

Decision No. 7593

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HUGH E. BUCK for certificate of public convenience and necessity to operate auto truck freight service between Los Angeles and dairy ranches located in the vicinity of Acton, Palmdale and Lancaster, California.

**ORIGINAL**

Application No. 6175.

In the Matter of the Application of WILLIAM HARPER, (Duncan & Kielhoefer, Successors) doing business under the fictitious name of RED LINE EXPRESS, for certificate of public convenience and necessity to operate an automotive freight service between Los Angeles and Lancaster, California, and intermediate points.

Application No. 6340.

Hugh E. Buck in propria persona.

Edgar L. Martin for Wm. Harper.

H. W. Kidd for M. O. Duncan.

B. J. Cross for Southern Pacific Co.

M. Thompson for American Railway Express Co.

BY THE COMMISSION.

O P I N I O N

By Application No. 6175 Hugh E. Buck applies for authority to operate freight truck service as a common carrier of milk, cream, dairy products and supplies between Los Angeles and Lancaster, ~~serving~~ **ACTON** and Palmdale as intermediate points.

By Application No. 6340 William Harper, operating under the fictitious name of Red Line Express, applied for authority to

operate freight truck service as a common carrier of freight between Los Angeles and Lancaster, serving as intermediate points Newhall, Saugus, Mint Canyon, Vincent, Harold and Palmdale.

Public hearings upon both applications were held by Examiner Westover at Los Angeles, at which both were consolidated for hearing and decision.

The service proposed by Mr. Buck is new in so far as it contemplates free pick-up and delivery by which milk and cream would be taken from the ranches, assembled at the stations and delivered direct to the creameries in Los Angeles. One of the ranches to be served is seven miles from Lancaster. At present these dairy ranchers are obliged to deliver their products at the stations where they are shipped by Southern Pacific trains to Los Angeles, or via Red Line Express. Most of the business by rail is handled through American Railway Express, which does not usually deliver to the creameries in Los Angeles and does not collect from the dairies where the products originate, nor have wagon service at either of above points of origin.

The present express rates on milk and cream per 10-gallon can from originating station to station in Los Angeles are:

Newhall and Saugus,	28 cents
Vincent,	33 cents
Harold and Palmdale,	34 cents
Lancaster,	36 cents

Empties returned free.

The second class express rates, including delivery to creameries in Los Angeles, but without local pick-up at points of origin, are:

Newhall and Saugus,	65 cents
Vincent, Harold, Palmdale and Lancaster,	74 cents

Empties returned at 11 cents per can.

Applicant's proposed rate from ranches to creamery is 60 cents per 10-gallon can, empties returned free; and 40 cents per hundred on feed and dairy supplies returning.

Mr. Harper testified concerning his application that he began serving on March 6, 1917, and operated until the spring of 1920 when he sold to C. E. Garner under authority of Decision No. 7534 of May 3, 1920; that he and M. O. Duncan arranged to purchase the operative rights from Garner and applied to the Commission for authority to make the necessary transfer; that meanwhile operation continued .

Lancaster, Palmdale and Los Angeles merchants testified to the great convenience and economy of his Red Line Express and that it would be a detriment to have it discontinued. The reason assigned is that by the aid of truck service goods from Los Angeles wholesale houses can be delivered to the store door in Lancaster on the day following the day when they are ordered; that Los Angeles shippers can ship later in the day than when they ship by rail; that the rate, including cartage is some 7 cents or 8 cents per hundred weight cheaper than the rail rate from station to station, that the goods are delivered at the door of the retail merchant at Lancaster or Palmdale earlier than they can be ready for delivery at the railway stations at those points, and that goods to be shipped by rail require more time and money to crate or prepare for shipment to meet the rules of the rail carriers than do those handled by truck.

Although the Southern Pacific operates through cars daily to Palmdale and Lancaster, leaving Los Angeles late at night and arriving at destination early next morning, it appears from the testimony that actual deliveries at the local stations are much later than deliveries by truck from Los Angeles.

Neither the Southern Pacific Company nor Mr. Harper oppose the Buck application to handle dairy products and supplies. Neither of them would provide drayage at Lancaster or vicinity.

At the <sup>first</sup> hearing, M. O. Duncan opposed granting the application to William Harper alone, claiming that the application was really that of a partnership consisting of himself and Mr. Harper. The testimony revealed a serious dispute as to the existence of such a partnership. At the subsequent hearing, it developed that William Kielhoefer had purchased Mr. ~~Harper's~~ <sup>Harper's</sup> interest and he and Mr. Duncan had formed a partnership to operate under the name of Red Line Express. Leave to substitute the new firm as applicant instead of Mr. Harper was granted and the application amended accordingly. The new applicants appear from the testimony to be proper persons to operate the line. OK H&L  
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#### O R D E R

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

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the operation by Hugh E. Buck of freight truck service between Los Angeles and dairies in the vicinity of Acton, Palmdale, and Lancaster, as a common carrier of milk, cream, dairy products, feed and supplies only, but not other freight.

THE RAILROAD COMMISSION HEREBY FURTHER DECLARES that public convenience and necessity require the operation by M. O. Duncan and William Kielhoefer, partners doing business under the fictitious name of Red Line Express, of auto freight service as a common carrier of freight, other than milk, cream, dairy products and supplies, between Los Angeles and Lancaster, serving as intermediate points Newhall, Saugus, Mint Canyon, Vincent, Harold and Palmdale.

The operative rights and privileges hereby established may not be transferred, leased, sold nor assigned, nor the service abandoned, unless the written consent of the Railroad Commission

thereto has first been procured.

No vehicle may be operated in said service unless said vehicle is owned by the applicant herein or is leased by said applicant under a contract or agreement satisfactory to the Railroad Commission.

IT IS HEREBY ORDERED that the said applicants shall within 20 days from the date hereof file with the Railroad Commission their schedules and tariffs covering said proposed service, which shall be in addition to proposed schedules and tariffs accompanying the applications, 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 the 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 abovementioned schedules and tariffs are filed within the time herein limited.

Dated at San Francisco, California, this 26<sup>th</sup> day of January, 1921.

H. A. Loveland  
Frank D. Dwyer  
H. W. B. B. B. B. B.  
Irving Martin  
Commissioners.