

Decision No. 13947

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of )  
L.T.Fletcher and Elmer Tremble,doing )  
business under the fictitious name )  
of the Service Motor Express, for an )  
order granting permission to readjust )  
certain freight class rates, minimum )  
charges, and delivery zones between )  
Los Angeles, Riverside, San Bernardino )  
and certain intermediate points in the )  
Riverside territory, and between Los )  
Angeles, and Venico, Ocean Park, )  
Santa Monica and intermediate points. )

APPLICATION NO.10054

L.T.Fletcher and L.A.Monroe, for Applicant  
R.D.Whitehead, for Riverside Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

This is an application filed by L.A.Monroe, Agent on behalf of L.T.Fletcher and Elmer Tremble, who are engaged in the operation of an automobile truck transportation service under the fictitious name of Service Motor Express, for authority to make certain readjustments of the minimum charge and in the class rates between Los Angeles and Riverside, San Bernardino and the intermediate points, bringing about both increases and decreases.

Applicants operate two routes, that between Los Angeles and Riverside, San Bernardino and certain points in the Riverside territory, and between Los Angeles and Venice, Ocean Park, Santa

Monica and intermediate points.

A public hearing was conducted by Examiner Geary at Los Angeles August 13, 1924 and the proceeding having been duly submitted is now ready for an opinion and order.

Since the filing of the original application, amendments were made thereto, viz.; Amendment to Exhibit A provides for special commodity rates between Los Angeles and Riverside-San Bernardino, including pickup and delivery in Zone 1 at Los Angeles, covering such commodities as meat, cheese, eggs, butter, lard, etc., by making changes in the defined store door pickup and delivery zones at Los Angeles and by the establishment of specific minimum charges, regardless of classification, in connection with shipments weighing over 2000 pounds, but not over 6000 pounds. The changes in the delivery zone limits at Los Angeles result in substantial reductions in much of the territory, as practically all of Zone 2 becomes part of Zone 1, most of Zone 3 is merged into Zone 2 and the greater part of Zone 4 becomes Zone 3.

There will be no increase in any of the class rates between Los Angeles and Venice, Ocean Park, Santa Monica and the intermediate points, which means that with the delivery limits as proposed at Los Angeles material reductions will result in the charges to the ocean front communities. The increases in the charges by reason of the changed class rates between Los Angeles and San Bernardino-Riverside will be offset to a material extent by the enlarged delivery limits.

A number of exhibits were introduced dealing with the rates of competing companies, the revenue and expenses during the first seven months of the year 1924, the effect of the four per cent tax upon net revenue, and the additional gross revenue applicant estimated would accrue by reason of the readjustment of the

class rates, particularly in the territory between Los Angeles and Riverside-San Bernardino.

It was shown by exhibits and testimony that the proposed rates would in practically every instance still be lower than the rates now in effect via the competing rail and automobile transportation companies. The financial exhibit for the first seven months of 1924 showed that after payment of taxes there was an operating loss of \$879.29. A check of the freight charges for three days in the month of March and two days in the month of August, comparing the revenue under the present rates with that which would accrue under the proposed rates, showed an increase of 3.64 per cent.

Upon request of the Commission copy of notice of the hearing was mailed by applicant to approximately one hundred of its principal patrons, but notwithstanding this personal notification not a single shipper appeared to protest the rate changes.

The applicant stated the adjustment had been discussed with certain shippers and that no opposition had been encountered.

Applicant's employ in the business twelve automobile trucks and five trailers, having an estimated total value of \$35,000.

After giving consideration to all of the exhibits and the testimony and reviewing the annual reports for the past two years, we are of the opinion and find that the present rates do not produce sufficient revenue to permit applicants to continue a proper and satisfactory service and that the proposed class rates, minimum charges and changed delivery limits, which bring about both increases and decreases, as set forth in the exhibits attached to and made part of the application, are justified and that the application should be granted.

In order that the Commission may be advised of the effect of the new rates, applicants will file within fifteen (15) days after the first of each month, for a period of six (6) months,

a statement for the preceding month, setting forth in detail the total revenue received, total operating expenses and the net operating revenue, segregated in accordance with the Commission's system of accounting.

The proceeding will be kept open for a supplemental order should the actual results obtained under the new rates make such action necessary.

### O R D E R

L.T.Fletcher and Elmer Tremble, operating under the fictitious name of the Service Motor Express, having filed an application with this Commission for authority to establish a new schedule of freight class rates, minimum charges and new delivery zones in connection with their automobile truck freight service, operating between Los Angeles and Riverside, San Bernardino and certain intermediate points in the Riverside territory, and between Los Angeles and Venice, Ocean Park, Santa Monica and the intermediate points, and a regular hearing having been held.

IT IS HEREBY ORDERED that L.T.Fletcher and Elmer Tremble (Service Motor Express) be and they are hereby authorized to publish and file, in a tariff to become effective within twenty (20) days from the date of this order, and thereafter to charge the class rates, the minimum charge and apply the delivery zones as set forth in the exhibits attached to and made part of the application.

IT IS HEREBY FURTHER ORDERED that the applicants submit to the Commission on or before the fifteenth day of each month, for a period of six months, a statement showing in detail the total

revenue, total operating expenses, and the net operating revenue, segregated in accordance with the Commission's system of accounting.

IT IS HEREBY FURTHER ORDERED that this proceeding be held open for a supplemental order should the Commission deem further action necessary.

Dated at San Francisco, California, this 20<sup>th</sup> day of August, 1924.

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*H. B. ...*  
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*Dwight Martin*  
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*J. M. ...*  
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Commissioners.