and for the transportation of farm products and dairy products from all points and places within Imperial Valley Territory to Los Angeles

Territory.

F. W. Turcotte and Jack O. Goldsmith for applicant. Gordon & Knapp by Joseph C. Gill for Pacific Freight Lines and Pacific Freight Lines Express; H. J. Bischoff and H. P. Merry for Southern California Freight Lines and Southern California Freight Forwarders; John H. Gordon for Southern Pacific Company

and Pacific Motor Trucking Company; protestants.

<u>opinion</u>

Applicant holds permits, issued by the Public Utilities Commission of the State of California, authorizing him to transport property by motor vehicles over the public highways in California as a radial highway common carrier, a highway contract carrier and a city carrier. He also holds a permit from the Interstate Commerce Commission, pursuant to which he hauls from the Los Angeles Harbor area over U. S. Highway No. 99 to El Centro. In this proceeding he seeks authority to operate an automobile truck service as a highway common carrier, as follows:

- (a) For the transportation of bale ties, sacks, machinery and parts thereof, fertilizer, box shook, empty wooden boxes, brushing paper, fruit and vegetable wraps, and box and crate liners, from the Los Angeles Drayage Area, to Alamo, Brawley, Calexico, Calipatria, El Centro, Gray's Well, Heber, Holtville, Imperial, Kane Springs, Mt. Signal, Niland, Plaster City, Sandia, Seeley, Truckhaven, Westmoreland and Winterhaven, and to all points and places in Imperial County within a fifteen-mile radius of each of said points.
- (b) For the transportation of all commodities except those named in (a) above, and except high explosives, automobiles, livestock, commodities in bulk, commodities requiring special equipment, and used household goods, from the Los Angeles Drayage Area to Alamo, Brawley, Calexico, Calipatria, El Centro, Gray's Well, Heber, Holtville, Imperial, Kane Springs, Mt. Signal, Niland, Plaster City, Sandia, Seeley, Truckhaven, Westmoreland and Winterhaven, and to all points and places within five miles on either side of certain described routes between the named points, in Imperial County.
- (c) For the transportation of all farm products, sacks, hides, meats and meat products, machinery and parts thereof, automobile parts, airplane parts, new uncrated furniture,

^{1/} See Southwestern Motor Tariff Bureau, Local Freight Tariff No. 21, Series of Agent J. L. Beeler.

-3-

Applicant commenced business in 1925, and until 1928 he operated as a subhauler. Between 1928 and 1935 he hauled produce from the Imperial Valley to Los Angeles, and returned to the Imperial Valley with any pay load he could find. In this period he had sixty or seventy written contracts. In 1935 applicant secured radial highway common carrier and highway contract carrier permits which he now holds, and discontinued most of his contracts.

At the time the hearings commenced on May 15, 1950, applicant had six pickup trucks which were used in his Los Angeles terminal, and three which were used in his El Centro terminal. He also had six line-haul tractors and seven semitrailers. By February 8, 1951, applicant had acquired two additional pickup trucks, one of which was used in El Centro and one in Los Angeles, and he also had acquired three additional line-haul tractors and three additional semitrailers.

In Los Angeles applicant leases a terminal which has space to handle four pieces of equipment at one time, and in El Centro he has a partially leased and partially owned terminal which is capable of accommodating eight pieces of equipment at one time. Each of the terminals has office space, telephones, and a staff of personnel. A small shed is leased at Indio, but there is no crew or telephone maintained at that place.

As of March 31, 1950, applicant, doing business as Thompson Truck Lines, had assets of \$74,439.99, compared with liabilities consisting of \$23,272.74 of notes payable,

\$7,548.87 of accounts payable, and Lom Thompson's investment of \$43,618.38. Lom Thompson personally, as of March 31, 1951, had clear assets, other than the trucking business, of over \$91,300. For the year 1948 applicant made a net profit from the trucking business of \$18,196.38, for the year 1949 he made a net profit of \$10,192.21, and for the first three months of 1950 he made a net profit of \$5,429.74.

Upon the evidence of record the Commission is of the opinion, and finds, that applicant has sufficient finances, experience, and equipment to enable him to perform the services for which he now seeks a certificate of public convenience and necessity.

If he is certificated, applicant proposes to continue to operate substantially the same as he was operating at the times of the hearings herein. He describes his service as "personalized". He has no scheduled pickups in the Los Angeles Drayage Area, but performs this service on call between 8:00 A.M. and 7:30 P.M. daily, except Saturdays. Twice-daily pickups of bakery goods are made. One of these pickups must be made late in the day, as near to 7:30 P.M. as possible. He also makes a daily pickup of dairy products and usually one of cut flowers and seeds. General commodities are picked up as requested, with pickups being made as late as 4:30 or 5:00 P.M. for next-morning delivery in the Imperial Valley. Asscheduled line-haul truck leaves his Los Angeles dock at 8:00 P.M., and others leave prior to that time as needed. These line-haul trucks make no stops between the Los Angeles Drayage Area and the

other products are delivered via delivery trucks to their points of destination or direct by line-haul trucks. Flax is delivered to Long Beach, Buena Park, Vernon and San Fernando. Grains are delivered to Bellflower, Hynes, Fullerton, Long Beach, San Fernando, Burbank, and other points in the vicinity of Los Angeles territory. Between El Centro and Indio, deliveries are proposed to be made via the line-haul trucks.

During the months of January and February, 1950, applicant carried from the Los Angeles Drayage Area to the Imperial Valley Territory no bale ties, sacks, machinery and parts thereof, fertilizer, box shook, empty wooden boxes, brushing paper, fruit and vegetable wraps or box and crate liners. In March, 1950, he carried four shipments of these commodities, weighing a total of 10,000 pounds, an average weight of 2,500 pounds per shipment. During the month of January, 1950, applicant picked up in the Los Angeles Drayage Area, for points in the Imperial Valley Territory within five miles of the highways, 1,169 shipments weighing a total of 1,369,304 pounds of commodities other than those listed above, and excluding high explosives, automobiles, livestock, commodities in bulk, commodities requiring special equipment, and used household goods; in February, 1950, he carried 1,122 shipments weighing a total of 1,422,915 pounds; and in March, 1950, he carried 1,471 shipments weighing 2,110,446 pounds; a total of 3,762 shipments weighing a total of 4,902,665 pounds, and averaging slightly over 1,303 pounds per shipment. During the month of January, 1950, applicant carried from the

Imperial Valley Territory 66 shipments of farm products, sacks, hides, meats and meat products, machinery and parts thereof, new uncrated furniture, and dairy products, weighing a total of 868,823 pounds, destined for the Los Angeles Territory; in February, 1950, he carried 56 shipments weighing a total of 935,764 pounds; and in March, 1950, he carried 30 shipments weighing a total of 291,307 pounds; a total of 152 shipments weighing 2,595,894 pounds and averaging about 13,788 pounds per shipment. During January, February and March, 1950, he carried 480 shipments from the Los Angeles Drayage Area to Brawley; 2,754 shipments to El Centro; 103 shipments to Holtville; 405 shipments to Calexico; and 266 shipments to all other points in the Imperial Valley. In the reverse direction, during that period, he carried 49 shipments from Brawley to the Los Angeles Drayage Area; 475 shipments from El Centro; two shipments from Holtville; 63 shipments from Calexico; and 24 shipments from all other points in the valley

Exhibit No. 46 shows the following data with respect to the acrease of various crops in Imperial County:

Kind of Crop.	1941	1943 1945	1947	1949	1950
Field Garden Permanent	294,228 68,783 8,578	308,175 307,673 54,750 52,092 6,344 5,552	319,582 57,376 5,402	353,794 48,110 4,089	351,928 49,251 3,612
Total	371.589	369,257 365,317	382,360	405,993	404,741

These figures show that, during the years 1949 and 1950, there was a substantial increase in acreage cropped over the years 1941 to 1947, inclusive.

^{5/} Exhibit No. 45.

Over forty witnesses testified, at the hearings in El Centro and Indio, concerning their need for some of the services proposed by applicant. The majority of these witnesses were merchants or representatives of merchants; a few were consumers or producers, or representatives of such; all of them selected the carriers on all or a portion of their shipments; and all of them paid the freight on all of the shipments for which they selected the carriers.

Approximately sixteen of the witnesses receiving shipments from the Los Angeles Drayage Area received machinery and
parts thereof; one, fertilizer; one, bale ties, sacks, fertilizer,
box shook, empty wooden boxes, brushing paper, fruit and vegetable
wraps, and box and crate liners; and the balance received general commodities, including hardware, unwrapped and uncrated
furniture, and bakery and dairy products.

Two witnesses testified that they shipped farm products from places in the Imperial Valley to the Los Angeles Territory, and several testified that they made shipments of various general commodities from towns in the Imperial Valley, including El Centro, Brawley and Calexico, to the Los Angeles Drayage Area. A few witnesses testified that they needed applicant's proposed services between El Centro and Indio.

All but one or two of the witnesses had, at the times of the hearings, been using applicant's services, either exclusively or partially, for periods ranging from three months to twenty years. Some of the witnesses had never used the highway common carriers in the field. Two bakery goods wholesalers

required applicant's services because of his late Los Angeles
Area pickup services and early-morning deliveries in El Centro
and Brawley. Most of the witnesses supporting the request for
authority from Los Angeles to the valley testified that they
regularly need an earlier delivery than is provided by the existing highway common carriers in the field; several new furniture
dealers testified to the need for the transportation of such
furniture, unwrapped and uncrated, a service not provided by
the highway common carriers in the field. A few of the witnesses
testified that the protestant's services from Los Angeles to the
valley were second-day services, or later, in some instances.
In most cases the evidence shows that delivery in the valley by
the protesting carriers was the day-after pickup in Los Angeles,
except where weekends or holidays intervened.

Four of the witnesses receiving shipments from the Los Angeles Drayage Area desired to have shipments to any point in the Imperial Valley as the need arose. One distributes bale ties, sacks, fertilizer, box shook, empty wooden boxes, brushing paper, fruit and vegetable wraps, and box and crate liners; one distributes tractors and farm machinery; one installs air-conditioning and refrigeration equipment; and one markets fertilizer. The witness handling tractors and farm machinery testified that, between September 2, 1949, and April 30, 1950, he received, mostly via applicant's trucks, 616,573 pounds of tractors and parts. The witness handling air-conditioning equipment testified that applicant delivered

^{6/} See Exhibit No. 35 concerning services by protestant Pacific Freight Lines.

in the Imperial Valley Territory. Exhibit No. 45, introduced by the applicant, shows no shipments of machinery and parts thereof carried by applicant during the months of January and February, 1950, and only four shipments weighing a total of 10,000 pounds during March, 1950.

Excluding the witnesses who request and desire ship-

ments from Los Angeles to any and all points in the Imperial Valley, two witnesses requesting services into the valley desired shipments to Calexico; one to El Centro, Brawley, Calexico, Holtville, Imperial and Calipatria; two to the vicinity of Heber; one to a place eight miles east of Holtville; one to Brawley; one to El Centro and Brawley; and the remainder to El Centro only. Of the witnesses desiring shipments to the vicinity of Heber, one received machinery for a cattle-feeding yard at a point on U.S. Highway No. 99, and the other received meat products and machinery at a slaughter house one mile from the highway. The cattle-feed yard would be served by a carrier with authority to serve intermediate points on U. S. Highway No. 99 between El Centro and Calexico. The record contains nothing which would show that the common carriers in the field cannot, and do not, give adequate service to the slaughter house one mile off the highway in the vicinity of Heber. The witness requesting service eight miles east of Holtville on the Yuma highway operates a sand and gravel business. His needs for repair parts for machinery are casual, and he ordinarily picks up his shipments at applicant's dock in El Centro.

Two farm produce growers testified that they need applicant's services for the transportation of such products from the valley to the Los Angeles Territory.

Valley is an area in which large quantities of farm products are grown and harvested; that such products are consumed to a large extent in Los Angeles and the surrounding cities; and that in the harvest season there is a great domand for the transportation of said produce to the marketing areas. It is also common knowledge that, in growing such products and preparing them for market, fertilizer, crates, paper and other supplies are required. Also, the record shows that there are a great number of permitted carriers who, in season, transport farm products from the Imperial Valley to the Los Angeles market. The activities and rates of such carriers are not readily subject to the close surveillance which the Commission can maintain over a certificated carrier.

The record herein shows a well-established demand for the carriage of general commodities, including dairy products, machinery and parts thereof, cut flowers, bakery products, and unwrapped and uncrated furniture, from the Los Angeles Drayage Area to Brawley, Imperial, El Centro, Calexico and Holtville, and that, because of an extensive demand for later pickups in the Los Angeles Area and earlier delivery in the Imperial Valley than is afforded by the existing common carriers, the service proposed by the applicant is required by the public. The record further shows that the northbound traffic of these

A. 31104 - MP Protestant Pacific Freight Lines is the underlying carrier for protestant Pacific Freight Lines Express. Pacific Freight Lines performs a highway common carrier service between Los Angeles and the Imperial and Coachella Valleys, with, generally, unlimited rights to serve points on the main highways in the valleys, and lateral rights within five miles on either side thereof. It has ample facilities, personnel and equipment, and, at the times of the hearings, was serving Los Angeles and the valleys six days a week, excluding Sundays. Protestant Southern California Freight Lines is the underlying carrier for the protestant Southern California Freight Forwarders. These companies render a seven-day-a-week service between Los Angeles and the Imperial and Coachella Valleys for the transportation of farm produce, and a six-day-a-week service for the transportation of other commodities. These protestants have adequate facilities, personnel and equipment with which to render a complete transportation service between the places involved. Both Pacific Freight Lines and Southern California Freight Lines have authority to operate locally between El Centro and Indio in both directions. Protestants Pacific Freight Lines and Southern California Freight Lines offered testimony in support of their claim that they, respectively, rendered to shippers a satisfactory service between the Los Angeles Area and the Imperial Valley. The examiner refused to permit this evidence to be introduced. Even if it be assumed that this testimony would -34-

be unanimous in proclaiming the adequacy of the respective protestants' services, the most that could be said for this testimony would be that it only demonstrates that protestants' services are adequate as to that portion of the public now using protestents' services. Such testimony does not circumscribe the testimony of witnesses produced by the applicant, if the latter evidence shows that those witnesses, representing a substantial portion of the possible shippers and consignees in the area, are not receiving adequate service and need a new carrier. Such witnesses also represent a portion of the public which is entitled to the consideration of the Commission, and if a sufficient number of them, with substantial tonnages to be moved, testify they need the proposed service and will use it, and if their complaints about the existing services withstood the test of cross-examination, then the fact that another portion of the public, represented by the shippers using protestants' services, is presently receiving an adequate service, raises no material issue in the proceeding.

Having carefully considered the evidence of record, we find that public convenience and necessity require that applicant be authorized to operate as a highway common carrier of property as hereinafter set forth.

Lom Thompson is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate-fixing, for any amount of money in excess of that originally paid to the state as the consideration for the grant of such

Order No. 80 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.

- (c) Subject to the authority of this Commission to change or modify such at any time, Lom Thompson shall conduct said highway common carrier operations over and along the following-described routes:
 - (1) Between the Los Angeles Drayage
 Area and the Los Angeles Territory, on
 Area and the Los Angeles Territory, on
 the one hand, and the Imperial Valley,
 the one hand, over and along U.S.
 on the other hand, over and along U.S.
 Highway No. 99. Return via the reverse
 of the said route.
 - (2) Between the Los Angeles Drayage Area and the Los Angeles Territory, on the one hand, and Calipatria, Brawley, Imperial, and Calipatria, Brawley, Imperial, and Calipatria, Brawley, Imperial, and country and Calexico, on the other hand, via U.S. Highway No. 99 between the Los Angeles Drayage Area and the Los Angeles Territory to Westmoreland, Los Angeles Territory to Westmoreland, westmoreland to junction of unnumbered thence via unnumbered county road from thence via State Highway No. 111 to county road with State Highway No. 111 to thence via State Highway No. 111 to thence via State Highway No. 111 to Brawley, thence via U.S. Highway Calipatria, thence via U.S. Highway No. 111 to Brawley, thence via U.S. Highway No. 111 to Brawley, thence via U.S. Highway No. 111 to Brawley intermediate between the serving no points intermediate between the Los Angeles Territory, on the one hand, and junction of unnumbered county road and junction of unnumbered county with State Highway No. 111, on the other with State Highway No. 111, on the serving no Return via the reverse of the serving no Return via the return via the reverse of the return via the return via the return via
 - (3) Between the Los Angeles Drayage.

 (3) Between the Los Angeles Drayage the Los Angeles Territory, on the Centro a the Los Angeles Territory, on the Serving no intermediate points be serving no the other hand and Brawley, on the said route the reverse of the said route.
 - (4) Between the Los Angeles the Los Angeles Territory, and Holtville, on the oth of routes (2) or (3) about of routes (2) or (3) about U. S. Highway No. 8 via reverse of the sai

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CORRECTION

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HAS BEEN REPHOTOGRAPHED

TO ASSURE LEGIBILITY

Order No. 80 and Part IV of General Order No. 93-A by filing in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.

- (c) Subject to the authority of this Commission to change or modify such at any time, Lom Thompson shall conduct said highway common carrier operations over and along the following-described routes:
 - (1) Between the Los Angeles Drayage Area and the Los Angeles Territory, on the one hand, and the Imperial Valley, on the other hand, over and along U.S. Highway No. 99. Return via the reverse of the said route.
 - (2) Between the Los Angeles Drayage Area and the Los Angeles Territory, on the one hand, and Calipatria, Brawley, Imperial, El Centro and Calexico, on the other hand, via U. S. Highway No. 99 between the Los Angeles Drayage Area and the Los Angeles Territory to Westmoreland, thence via unnumbered county road from Westmoreland to junction of unnumbered county road with State Highway No. 111, thence via State Highway No. 111 to Calipatria, thence via State Highway No. 111 to Brawley, thence via U. S. Highway No. 99 to Imperial, El Centro and Calexico, serving no points intermediate between the Los Angeles Territory, on the one hand, and junction of unnumbered county road with State Highway No. 111, on the other hand. Return via the reverse of the said route.
 - (3) Between the Los Angeles Drayage Area and the Los Angeles Territory, on the one hand, and Brawley, Imperial, El Centro and Calexico, on the other hand, via U. S. Highway No. 99, serving no intermediate points between the Los Angeles Territory, on the one hand, and Brawley, on the other hand. Return via the reverse of the said route.
 - (4) Between the Los Angeles Drayage Area and the Los Angeles Territory, on the one hand, and Holtville, on the other hand, via either of routes (2) or (3) above to El Centro, thence via U. S. Highway No. 80 to Holtville. Return via reverse of the said route.

That, in all other respects, Application No. 31104 is denied.

The effective date of this order shall be twenty (20)

days after the date hereof.

Dated at Jos (ingeles), California, this 18th

day of <u>September</u>, 1951.

COMMISSIONERS