

ORIGINAL

Decision No. 36316

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of G.F.D. LINES, INC. to suspend)	Application No. 25450
service to points and places in)	
Imperial Valley.)	

PHIL JACOBSON, for Applicant.

HERB NORRIS, for Fox West Coast Theaters,
Protestant.

FRANK ULLMAN, Protestant.

BY THE COMMISSION:

O P I N I O N

G.F.D. Lines, Inc. is providing service as a highway common carrier for the transportation of motion picture films and certain theatrical supplies. The operation is conducted over five routes. Los Angeles is one of the terminals on each of such routes. Three of the routes are used to serve communities near Los Angeles. Of the other two, one is operated to serve points from Los Angeles to and including Banning, Indio, El Centro, Calexico and other points in Imperial Valley. This latter route is the only one with which we are here concerned.

In the above-entitled proceeding applicant has requested the authority of the Commission to suspend service between Los Angeles, on the one hand, and Indio and Calexico and intermediate points, on the other hand, excluding Indio.

A public hearing was held before Examiner Paul at El Centro on January 21, 1943, at the conclusion of which the matter

was submitted.

The evidence in support of the authority sought was adduced from the testimony of the secretary-treasurer of applicant. Such evidence indicates that for several years applicant maintained an interstate route of operations between Los Angeles and points in Arizona, via the Imperial Valley, in part over U. S. Highway No. 99. Approximately two years ago its interstate operations were diverted in large part to U. S. Highway No. 60 beginning at its junction with U. S. Highway No. 99, at Indio, and thence easterly through Blythe, California. At that time it established a shuttle service between Indio and other Imperial Valley points southerly from Indio. This service is operated six days a week. It was further shown that there has been a reduction in the number of theaters using applicant's service, at the points involved, as well as a reduction of program changes thereby reducing the revenue derived from this operation. The witness stated that it is becoming increasingly difficult to obtain reliable drivers to serve this route.

Another factor adding to the cost of operations is the reduced speed at which trucks are operated pursuant to the requirements of the Office of Defense Transportation. Whereas eight to nine hours were formerly required to serve the Imperial Valley route, fifteen hours is now the required time for the same service because of such reduced speed. The witness asserted that an old $1\frac{1}{2}$ ton panel truck, which is in need of replacement, is used on this route. An application for authority to purchase new equipment was denied by federal authorities. It is difficult to obtain repair parts for the truck used. Such parts as applicant is able to obtain are at a considerably increased cost. Many parts which are not available must be machined from new material.

It was shown that for the four months period, July 1 to August 31, 1942, and November 1 to December 31, 1942, the net loss from the operation involved was \$1,825.81.⁽¹⁾ The witness stated

(1) The loss shown appears from the following summary of Exhibit No. 2:

	<u>JULY 1 to</u> <u>AUGUST 31, 1942</u>	<u>NOVEMBER 1 to</u> <u>DECEMBER 31, 1942</u>
Freight Revenue	<u>1413.71</u>	<u>1505.74</u>
<u>Direct Expense:</u>		
Equipment Maintenance and Garage Expense:		
Tires and Tubes	104.60	104.60
Parts and Repairs (including road repairs)	235.23	322.87
Transportation Expense:		
Drivers Wages	582.18	727.05
Fuel (Gas and Oil)	<u>379.55</u> 1301.56	<u>474.38</u> 1628.90
<u>Indirect Expense:</u>		
L.A. Assembling Costs at \$1.00 per change	296.00	316.00
Terminal Expense--*3%	4.24	4.52
Mechanics Wages--*3%	42.41	45.17
Insurance and Safety Expense--*6.9%	97.55	103.90
Administrative and General Expense--*16.8%	237.50	252.96
Depreciation Expense--*6.1%	86.24	91.85
Taxes and Licenses--*6%	84.82	90.34
Operating Rents--*1.7%	24.03	25.60
Other Interest Deductions--4%	<u>5.65</u> <u>873.44</u>	<u>6.02</u> <u>936.36</u>
Total Expenses	<u>2180.00</u>	<u>2565.26</u>
NET LOSS	<u>(766.29)</u>	<u>(1059.52)</u>

*Percentages taken from G.F.D. Lines Profit and Loss Statement May 1, 1942 to October 31, 1942.

(RED)

that the net loss on all operations of applicant for the first ten months of 1942 amounted to \$9,620.83.

Fox West Coast Theaters operates two theaters at El Centro and one at Calexico. Herb Norris is the local manager of these theaters. Frank Ullman operates two theaters at Calexico. Each opposed the application. However, since the submission of this proceeding they have informed the Commission that they desire to withdraw such opposition.

During the hearing applicant agreed to a revocation of the operative right involved instead of suspension of operations. After full consideration of the evidence herein the Commission hereby finds that it is in the public interest to authorize applicant to abandon service between Indio and Calexico and intermediate points. The order will so provide.

O R D E R

A public hearing therein having been held, evidence introduced, the Commission being fully informed therein, and it being found that public convenience and necessity so require:

IT IS ORDERED that G.F.D. Lines, Inc. is hereby authorized to abandon highway common carrier service between Los Angeles, on the one hand, and Indio and Calexico and intermediate points, on the other hand, excluding Indio, and the operative right therefor, heretofore created by Decision No. 27254, rendered August 6, 1934, in Application No. 19534, is hereby revoked and annulled.

IT IS FURTHER ORDERED that applicant shall within sixty (60) days from the effective date hereof and on not less than one

(1) day's notice to the Commission and the public, amend its tariffs and time tables, in a manner satisfactory to the Commission, to reflect the authority herein granted.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 27th
day of April, 1943.

Francis C. Havenner
H. B. M.
Justus J. Greenery
Richard Lachse
Greenwood
COMMISSIONERS