

Decision No. 9685

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of T. MORGAN for certificate of public convenience and necessity to operate an automobile truck and freight service between Los Angeles and Calexico and intermediate points.

Application No. 6689

ORIGINAL

Douglas Brookman and S. W. Thompson
for Applicant.

H. W. Kidd and Rex Hardy for Estate
of C. W. Curphey, Keystone Express,
T. R. Rex, Boutelle & Fuqua, T. K.
Vance, and Fred Miller.

L. N. Bradshaw for Southern Pacific Co.

E. T. Lucey and Paul Burks for Atchison,
Topeka & Santa Fe Railway.

T. A. Woods for American Railway Express
Company.

BY THE COMMISSION.

O P I N I O N

Public hearings were held by Examiner Westover in Los Angeles and El Centro upon the above application to operate freight truck service between Los Angeles and Calexico and intermediate points lying southeasterly from Mecca.

Applicant having announced at the hearing that he did not seek to perform any local service between Los Angeles and Mecca, the Santa Fe and the truck lines, other than the lines of the Curphey Estate, withdrew their respective protests or refrained from protesting the application.

The Curphey lines, by Application No. 6689, sought authority to operate a truck service between Imperial Valley points

and Los Angeles, but the latter application was subsequently dismissed upon written request of counsel for said applicant. The Commission subsequently authorized a lease of the Curphey lines by the administrator of the Curphey estate to a corporation known as the Curphey Truck Line Company. This line, which was originally authorized by the Commission under Decision No. 7600 of May 18, 1920, Application No. 5354, to operate locally between Calipatria and Calexico, serving Brawley, Imperial, El Centro and Heber as intermediate points, will be referred to herein as the Curphey Line.

It appears from the testimony that about 92% of the business of the Curphey Line consists of distributing local carload freight received at El Centro via the Southern Pacific system. There is no serious complaint against the present service, but several shippers from valley points testified that they believed shipments could be considerably expedited by truck movement, as it some times required from 3 to 5 days to receive freight from Los Angeles at valley points, but very few specific instances were shown.

The Southern Pacific system presented a statement showing average tonnage and movement of l.c.l. freight from Los Angeles to the several valley points during March, 1921, from which it appears that goods are available for delivery at valley stations on the second and third day after shipment, the average hours in transit ranging from 47 at Brawley to 64 at Calexico and 68 at Imperial, this time being based upon 4:00 P.M. of the day of shipment, being the hour when the Los Angeles freight house closes. The proposed rates, including pick-up and delivery, compared with present l.c.l. rates of the Southern Pacific Company between Los Angeles and El Centro, for illustration, are as follows:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Rail	145½	124	102	90½
Truck	182	155	127	113

At one of the later hearings, applicant submitted special commodity rates upon truck load lots of 6 tons minimum of 87½¢ per hundred pounds to and from Los Angeles, except that the rate to Calexico is 92½¢, and the rate on sheep or hogs per truck load is \$115.00. These rates apply to canned goods, flour, grain and grain products, lumber, potatoes and sugar from Los Angeles, and on cantaloupes, tomatoes, watermelons, grain and cotton from the several valley points, with a rate on sheep or hogs from Calexico of \$121.00 per truck load, six tons maximum. The class and commodity rates referred to include pick-up and delivery at each terminal. Inca zone limited to a specified wholesale district in Los Angeles, with an addition of 5¢ per hundred for a zone within a radius of one mile from the zone described. By way of comparison, the Southern Pacific carload rates per hundred pounds, to or from El Centro, are: canned goods 77¢, flour 45¢, grain and grain products 27¢, lumber 42½¢, potatoes 39¢, and sugar 77¢, cantaloupes and tomatoes 39¢, watermelons 31½¢, and cotton 69¢.

The geographic situation involved is somewhat peculiar in that the territory between Calexico and Brawley is highly developed and very productive, while the territory between Brawley and Banning, a distance of 119 miles, is relatively sparsely inhabited and unproductive. Applicant does not propose any local service between Los Angeles and Mecca or intermediate points, this territory being served by the Southern Pacific Company and by other truck lines, but proposes only a truck service between Los Angeles and points east of Mecca. The rail distance from Los Angeles to Mecca is 143 miles, to Brawley 206 miles, and to Calexico, the end of the proposed line, 228 miles. The highway route which applicant would use is approximately parallel with the railroad between Los Angeles and Mecca, but passes to the west of the Salton Sea, reaching the railroad again at Brawley. The only points in this terri-

tory not served by rail which applicant proposes to serve are Westmoreland, Kane Springs and Oasis Ranch. There was no testimony indicating need of service at the two latter points. Westmoreland, by far the larger and more important of the three points, is but about 8 miles from rail transportation at Brawley and is already served by C. A. Ware's truck line. It does not appear from the testimony that there is much freight moving locally between Imperial Valley points and intermediate points between Los Angeles and the valley, although there is some shipment of seed grain and feed from the valley to the Mecca-Thermal district.

The situation above outlined means that practically all freight handled by truck would be for through shipment between Los Angeles and valley points lying between Brawley and Calexico, involving a haul of about 200 miles or more, over a mountain range, with practically no freight to pick up or deliver. The elevations vary from 118 feet below sea level at Brawley to 2559 feet above sea level at Beaumont, as shown by the railroad grades. The territory between Brawley and Banning (elevation 2318 feet), a distance of 119 miles by rail, is nearly all desert country, developing comparatively little freight. The climatic and geographic conditions are such as to make the cost of truck transportation relatively high and operation itself rather uncertain.

While it appears to be possible to make the trip between terminals with a loaded truck in 14 hours, which the schedule provides, the testimony on the point is far from convincing that such a schedule could be relied upon by shippers. It is very doubtful whether the proposed line could be operated profitably, or whether applicant will be financially able to operate at a loss for a reasonably long period to determine ^{by experience} whether the line is justified economically; or whether the line, if established, would be reasonably permanent.

The proposed service, if authorized, would tend to render the railroad less able to serve, and would probably result in an early withdrawal of truck service, after crippling the present rail service. The application, therefore, will be denied.

During the hearing of application of J. H. Eastman, after the above application was submitted, the latter was reopened to present in it testimony presented in the Eastman application, from which it appears that during ten days in October, 1921, one El Centro firm received 5 shipments from Los Angeles in which the time elapsed between the date of bill of lading and date of expense bill was 3 days as to 1 shipment, 4 days as to 3 shipments, and 5 days as to 1 shipment. Considering the distance, the through nature of the service to and from Imperial Valley, and that the area referred to is but a short distance south of Niland on the main line between Los Angeles and El Paso, we feel confident that the rail service can be very greatly expedited and that shippers can be better served by improving the rail service rather than by authorizing truck service.

ORDER

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

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity do not require the operation by Thomas Morgan of an automobile truck service between Los Angeles, Calexico, and certain Imperial Valley points south of Mecca.

IT IS HEREBY ORDERED that the application be and it is hereby denied.

Dated at San Francisco, California, this 31st day of October, 1921.

H. B. Sandberg
H. D. Loveland
William W. Martin
Henry H. Brown
L. A. W. [unclear]

Commissioners.