

Decision No. 28346

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
KETTLEMAN EXPRESS, a corporation,
for certificate of public convenience
and necessity to operate a motor
freight service, restricted to certain
commodities entirely within California
between Los Angeles and contiguous
territory, and certain oil fields within
the San Joaquin Valley.

Application No. 20088.

ORIGINAL

Mark F. Jones, for applicant.
Rex W. Boston, for Asbury Truck Company.
Wallace K. Downey, for Pacific Freight Lines.
Edward Stern, for Railway Express Agency.
C. W. Cornell, for Southern Pacific Company and
subsidiaries.
E. T. Lucey, for The Atchison, Topeka & Santa Fe
Railway Company.

CARR, Commissioner.

O P I N I O N

Kettleman Express, a corporation, seeks a broad certificate of public convenience and necessity for the transportation of oil well machinery, equipment and supplies between Los Angeles and surrounding territory and Kettleman Hills, Devils Den, Lost Hills, Belridge and Temblor oil fields, in the San Joaquin Valley. A public hearing was had on October 29 and 30, 1935, and on the latter date the application was submitted.

These oil fields are now receiving common carrier service from and to the Los Angeles territory not only by the railroads and their subsidiaries, but by two certificated truck carriers, the Asbury Truck Company and the Pacific Freight Lines (formerly Motor Freight Terminal Company). The former company has a somewhat limited certificate for this service. (Re Asbury Truck Company,

38 C.R.C. 901.) The certificate there granted was modified in minor particulars by the order of November 6, 1933. (Decision No. 26503.) Pacific Freight Lines (formerly Motor Freight Terminal Company) was granted a broad certificate authorizing it to serve this general territory by Decision No. 26490 on Application 18919 on November 6, 1933. Each of these carriers gives a daily service to the fields, the line haul being made during the night time and deliveries commencing early in the following morning. Each has had long experience in this specialized service, is thoroughly responsible, and is equipped to respond to the demands of shippers.

The applicant proposes the same general service as is now performed by these two carriers at substantially the same rates.

Three public witnesses either operating in or shipping to the oil fields, expressed the desire for earlier morning deliveries than they were receiving from the existing carriers. The applicant's proposal is grounded almost entirely upon the claim that it could furnish these earlier deliveries. The evidence clearly indicated that the time of delivery in the field is dependent upon the number of shipments and the order of delivery as between consignees. Any delivery requires some time and when the delivery is to an oil well a considerable time. The consignee first served naturally has an advantage in point of time over the one last served. It is doubtless true that if the applicant were certificated and he served but a few customers he could complete the delivery process more quickly than could the existing operators with their more numerous customers. This fact or circumstance, however, is insufficient to justify a finding that public convenience and necessity demand the admission of a new operator into a field already served. Too many operators, of course, would mean that the business of each would be so thin that the present rather low scale of rates could not be maintained.

The applicant also made some point of an increased activity in the oil fields with consequent increased movement of materials and supplies, as justifying the advent of a third carrier into the field. The evidence, however, tends to show that at present there is not sufficient business to occupy the equipment of existing carriers.

It is unnecessary to discuss the evidence regarding the applicant's financial ability and responsibility to perform the service sought, as the record very clearly fails to justify a finding of public convenience and necessity.

I recommend the following form of order:

O R D E R

A public hearing having been had on the above entitled application and the matter submitted,

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

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 12th day of November, 1935.

Leon A. Whelan
M. A. Cunn
Walter J. Moore
Frank R. Levin
Commissioners.