two or three hours more each day for receiving and filling orders for immediate shipment. There was also testimony to the effect that at times truck loads of goods sent to the freight depots of the rail carriers in Los Angeles for shipment could not be handled until the following day because of the comparatively early closing of the freight houses, and on occasions the truck loads would have to be returned to the

wholesale shippers or to the agents of the trucking companies.

The members of Riverside business men around the proposed truck line is divided, judging from their petition presented by applicants and from form letters presented by the rail carriers.

One of applicants' witnesses testified to results of a two weeks canvass in Riverside to ascertain the sentiment of local business men there and of the City Council, Chamber of Commerce and business men's association. The sentiment was reported to be almost unanimous in favor of the establishment of applicant's line, but there was some opposition based upon experience with the W. and S. line, hereinafter referred to.

Besides the letters, petition, telegram and reported interviews, all heretofore in character, a number of Riverside business men testified in person concerning the proposed line. Several testified that they would continue to patronize the rail carriers and local truck service at the higher rates. The reasons assigned vary. Some would protect the railroads because of their service in developing the territory; others because employees of the railroads live in Riverside and patronize its merchants; one because the heavily loaded trucks injure the paved roads mainly and gasoline and oil should be conserved for agricultural pumping and

tourist pleasure travel, and several because of lack of assurance that applicants' service would be permanent. The latter reason is based upon experience growing out of the unauthorized operations of the W. and S. line in 1918 and 1919, which subsequently failed and ceased operation. The cause of its failure is variously assigned to lack of general business ability, lack of system, failure to properly or promptly adjust loss and damage claims and because it had so much business that it could not adequately take care of it.

The W. and S. line appears from the testimony to have been well patronized in spite of unsatisfactory and unbusinesslike service. A number of Riverside business men testified that they would use applicants' service if it were established because of savings in cost of transportation and because of quicker service owing to applicants' picking up or receiving goods much later than is now done in connection with rail service.

The drayage rate in Riverside was shown to be 10¢ per hundred, minimum charge 40¢. The Los Angeles rate in a defined wholesale district, practically the same as applicants' free zone, varies from 8½¢ to 25¢ per hundred, depending upon classification. The I.C.L. movement between Los Angeles and Riverside amounts to an average of about 17 tons per day, 80% of which moves as fourth-class. The rail class rates are:

1st 53¢ 2d 45¢ 3d 40¢ 4th 35¢

Applicants' class rates are:

1st 43¢ 2d 37¢ 3d 33¢ 4th 27¢

Applicants presented an exhibit showing that if all the Riverside L.C.L. traffic moved by truck at their proposed four class rates the annual saving would amount to \$7160, \$14,280 or \$21,420 depending upon whether one or two drayage charges were saved. Its estimates are based upon the assumption that an equal volume of traffic would move under each class and that drayage charges per hundred are 6¢ and 7¢ respectively at each terminal. If it were assumed that all traffic would move at the lowest rate and that the drayage charges were the lowest at each terminal, 8½¢ and 10¢ and the drayage on all shipments exceeded the minimum charge the total saving would amount to 24½¢ per hundred, \$83.30 per day or \$30,404.50 per year. Whether goods are sold "delivered" and freight and drayage included in the price or whether the buyer pays the freight and drayage, the ultimate consumer must eventually pay these necessary costs of distribution.

The public should be given an opportunity to use the service which it finds most economical and best suited to its needs. If the people of Riverside show that they do not want the service by withholding their patronage, it will no doubt result in an application for leave to discontinue service, when the matter can be again inquired into after the service has been tried.

O R D E R

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

THE RAILROAD COMMISSION HEREBY DECLARES

that public convenience and necessity require the operation by applicants Fletcher & Tremble, a partnership engaged in business under the fictitious name of Service Motor Express, of an auto truck line as a common carrier of through freight between Los Angeles and Riverside and between Riverside and San Bernardino, but that it does not require such service by them locally along said route between any other points.

The rights and privileges acquired hereby 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 said service unless said vehicle is owned by the applicants herein or is leased by said applicants under a contract or agreement satisfactory to the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the said applicants shall within 30 days from the date hereof file with the Railroad Commission their 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 mentioned schedule and tariffs are filed within the time herein limited.

Dated at San Francisco, California,
this 30th day of November, 1930.

Edwin S. Edgerton
H. D. Loveland
William P. Quinn
H. B. Knudsen
James Martin
Commissioners.