

Decision No. 9705

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST TRUCK LINE, a corporation, for
certificate of public convenience and
necessity to operate a freight auto
truck service between San Diego and
Los Angeles by way of Long Beach,
Wilmington and San Pedro.

Application No. 7160.

J. H. Bischoff for Applicant.
Warren E. Libby for Boulevard Express.
C. W. Byrer for Los Angeles & San Pedro
Transportation Company.
James H. Daly for City Transfer & Storage
Company, Long Beach Transfer & Ware-
house Company, and Union Transfer
Company.
G. R. Cleveland for Rice Transportation Co.
H. N. Blair for Hodge Transportation System.
R. C. Gortner and T. J. Day for Pacific
Electric Railway Company.
E. T. Lucey for Atchison, Topeka & Santa
Fe Railway Company.
L. N. Bradshaw for Southern Pacific Company.

BY THE COMMISSION.

OPINION

A public hearing was held by Examiner Westover at Los Angeles on the above entitled application to operate a freight truck service between San Diego and Los Angeles via Long Beach, Wilmington, and San Pedro, one round trip daily, leaving each terminal at 3:00 P.M., using twelve hours en route.

Upon applicant's attorney stating at the beginning of the hearing that there was no desire to serve locally between Los Angeles and the other points in Los Angeles County mentioned in the application, but only to be authorized to detour between Los Angeles and Santa Ana on its present route, and to serve Huntington Park,

Long Beach, Wilmington, and San Pedro as additional points, the Los Angeles & San Pedro Transportation Company and the Hodge Transportation System refrained from protesting and withdrew from the hearing.

The application is most vigorously protested by the Boulevard Express upon the stated ground that applicant at present has only operating rights to serve Los Angeles and Escondido via Oceanside, without authority to serve Oceanside from the north, and a separate right acquired from a different source to serve San Diego and Oceanside and four intermediate points on the coast route, and that these two operative rights cannot be so joined or operated together as to authorize applicant to serve Los Angeles and San Diego as terminals of a through route. Even the applicant does not claim any right to serve locally between Oceanside and Los Angeles. It is urged that the real purpose of the application is to secure through operating rights between Los Angeles and San Diego.

The questions raised by the Boulevard Express are before the Commission in Case No. 1640 of Blair vs. Coast Truck Line; therefore, this opinion will be limited to an examination of the additional need for public service at the Los Angeles County points referred to.

There was no testimony submitted relating to conditions at Huntington Park or Wilmington, applicant's testimony being limited to a showing of freight moving to and from Long Beach and San Pedro, which latter point, with the harbor, has for several years been a portion of the city of Los Angeles, being connected with it by the so-called "shoestring strip".

Applicant did not present any testimony by shippers on the question. It presented a petition bearing 21 signatures, apparently consisting principally of business firms of San Diego, to the effect that a direct line connecting San Diego with the harbor at San Pedro and Wilmington, and also with Long Beach and Huntington Park,

would be a great convenience to San Diego; and a petition signed by three Los Angeles shippers, reciting that they would have a total of 40 tons per month to ship "if the service is as proposed". It presented a third petition signed by four Long Beach hotels, expressing the opinion that a direct service from Long Beach and Huntington Park to San Diego "will be a great convenience to these cities". As the signers were not present for examination or cross examination to show whether or not the proposed rates and schedules would meet their needs, or to show under what conditions, by what authority, or upon what representation the petitions were signed, or to show upon what facts the expressions of opinion contained in the petitions were based, it is obvious that we cannot accord any evidenciary force to these documents.

The remaining testimony presented was that of employes of the applicant who had made an investigation as to probable traffic. From the testimony of these witnesses, it appears that motorists travelling between Long Beach and San Diego have occasion to ship trunks and baggage by rail or truck; that many boat lines enter Los Angeles harbor which do not touch at San Diego, and have occasion to ship or receive freight to or from San Diego, including apples and potatoes to San Diego from points north; that fresh fish, iced in boxes, moves between San Pedro and San Diego; that canned fish from San Diego and canned vegetables from Escondido move to San Pedro for water shipment or local consumption, principally at the naval base; that fresh vegetables move from San Pedro to Los Angeles and San Diego, depending upon market conditions; and that there is some movement of household furniture between Long Beach and San Diego. This testimony gives very little indication of the volume of any of this traffic, nor whether it is seasonal or desultory. It is probable from its nature that the movement of canned vegetables, at least, would be seasonal and

perhaps for a limited season, and it was suggested by the representative of the express company that the movement of fresh fish in either direction was principally to supply the local demands of San Diego and the naval base at the Los Angeles harbor when the fish were not running locally at or near one point or the other. The movement of household goods in truck loads, and trunks and baggage, are, in their nature, only desultory and occasional.

It further appears from the testimony that there are eight authorized truck carriers operating between Los Angeles and Long Beach, with equipment consisting of 47 trucks and 17 trailers, with a line operating between Los Angeles and San Pedro whose equipment was not shown. One of these lines, that of City Transfer & Storage Company, operating between Los Angeles and Long Beach, has a truck leaving Long Beach at 5:00 P.M., two hours later than applicant's schedule, connecting with the truck of the Boulevard Express at Los Angeles and delivering freight upon the opening of business in San Diego the following morning. This permits shipment from Long Beach two hours later than by the proposed service. The through rate is composed of the sum of locals, and is higher than the rates proposed by applicant. However, a mere proposal to make a lower rate than existing rates is not sufficient to show public convenience and necessity, although it may be an element to be considered. If the matter of rates were considered controlling, it would be possible for a new carrier to enter the field and procure the bulk of the business at the lower rate, ruin the established carrier, and then ask an increase in rates sufficient to pay operating expenses and a return upon the investment. On the other hand, if the established rates are too high, shippers are always at liberty to file complaint and bring about an investigation of rates and have them reduced to a reasonable basis.

It also appeared from the testimony that the Long Beach Chamber of Commerce had caused an investigation to be made at Long

Beach of the need of truck service between Long Beach, Santa Ana, and points in Orange County, from which it appears that the retail merchants stated that they had no need of the service, and the manufacturers and wholesalers stated that they had some need but that rail service was satisfactory. The occasion for the investigation was an application by W. T. Harris seeking authority to serve between Long Beach and Orange County points. The witness estimated that at the time of the investigation the railroads handled about 1000 pounds per day, and he gave it as his opinion that the business for San Diego County points would not exceed that amount. He found in the course of his investigation that there was some tourist baggage to be moved to San Diego County points, but the amount was not large.

The manager of the City Van & Storage Company testified that he had studied the traffic movement in and about Long Beach for five years, and he considered there was not enough traffic between Los Angeles harbor, Long Beach and San Diego to maintain or justify such service; his conclusion being based upon an investigation of the situation made by him with the expectation of applying for authority to establish the service if the facts showed a public need. The proposed application was not filed.

The Rice Transportation Company testified that its business between Long Beach and Los Angeles, originating at or destined to San Diego, amounted to only about 200 to 300 pounds per day; that it had contemplated arranging for joint tariffs and through routes to and from south and west Los Angeles beach points and other points, and had been led to make a careful investigation of traffic conditions. He estimated that all household goods and trunks moved would average about 1000 pounds per day, some 25% or 30% being household goods, which latter comprized only about 1% of the witness' business; also that the Mesa Manufacturing Company, making breakfast room furniture, at Long Beach, stated that their shipments for all points totalled only about 1000 pounds per day.

From a statement submitted in evidence by Boulevard Express, it appears that of its entire tonnage capacity, based on a 25% overload above manufacturer's rating of truck capacity, and based on five months' experience, ending October 1, 1921, 91.65% was used southbound and 31.28% northbound, taking the average for the five months' period.

We conclude from a careful analysis of the testimony that there is no public necessity or demand for the service, such as the statute requires before authority can be granted, and that the application must be denied.

ORDER

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

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity do not require the operation by Coast Truck Line of a motor truck service between Los Angeles and any points south of Santa Ana, serving Huntington Park, Long Beach, Wilmington, and San Pedro, or either or any of them.

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

Dated at San Francisco, California, this 4th day of November, 1921.

H. B. Brundage
H. W. ...
... Martin
... P. ...
J. F. ...
Commissioners.