

Decision No. 38287**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SIGNAL TRUCKING SERVICE, LTD., a)
 corporation, for a certificate of) Application No. 25857
 public convenience and necessity)
 authorizing it to extend service at)
 Wilmington and San Pedro, California.)

In the Matter of the Application of)
 PACIFIC MOTOR TRUCKING COMPANY, a)
 corporation, for a certificate of) Application No. 25861
 public convenience and necessity)
 authorizing it to extend service at)
 Wilmington and San Pedro, California.)

In the Matter of the Application of)
 PACIFIC TRANSPORTATION & WAREHOUSE)
 CO., a corporation, for a certificate) Application No. 25868
 of public convenience and necessity)
 authorizing the extension of existing)
 common carrier service between Los)
 Angeles and Wilmington and San Pedro,)
 California.)

In the Matter of the Application of)
 W. E. FESSENDEN, for a certificate of)
 public convenience and necessity) Application No. 25869
 authorizing the extension of existing)
 common carrier service between Los)
 Angeles and Wilmington and San Pedro,)
 California.)

In the Matter of the Application of)
 UNION TRANSFER & STORAGE CO., a)
 corporation, for a certificate of) Application No. 25870
 public convenience and necessity,)
 authorizing it to extend service at)
 Wilmington and San Pedro, California.)

In the Matter of the Application of)
 SANTA FE TRANSPORTATION COMPANY, a)
 California corporation, for a certifi-) Application No. 25871
 cate of public convenience and ne-)
 cessity authorizing it to extend)
 automotive truck service at Wilming-)
 ton and San Pedro, California.)

In the Matter of the Application of)
 ASBURY TRANSPORTATION CO., a corpo-)
 ration, for a certificate of public) Application No. 25872
 convenience and necessity authorizing)
 it to extend service at Wilmington)
 and San Pedro, California.)

In the Matter of the Application of)
MARR FREIGHT TRANSIT INC., for a)
certificate of public convenience and) Application No, 25873
necessity authorizing it to extend)
the service at Wilmington and San)
Pedro, California.)

In the Matter of the Application of)
BOULEVARD TRANSPORTATION COMPANY, a)
corporation, for a certificate of) Application No. 25900
public convenience and necessity)
authorizing it to extend service at)
Wilmington and San Pedro, California.)

In the Matter of the Application of)
RUSSELL TRUCK COMPANY, a corporation)
for a certificate of public con-)
venience and necessity authorizing) Application No. 25909
the extension of existing common)
carrier service between Los Angeles)
and Los Angeles Harbor.)

In the Matter of the Application of)
FRED B. GRAY, for a certificate of)
public convenience and necessity.)
authorizing the extension of existing) Application No. 25916
common carrier service between Los)
Angeles and Wilmington and San Pedro,)
California.)

In the Matter of the Application of)
ABBIE M. SMITH and/or ABBIE M. SMITH)
and CLARENCE J. SMITH as copartners)
doing business under the name of)
SMITH BROS. TRUCK COMPANY for a) Application No. 25950
certificate of public convenience and)
necessity authorizing them to extend)
the service at Wilmington and San)
Pedro, California.)

BEROL & HANDLER, by Marvin Handler, for Signal Trucking
Service, Ltd., applicant in Application No. 25857;
and for Boulevard Transportation Company, appli-
cant in Application No. 25900.

E. L. H. BISSINGER, for Pacific Motor Trucking Company,
applicant in Application No. 25861.

ARLO D. POE, for Pacific Transportation and Warehouse Co.,
Inc., applicant in Application No. 25868; for W. F.
Fessenden, applicant in Application No. 25869;
for Russell Truck Company, applicant in Application
No. 25909; and for Fred B. Gray, applicant in Appli-
cation No. 25916.

TRIPP, CALLAWAY, SAMPSON and DRYDEN, by DeWitt Morgan
Manning, for Union Transfer & Storage Co., appli-
cant in Application No. 25870.

JONOTHAN C. GIBSON and WILLIAM F. BROOKS, for Santa Fe Transportation Company, applicant in Application No. 25871.

BART F. WADE and DON H. MOORE, for Asbury Transportation Co., applicant in Application No. 25872.

PHIL JACOBSON, for Marr Freight Transit, Inc., applicant in Application No. 25873; and for Smith Bros. Truck Company, applicant in Application No. 25950.

HUGH GORDON, for Pacific Freight Lines, Pacific Freight Lines Express, and Valley Express Co., protestants.

H. J. BISCHOFF and H. P. MERRY for Southern California Freight Lines and Southern California Freight Forwarders, protestants.

L. A. BEY, for William Volker and Company, and for Los Angeles Traffic Managers' Conference, protestants.

R. A. HENDERSON, for Pioneer Flintkote Company; and for Los Angeles Traffic Managers' Conference, protestants.

H. E. NOYES, for Lockheed Aircraft Corp. and for Western Aeronautical Chamber of Commerce, interested parties.

A. H. VALENTINE, for Interstate Bakeries, interested party.

BY THE COMMISSION:

O P I N I O N

In these proceedings, which were consolidated for hearing and decision, the applicants named below, all of whom are highway

(I) Certificates authorizing service between the points described were sought by the following applicants, viz., Signal Trucking Service, Ltd. (Appl. No. 25857); Pacific Motor Trucking Company (Appl. No. 25861); Pacific Transportation and Warehouse Co., Inc. (Appl. No. 25868); W. E. Fessenden (Appl. No. 25869); Union Transfer & Storage Co. (Appl. No. 25870); Santa Fe Transportation Company (Appl. No. 25871); Asbury Transportation Co. (Appl. No. 25872); Marr Freight Transit, Inc. (Appl. No. 25873); Boulevard Transportation Company (Appl. No. 25900); Russell Truck Company (Appl. No. 25909); Fred B. Gray (Appl. No. 25916); and Smith Bros. Truck Company (Appl. No. 25950). All of the applicants are corporations excepting W. E. Fessenden and Fred B. Gray, who appear as individuals, and Smith Bros. Truck Company, which is a partnership composed of Abbie M. Smith and Clarence J. Smith who have succeeded to the rights of Lisle L. Smith, deceased. In form, the applications follow a common pattern.

common carriers operating between Los Angeles proper and wharves and docks situated at San Pedro and Wilmington in the Los Angeles Harbor District, severally seek certificates of public convenience and necessity; under Section 50-3/4, Public Utilities Act, authorizing the extension of their operations, respectively, to points and places other than wharves and docks, situated within the San Pedro and Wilmington areas:⁽²⁾

The applications were opposed by Pacific Freight Lines, Pacific Freight Lines Express, Southern California Freight Lines, Southern California Freight Forwarders, Valley Express Co., William Volker and Company, Pioneer Flintkote Company, and Los Angeles Traffic Managers' Conference, all of whom appeared as protestants. Lockheed Aircraft Corporation, Western Aeronautical Chamber of Commerce and Interstate Bakeries appeared as interested parties. The matter was submitted at a public hearing had before Examiner Austin at Los Angeles.

As stated, all of the applicants are now authorized to operate between Los Angeles proper (comprising the central business district) and the steamship wharves and docks located at Wilmington and San Pedro, both origin and destination points being included within the Los Angeles municipal boundaries. In providing the service, applicants traverse routes situated in part beyond the

(2) For convenience, the areas embraced within those portions of the city of Los Angeles designated as Wilmington and San Pedro will be referred to as the "harbor district", the "harbor area", or more briefly as the "harbor". We shall thus designate these districts in their entirety; these terms are intended to be more comprehensive than "steamship wharves and docks" or "wharves", which contemplate merely the wharf or dock facilities maintained at San Pedro and Wilmington to accommodate water borne traffic.

corporate limits. Some of the applicants serve points other than those described. (3) The area within the harbor district which some of the applicants propose to serve is smaller than that which would be served by the others; the latter area, however, comprehends the (4) former.

(5)
With the exception of a single applicant, the operating

-
- (3) This is true as to applicants Pacific Motor Trucking Company (Appl. No. 25861); Union Transfer & Storage Co. (Appl. No. 25870); Santa Fe Transportation Company (Appl. No. 25871); and Asbury Transportation Co. (Appl. No. 25872).
- (4) The larger of the two districts mentioned above, which some five of the applicants propose to serve, is bounded, generally, (as shown by Exhibit 1) by Lomita Boulevard on the north, and Los Angeles City-County and the Los Angeles-Long Beach limits on the east, the harbor and the Pacific Ocean on the south, and the Los Angeles City-County limits on the west. Those undertaking to serve this area include Pacific Transportation and Warehouse Co., Inc. (Appl. No. 25868); W. E. Fessenden (Appl. No. 25869); Asbury Transportation Co. (Appl. No. 25872); Russell Truck Company (Appl. No. 25909); and Fred B. Gray (Appl. No. 25916).
- Included within the latter territory is a smaller area which the remaining seven applicants propose to serve. Generally speaking, it is bounded by Lomita Boulevard on the north; by Alameda Street, Henry Ford Avenue and the Los Angeles-Long Beach city limits on the east (including an extension along Pacific Coast Highway from Alameda Street easterly to the Los Angeles City-County limits); by the harbor, Pacific Ocean, Shepard Street and Paseo Del Mar on the south; and by Weymouth Avenue, Hamilton Avenue, Alma Street, 25th Street, Patton Avenue, 7th Street, Meyler Street, 3rd Street, Bandini Street, Santa Cruz Street, Gaffey Street, O'Farrell Street, Pacific Avenue, Wilmington-San Pedro Road, and Figueroa Street on the west. Those proposing to serve this territory comprise Signal Trucking Service, Ltd. (Appl. No. 25857); Pacific Motor Trucking Company (Appl. No. 25861); Union Transfer & Storage Co. (Appl. No. 25870); Santa Fe Transportation Company (Appl. No. 25871); Marr Freight Transit, Inc. (Appl. No. 25873); Boulevard Transportation Company (Appl. No. 25900); and Smith Bros. Truck Company (Appl. No. 25950).
- (5) The operative right under which applicant Russell Truck Company (Appl. No. 25909) claims, was granted to its predecessor, Chauncey Bluff, doing business as Bluff Truck, by Decision No. 14530, rendered February 5, 1925, in Application No. 10034. The remaining applicants trace their operative rights to Decision No. 14404 or to Decision No. 12823, mentioned above.

rights held by the applicants grew out of decisions resulting from an inquiry conducted by the Commission in 1923 concerning the operations of their predecessors in interest. By Decision No. 12823, rendered November 14, 1923, in Case No. 1871 (Hodge Transportation System v. Ashton Truck Co., 24 CRC 116), the Commission recognized and affirmed the operative rights of certain carriers as having lawfully arisen under the "grandfather clause" of the Auto Stage and Truck Transportation Act (Stats, 1917, Chap. 213). The operative rights of three of the present applicants may be traced back to that decision. ⁽⁶⁾ There the Commission also permitted the filing of applications by certain respondents therein, whose operations had been found insufficient to establish their rights, respectively, to operate under the "grandfather clause" of the 1917 Statute. Subsequently, certificates were granted these carriers by Decision No. 14404, rendered December 27, 1944, in certain applications which had been consolidated. (Re E. R. Ketchum, et al, 25 CRC 679). The operative rights of the remaining applicants now ⁽⁷⁾ before us are derived from certificates granted by that decision.

-
- (6) The three applicants whose operative rights were recognized by Decision No. 12823 include Santa Fe Transportation Company (Appl. No. 25871); Fred B. Gray (Appl. No. 25916); and Smith Bros. Truck Company (Appl. No. 25950). The operative right of Santa Fe Transportation Company is derived from that originally vested in Paul Kent Truck Company, Inc.; that of Fred B. Gray from the operative right of A. P. Ashton, doing business as Ashton Truck Company; and that of Smith Bros. Truck Company from the operative right of S. P. Smith and L. L. Smith, doing business as Smith Bros. Motor Truck Company.
- (7) The present applicants who claim under certificates granted to their predecessors in interest by Decision No. 14404, and the carriers to whom such certificates were originally granted are as follows: Signal Trucking Service, Ltd., Appl. No. 25857, (Scandia Truck and Transfer Company -- Appl. No. 9900); Pacific Motor Trucking Company, Appl. No. 25861, (Claude C. Cunningham and Ernest M. Aiken, partners, doing business as A B C Transportation System -- Appl. No. 9988); Pacific Transportation and

(Continued)

The record contains an intimation that applicants are authorized, under the operative rights they now hold, to serve the harbor district, as well as the wharves. This contention, however, was not pressed; applicants conceding that it is not pertinent to the present inquiry. The claim, moreover, was challenged by protestants who asserted that applicants' operating authority extended no further than the wharves themselves. Applicants' right to serve the entire harbor district was not put in issue by the pleadings. The applications allege merely that the steamship wharves and docks are presently served; no claimed right to serve a more extensive area is asserted. Under the circumstances, we shall not embark upon an investigation concerning the scope of applicants' operative rights under their existing certificates.

In many respects the operations of the applicants are similar. All of them operate between Los Angeles and the harbor district, serving the wharves under their certificates, the commercial and industrial establishments situated in San Pedro and Wilmington, under radial permits. All traverse defined routes. In addition to certificates or "grandfather" rights evidencing their authority to operate as highway common carriers, all hold permits

(7) Continued -

Warehouse Co., Inc., Appl. No. 25868, (O. C. Butler and Harold A. Grundy, partners doing business as Pacific Transportation Company -- Appl. No. 9627); W. E. Fessenden, Appl. No. 25869, (T. J. Wade, doing business as Wade Shipping Company -- Appl. No. 9584); Union Transfer & Storage Co., Appl. No. 25870, (D. H. Schiffman -- Appl. No. 9496); Asbury Transportation Co., Appl. No. 25872, (Frank H. White and Fred A. White, doing business as White Truck and Transfer Company -- Appl. No. 9632); Marr Freight Transit, Inc., Appl. No. 25873, (F. F. Balzer, doing business as Diamond Transfer and Storage Company -- Appl. No. 9659); and Boulevard Transportation Company, Appl. No. 25900, (C. C. Cartwright, doing business as C. C. Transfer and Garage Company -- Appl. No. 10020).

as radial highway common carriers, as well as certificates issued by the Interstate Commerce Commission authorizing operation between Los Angeles proper and the harbor district. Many are engaged in the general trucking business, serving the Los Angeles territory. Most of them handle general commodities. There would be no deviation⁽⁸⁾ from the existing rates. All maintain terminals at Los Angeles. Some also maintain terminals at the harbor; others, however, abandoned their harbor terminals at the outbreak of the war.

We shall summarize the showing made on behalf of the applicants, respectively.

Application No. 25857
Signal Trucking Service, Ltd.

Since 1926 Signal Trucking Service, Ltd., has operated between Los Angeles and the harbor district. Signal's terminal facilities at Los Angeles, occupying a space of some 13½ acres, comprise an office building, shops and storage sheds. Its equipment totals approximately 360 units, of which some fifty units are assigned to the pickup and delivery service at Los Angeles; however, line-haul equipment is used for that purpose at the harbor.

Since the commencement of the war it has engaged principally in the distribution of pool-car rail shipments originating in the East; formerly, this traffic, which is entirely interstate in character, moved by water to the wharves at Wilmington and San

(8) All but one of the applicants, viz., Smith Bros. Truck Company (Appl. No. 25950), are engaged in the transportation of general commodities. That carrier specializes in the transportation of heavy machinery.

Pedro.

The intrastate movement comprises freight handled under contract for Sears-Roebuck & Company, and also that assertedly transported under applicant's radial permit for Atlantic & Pacific Tea Company; in addition, a small amount is received from other shippers. This traffic moves regularly between Los Angeles and the harbor district. Truck loads only are accepted. The tonnage is substantial in volume. (9)

Application No. 25861
Pacific Motor Trucking Company:

For several years Pacific Motor Trucking Company has functioned as the trucking subsidiary of Southern Pacific Company, providing a service for the transportation of less-carload traffic which is auxiliary to the rail service. Since 1933 it has operated between Los Angeles and the harbor district. Points other than the wharves are served. It maintains terminals both at Los Angeles and at Wilmington. Four round trips daily are provided. A pickup and delivery service is performed by the line-haul trucks. Some 327 units of equipment are based at Los Angeles, where applicant maintains its principal garage and repair shops.

(9) The pool-car shipments average from two to six truck loads daily, aggregating 400,000 to 600,000 pounds monthly. The traffic offered by Sears-Roebuck & Company averages 16,000 pounds daily; that received from Atlantic & Pacific Tea Company averages 200,000 pounds per month.

Since the outset of the war the preponderance of the traffic flows from Los Angeles to the harbor district; previously the contrary was true. The volume is substantial. (10)

(10) The traffic carried between Los Angeles and the harbor district during a representative period is reflected by the following tabulation:

	<u>From Los Angeles to Harbor.</u>		<u>From Harbor to Los Angeles.</u>	
	<u>Interstate</u> (Pounds)	<u>Domestic</u> (Pounds)	<u>Interstate</u> (Pounds)	<u>Domestic</u> (Pounds)
<u>1943</u>				
Jan.	1,035,087.	1,021,987.	323,868	208,300.
April	1,399,919.	1,002,931.	388,377	243,465
July	993,993	1,495,422	272,255	106,328.
Oct.	1,093,991.	907,011	292,297	233,851.
<u>1941</u>				
Oct.	446,233	651,120	814,214.	251,503

The distribution of domestic traffic moving during October, 1943 between wharves and other places in the harbor district, was as follows:

	<u>From Los Angeles</u> <u>to Harbor</u>	<u>From Harbor</u> <u>to Los Angeles</u>
	(Pounds)	(Pounds)
Other than Wharves	519,355.	103,042
Other than Wharves, but to Adjacent Facilities	348,686.	59,089
To or from Wharves	38,970	68,920
Railroad Salvage Mdse.	-----	2,800
Total	907,011	233,851

Application No. 25568

Pacific Transportation and Warehouse Co., Inc.

For many years Pacific Transportation and Warehouse Co., Inc., has operated between Los Angeles and San Pedro and Wilmington. The service, which initially was confined to the wharves, subsequently was extended to the harbor district, under applicant's radial permit.

A terminal is maintained at Los Angeles, the Wilmington terminal having been abandoned in 1942. At Los Angeles applicant offers a daily pickup and delivery service, traffic being handled through the terminal. Overnight delivery is provided. Some twenty-eight trucks and eight trailers are available.

At present traffic destined to the harbor preponderates; formerly, the larger share moved to Los Angeles. The volume of the intrastate movement has increased substantially during the war. The interstate traffic, formerly water borne, now moves by rail; applicant distributes from Los Angeles pool-car shipments consigned to that point. During October, 1943, a representative month, the intrastate and the interstate movements aggregated 280,295 and 178,051 pounds, respectively.

Application No. 25869

W. C. Fessenden, d.b.a. California Warehouse Company

Operating under the trade name of California Warehouse Company, this applicant for many years has maintained a public utility warehouse in Los Angeles. Applicant also conducts a trucking business serving territory generally within a twenty-five mile radius of the Los Angeles central business district. The transportation service is coordinated with the warehouse operations, traffic being handled largely, though not exclusively, for warehouse patrons. Formerly, a terminal was maintained at the harbor. The service provided is somewhat irregular; no regular

pick up and delivery is offered, nor is any definite schedule observed, operations being conducted wholly on call. Before the war a regular scheduled service was afforded daily. The acceptance of shipments, tendered within outlying zones, is not encouraged. To provide the service applicant has available some twenty-five units of equipment including both trucks and trailers.

Points within the harbor district, other than the wharves, have long been served. Generally the service is provided for the accommodation of those storing goods in the warehouse.

At present, the intrastate tonnage preponderates. During November and December, 1943, typical months, the traffic moving from Los Angeles to the harbor district, exclusive of wharves, aggregated 652,298 pounds - an average of 13,000 pounds daily. The movement from Los Angeles to the harbor substantially exceeds that in the opposite direction.

Application No. 25870

Union Transfer & Storage Company

In 1940 Union Transfer & Storage Company, which long had operated between Los Angeles and Santa Monica, extended its operations from Los Angeles to the harbor district. Terminals are maintained at Los Angeles and Santa Monica. Applicant's equipment comprises some fifty-five trucks, five tractors, and five semi-trailers.

Service is afforded daily between Los Angeles and the harbor district, no definite schedule being observed. At Los Angeles a pickup and delivery service is provided through pickup trucks operating over regular routes. At the harbor, line-haul trucks are used for this purpose.

Between Los Angeles and the harbor district (including intermediate points, as well) applicant's tonnage has increased ten-fold since 1939, approximately half of this being ascribed to

war conditions. Traffic in and out of the harbor district is about evenly balanced. About 75 per cent of that received at the harbor moves to points other than wharves, being handled, assertedly, under applicant's radial permit. Pool-car shipments reaching Los Angeles by rail are distributed throughout the Harbor District.

Application No. 25871

Santa Fe Transportation Company

Santa Fe Transportation Company, a subsidiary of The Atchison, Topeka, and Santa Fe Railway Company, conducts for the latter a trucking service auxiliary to the rail operations. Since 1939 it has provided a service of this character between Los Angeles and the harbor district. Terminals are maintained both at Los Angeles and at Wilmington. To provide the service, applicant has available at Los Angeles some forty-two units of equipment, consisting of pickup and delivery trucks, and line-haul tractors, semi-trailers, and trailers.

A daily service, conducted under regular schedules, is provided. Pickup and delivery service is afforded both at Los Angeles and at the harbor. Applicant also distributes less-carload shipments moving by rail over the lines of The Atchison, Topeka and Santa Fe Railway Company between Los Angeles and Wilmington.

Traffic moves regularly to and from harbor points other than the wharves. Of the intrastate movement between Los Angeles proper and the harbor, some 50 per cent is destined to points other than the wharves, and of the return movement approximately 76 per cent originated at such points. Since the establishment of the operation there has been a marked increase in the volume of the traffic -- a circumstance ascribed to the development of the territory and to the war. Upon the restoration of the intercoastal

steamer service, the heavy interstate trucking movement, it is anticipated, will disappear. The volume of freight transported was substantial. (11)

Application No. 25872
Asbury Transportation Co.

Asbury Transportation Co. serves the harbor district under two distinct certificates. Under one of these it is authorized to operate between Los Angeles proper and the wharves and docks at Wilmington and San Pedro, transporting general commodities. Under the other it may carry oil supplies between Los Angeles and the harbor district. A regularly scheduled service is provided under which traffic is accorded overnight delivery. Within the Los Angeles central business district a pickup and delivery service is furnished, comprising some thirteen routes, but no similar service is provided at the harbor. Terminals are maintained both at Los Angeles and at Wilmington. Applicant owns sufficient equipment of varying types to supply an adequate service.

The traffic moving between those points is substantial. During September and October, 1943, applicant transported between Los Angeles and the harbor district a total of 11,540,000 pounds or an average of 230,800 pounds daily. Of this, approximately 10 per cent was interstate. This tonnage included both oil well supplies and general commodities.

(11) During the months of January, April, July and October, 1943, the tonnage carried by applicant between Los Angeles and the Harbor was as follows:

	<u>Interstate</u> (Pounds)	<u>Intrastate</u> (Pounds)
From Los Angeles to the Harbor	357,565	208,264
From the Harbor to Los Angeles	<u>605,250</u>	<u>286,810</u>
Total	962,815	495,074
Average Per Day	9628	4931

Under applicant's radial permit it transports general commodities destined to points within the harbor district other than the wharves. This method has been adopted because of applicant's conviction that the traffic could not lawfully move under the certificate authorizing service at the wharves. To provide this service separate equipment is employed. Were applicant permitted to handle the traffic as a highway common carrier, operating economies assertedly could be effected and a more expeditious service provided.

Application No. 25873.
Marr Freight Transit, Inc.

For many years this applicant has operated between Los Angeles and the harbor district; in addition it performs a general trucking business in Los Angeles. To a large degree, the service has been confined to applicant's regular customers in the harbor district. Though the traffic moves frequently, no definite schedule is observed. In Los Angeles a pick up and delivery service is furnished on call, pickup trucks being used for the purpose. A terminal is maintained at Los Angeles. The equipment comprises some fourteen trucks, six tractors and seven semi-trailers.

The traffic has been substantial. Applicant distributes pool-car rail shipments from the East -- traffic which is interstate in character. During a representative four month period the intrastate tonnage aggregated around 5,500,000 pounds. (12)

(12) The traffic, both interstate and intrastate, moving between Los Angeles and the harbor district (including the wharves) during a representative period, was as follows:

1943	Interstate (Pounds)		Intrastate (Pounds)	
	Wharves	Others	Wharves	Others
Jan.	242,826	15,896	- - -	1,023,480
Apr.	266,973	67,636	11,050	1,173,936
July	75,415	115,658	36,500	1,330,200
Oct.	54,683	104,015	122,000	1,838,653
Total	639,897	303,205	169,550	5,366,269
Total Traffic	943,102		5,535,819	
Average Per Day	6,399	3,032	1,696	53,663

Application No. 25900
Boulevard Transportation Company

Since 1932, this applicant and its predecessors have operated between Los Angeles and the harbor district; points other than wharves being served under a radial permit. A regular daily service is provided. Applicant maintains a terminal at Vernon; a terminal formerly maintained at Wilmington was abandoned early in 1942. Less-truckload shipments originating in Los Angeles are consolidated at the terminal, but full truckloads move direct to the harbor. At Los Angeles, an on-call pickup service is furnished; at the harbor, line-haul trucks are used for that purpose. To provide the service applicant has available twenty-six units of equipment, consisting of tractors, semi-trailers and pickup trucks.

Between Los Angeles and the harbor there is a substantial flow of traffic. Freight moving under commercial billing averages 400 tons per month.⁽¹³⁾

Application No. 25909
Russell Truck Company

Russell Truck Company operates between Los Angeles proper and the harbor district, serving points other than the wharves, and it also is engaged in general trucking in the Los Angeles area. Between Los Angeles and the harbor district a daily service is provided. A terminal is maintained at Los Angeles but not at the harbor. Applicant's equipment comprises some thirty units.

(13) Approximately 1,000 tons per month move under government billing between Los Angeles and the harbor district; of this 25 per cent is handled to and from the wharves, and the remainder to and from points other than the wharves. The commercial movement of 400 tons per month is divided equally between the wharves and other harbor points. All of the commercial traffic is intra-state in character.

The larger share of the traffic is interstate in character, most of it consisting of pool-car rail shipments which applicant distributes. Of the intrastate traffic the greater portion moves from Los Angeles to the harbor. Most of this in turn is destined to points other than wharves. It moves in truckloads only.

Application No. 25916
Fred B. Gray, doing business as Gray Truck Company

This applicant operates between Los Angeles proper and the harbor district, serving points other than the wharves. He also is engaged in the general trucking business in Los Angeles. A regular service is provided. Shipments move daily, though not under any specific schedule. The equipment available comprises nine trucks, five tractors, five semi-trailers and one tank truck, or twenty units altogether. A terminal is maintained at Los Angeles. A pickup service is provided in Los Angeles, the shipments being consolidated at the terminal and delivered at the harbor by line-haul trucks.

The larger share of the traffic moves to and from industries in the harbor district. Of this, the greater portion is intrastate. Fully half of the latter consists of truckload shipments. The inter-state traffic comprises pool-car rail shipments, which applicant distributes.

(14) During December, 1943, a representative month, the movement between Los Angeles and the harbor district amounted to 1,070 tons. Of this, 99 per cent was consigned to the harbor. Seventy-five per cent of the traffic was interstate and the remaining 25 per cent, intrastate in character.

(15) During December, 1943, a representative month, 23 shipments moved to and from wharves, aggregating 195,596 pounds; and 86 shipments moved to and from points other than wharves in the harbor district, aggregating 251,956 pounds. The 23 shipments moving to and from the wharves cannot readily be allocated between interstate and intrastate traffic; of the tonnage moving to and from points other than the wharves, 20 per cent was interstate and 80 per cent was intrastate in character.

Application No. 25950
Smith Bros. Truck Company

This applicant, a partnership consisting of Abbie M. Smith and Clarence J. Smith who have succeeded to the rights of Lisle L. Smith, ⁽¹⁶⁾ deceased, operates throughout Los Angeles County, specializing in the transportation of heavy machinery, although other commodities are accepted. Applicant's service between Los Angeles and the harbor district, where it serves points other than the wharves, is performed wholly on call, no regular schedule being observed. On the average shipments move twice a week between these points. No regular pickup and delivery service is accorded. A terminal is maintained at Los Angeles, the terminal facilities formerly provided at the harbor having been abandoned at the outset of the war. Applicant operates thirty-five units of equipment, consisting principally of heavy duty trucks, low bed equipment and truck cranes designed to accommodate machinery of exceptional size and weight. Included are some six pickup trucks of two tons capacity or less.

The traffic moving between Los Angeles and the harbor district, which is almost exclusively intrastate in character, consists largely of iron and steel, machinery and trusses. For the most part, it is consigned to refineries and shipyards situated in the harbor district, there being very little movement from the harbor to Los Angeles. Substantially all of the traffic moves in truck or truck and trailer loads. Shipments tendered at outlying points will not be accepted. The tonnage handled was not shown.

(16) Decision No. 37180, rendered July 11, 1944, in Application No. 25907.

General Considerations

In support of their proposals applicants called the representatives of some twenty shippers, eight of whom were engaged in business in Los Angeles and twelve in the harbor area. Collectively, they dealt in a variety of products. Each shipped a substantial volume of freight.

The Los Angeles shippers distribute their products throughout the harbor area, reaching points other than the wharves. All are substantial shippers. Since the war, the movement to the harbor has increased markedly, so they stated; at present there is little traffic moving from the harbor to Los Angeles, nor from Los Angeles to the wharves. All had employed one or more of the applicants and found the service satisfactory. Some were satisfied with protestants' service; others testified that it was inadequate. Shippers located near the terminal of one of the applicants had found it convenient to use his service, and some shippers occupying space in the public warehouse facilities maintained by another applicant had used his trucking facilities. All expressed a need for an adequate transportation service. Some testified that the service available was insufficient to satisfy their requirements. From the shippers' standpoint, assertedly, it would be a distinct advantage were all of the carriers whom they now use authorized to serve the entire harbor area. Some of the shippers preferred to patronize a single carrier, thus avoiding

(17) The Los Angeles shippers were engaged in the distribution of smoked meats, coffee, mustard seed, feeds and cereals, paper cups and food containers, canned goods, hardware, pipe, sheet tubing, wire fittings, structural steel, steel sheets, galvanized products, and airplane parts and supplies. The harbor shippers received and distributed such commodities as furniture; groceries; borax; soap; machinery and repair parts; building materials; plant supplies; ship supplies; airplane parts; tires, batteries and automobile accessories; and shipbuilding materials including valves, plates and steel.

congestion at their docks and permitting the consolidation of all the shipments consigned to the harbor area.

The harbor shippers, it was shown, receive and ship their products at points within the harbor area other than the wharves. Their intrastate shipments include traffic moving to and from Los Angeles and other California points. To transport their goods these shippers have employed one or more of the applicants as well as the protestants. They expressed a desire for the continuance of the existing service, stating that they would use it. Assertedly, the presence of several carriers in the field has resulted in a marked convenience. Some had no complaint regarding the quality of the service provided by the existing carriers; others stated that although formerly the service had been adequate, deliveries no longer were performed expeditiously. A dependable service supplied by responsible carriers, they stated, would satisfy their needs; it is doubtful whether any single carrier could fully meet their requirements. A daily service providing frequent deliveries is essential, they testified. If necessary, a rate increase, though not desirable, would be accepted.

The record indicates the substantial growth and industrial development of the harbor area. Within this territory are located oil refineries, machine shops, vegetable oil plants, shipbuilding plants, and small boat building establishments, among others, as well as growing commercial and retail districts and residential sections. Much of this development, it was shown, has taken place since 1920, when the steamship wharves overshadowed all other commercial and industrial establishments. It is anticipated that, aside from shipbuilding, the harbor may expect a substantial growth.

Through their operating officials, protestants Pacific Freight Lines and Southern California Freight Lines described the service which they provide. Other witnesses dealt with the impact on the rate structure occasioned by the granting of these applications.

Pacific Freight Lines; it was shown, for many years has maintained a daily service between Los Angeles and the harbor area. An overnight service is provided, affording early first morning delivery. Before the war, this protestant offered two schedules daily between these points. Terminals are maintained both at Los Angeles and at Wilmington. A pickup and delivery service is accorded both at Los Angeles and in the harbor area. The equipment available, so the record shows, is adequate to provide both line-haul and pickup and delivery service.

Under prevailing conditions, with the attending limitations on both manpower and equipment, this protestant's equipment is operated at full capacity. Some sixteen 20-foot box loads move daily between the Los Angeles and the Wilmington terminals. Before the war, under the twice daily schedule then observed, it operated at a 60 per cent load factor. ⁽¹³⁾ The volume of traffic

(13) Before the war, it was shown, this protestant operated twice daily between Los Angeles and Wilmington an average of twelve 20-foot box units.

(19)

carried has varied somewhat.

Any failure of protestant to meet promptly the service requirements of its shippers was ascribed to wartime restrictions. Due to shortages of both manpower and equipment, many delays have been encountered, particularly in picking up the traffic. Before the war this situation, it was stated, did not exist:

Protestant Southern California Freight Lines operates an overnight service between Los Angeles and the harbor area. Since the war but one schedule daily is afforded; previously, two daily schedules were offered. Terminals are maintained at Los Angeles and Long Beach. A pickup and delivery service is provided both at Los Angeles and in the harbor area. Sufficient equipment is available to provide an adequate service.

Because of war conditions, protestant's service has been substantially curtailed. Previously 100 units were devoted to the pickup and delivery service at Los Angeles; at present 60 pickup trucks are used for this purpose.

A large share of the Los Angeles-Harbor tonnage moves to and from the industries located at the harbor, much of it consisting of war occasioned traffic. The tonnage is

(19) The record indicates that between Los Angeles and the harbor territory (including San Pedro, Wilmington and Long Beach) the volume of the traffic handled by Pacific Freight Lines was as follows:

	<u>TONS:</u>
1940	35,619
1941	42,684
1942	36,841
1943	30,160

The decrease in 1942 and 1943 was due to cessation of the intercoastal steamship movement. During 1940 and 1941 about one-quarter of the total consisted of Long Beach traffic; in 1942 and 1943 about one-third of the tonnage was attributable to Long Beach (including Seal Beach). The remainder moved to and from the Wilmington-San Pedro area.

(20) substantial. It was anticipated that the volume will decrease substantially at the termination of the war. Protestant, so its traffic manager asserted, readily could accommodate the traffic handled between Los Angeles and the harbor by the applicants, collectively. Prior to 1940, protestant actively solicited business and was in a position to handle all the tonnage offered. Because of wartime restrictions, however, it cannot provide so adequate a service.

Representatives of two shippers, engaged in business at Los Angeles, testified in support of the protestants. Both distribute a substantial volume of their products at the harbor, the traffic moving daily. To transport their shipments they had used the facilities of both Pacific Freight Lines and Southern California Freight Lines and had found the service satisfactory. These protestants, they stated, had provided a more expeditious service prior to the war. Both witnesses disclaimed a need for the service of any of the applicants. One shipper testified that because of congestion at the plant it would be advantageous for his firm to confine its harbor shipments to a limited number of carriers.

(20) During 1940 and 1941 the tonnage transported between Los Angeles and Wilmington, Terminal Island, San Pedro and Long Beach was as follows:

	<u>From Los Angeles</u> (Tons)	<u>To Los Angeles</u> (Tons)
1940	17,754	14,284
1941	18,603	14,287

Approximately 75 per cent of the traffic was intrastate. Because of changes in accounting, due to manpower shortages, later figures are not available.

These witnesses also represented the Los Angeles Traffic Managers' Conference, which appeared on behalf of the protestants. After considering the pending applications, the Conference had decided to oppose them, so they said. Previous studies, particularly those undertaken in rate investigations before the Commission, assertedly had convinced the Conference that there was an abundance of carriers serving the harbor territory. Consequently, these carriers had been operating under low load factors. The admission of additional certified carriers to the field, it was feared, would still further dilute the traffic, and by increasing the cost of operation would forestall further rate reductions. Such a situation, on the contrary, assertedly would lead inevitably to applications for increased rates. The service between Los Angeles and the harbor prior to the war had been satisfactory, they stated; however, it had deteriorated because of war conditions. The certification of additional carriers, they contended, would not improve this condition.

The field, they conceded, was now occupied by many permitted carriers as well as by the present certificated carriers. The traffic handled by the former, it was contended, outweighed greatly that carried by the latter. Obviously, permitted carriers would continue to occupy the field. Certificated carriers are more completely regulated than the permitted carriers, and their position is more assured, it was claimed. The Conference, therefore, opposed any increase in the number of certificated carriers serving this territory. From their standpoint, the field should be limited to a small number of strong certificated carriers, sufficiently numerous to insure competition and the maintenance of reasonable rates. Such a group of carriers, it was contended, could expand their facilities sufficiently to

provide an adequate service. In view of the conclusions we have reached, it is not necessary to pass upon these contentions.

The record is convincing that these applications rest upon a showing of conditions of a temporary nature. Much of the traffic moving between Los Angeles and the harbor has been attributable to war conditions. Because of the discontinuance of the intercoastal steamer service at the outbreak of the war and its replacement by the rail service, the current of traffic formerly flowing from the harbor to Los Angeles has been reversed. The efficiency of the service offered by the existing highway common carriers, including both the applicants and the protestants, has been impaired by wartime regulations. It is now too soon to appraise the changes which may be occasioned by the termination of the war. Traffic cannot be expected immediately to accommodate itself to the new conditions, nor to resume its former channels. While it is true, as applicants assert, that in recent years the industrial development of the harbor area has progressed substantially, we cannot under the present record determine the need for the permanent establishment of additional highway common carrier facilities. These applications, we believe, are controlled by our ruling in the Reader Case.⁽²¹⁾ There we held that "...the Commission could not equitably grant a permanent certificate of public convenience and necessity where the showing of applicant is rested primarily upon the inadequacy of the services provided by the existing carriers when those inadequacies are largely the result of prevailing wartime conditions and limitations." The applications now before us, accordingly, will be denied without prejudice to their renewal when conditions have resumed their normal status.

(21) Re Reader-Truck Lines, Decision No. 38012, dated June 19, 1945, in Application No. 26544.

There is one other subject which deserves attention. The record shows that several applicants whose certificates limit them to operations to or from steamship wharves and docks at the harbor have nevertheless regularly served other points within the harbor area. This they assertedly have done under the radial permits which they hold. A radial permit by its very nature will not sanction an operation performed regularly between definite points; a service of this character may lawfully be conducted only under a certificate of public convenience and necessity, issued under Section 50-3/4, Public Utilities Act. Clearly, a radial permit would not authorize a service regularly maintained between Los Angeles proper and the harbor district, conducted in part over routes situated outside the municipal limits of Los Angeles. Such a permit may not be used to supplement a service performed under a highway common carrier certificate; the latter defines the scope and fixes the boundaries of the operations which a highway common carrier may lawfully conduct.

O R D E R

A public hearing having been had in the above entitled applications, the matter having been duly submitted, and the Commission now being fully advised,

IT IS ORDERED:

That Applications Nos. 25857, 25861, 25868, 25869, 25870, 25871, 25872, 25873, 25900, 25909, 25916, and 25950, be and they are, and each of them is, hereby severally denied without prejudice.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 9th day of October, 1945.

David Quinn

Richard Lusk

Francis Davis

James Powell
COMMISSIONERS