

Decision NO. 17523

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Lewis A. Monroe, as Agent for)
P.E. Tibbetts, an Individual, oper-)
ating an Auto Freight Service)
between Los Angeles, Hemet and)
San Jacinto, for Authority to)
Increase Certain Class Rates.)

ORIGINAL

APPLICATION NO. 13031

H.J. Bischoff and Lewis A. Monroe, for Applicant.

BY THE COMMISSION:

O P I N I O N

This is an application filed by Lewis A Monroe, as agent for P.E. Tibbetts, an individual, doing business under the fictitious name of W. & S. Truck Company, seeking authority to increase the first, second, third and fourth class rates applicable to the transportation of property by motor truck between Los Angeles on the one hand and on the other Hemet and San Jacinto.

A public hearing was held before Examiner Geary at Los Angeles September 28, 1926 and the application having been duly submitted is now ready for our opinion and order.

Applicant, in the performance of his common carrier duties, operates on a daily schedule between Los Angeles and

San Jacinto and serves the intermediate points of Perris, Etherac and Hemet. The bulk of the traffic handled at the present time consists of miscellaneous commodities and practically all of it moves eastbound from Los Angeles. The movement westbound to Los Angeles is extremely light and this condition is shown to be due to the loss of a heavy milk tonnage into Los Angeles, which tonnage is now being hauled by contract carriers, but until April of this year was handled by applicant. It is alleged the revenue derived from the milk tonnage constituted approximately 50 per cent of the total revenue received prior to May 1, 1926.

There was testimony to the effect that since the loss of the milk business the services are being conducted without profit because of the necessity of returning empty the trucks formerly carrying milk on the inbound movement. From exhibits filed it was shown that for the months of May, June and July of the current year the operating losses amounted to \$992.15; \$808.57 and \$1648.57 respectively. The operating results for the entire year of 1925 and for the first four months of 1926 reflected a slight profit, hence it is apparent that the losses suffered during May, June and July of 1926 were largely due to the failure of the milk tonnage. At the present time the reserve depreciation fund is being used to cover the operating deficit.

Applicant proposes a first class rate of 67 cents; second class 62 cents; third class 56 cents and fourth class 49 cents, resulting in an increase in the present rates of 7 cents in the first and second classes; 6 cents in the third class and 9 cents in the fourth class rate. The proposed rates, which include a pickup and delivery service, are for the first

class one-half cent lower; second no change; third one-half cent lower and fourth four cents higher than the contemporaneously effective rates of the Atchison, Topeka & Santa Fe between the same points.

There are to be no changes in the commodity rates.

Applied to the major traffic, that handled from and to San Jacinto and Hemet for the month of June, 1926, the proposed rates would produce \$270.41 additional revenue, and while this amount is not sufficient to offset at this time the entire operating loss, further increases could not be made without losing tonnage to the rail lines.

It is positive applicant must have increased revenue to properly conduct this common carrier service and were it not for the reserve depreciation fund additional capital would be necessary to continue operating.

There were no appearances in opposition, although shippers were notified of the hearing.

After careful consideration of all the facts of record we are of the opinion and find that applicant should be permitted to increase its class rates as set forth in Exhibit A of the application and that the application should be granted.

O R D E R

The above entitled application having been duly heard and submitted, full investigation of the matters and things involved having been had and basing this order on the

findings of fact and the conclusions contained in the opinion preceding this order, which said opinion is hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that applicant, P.E. Tibbetts, an individual, be and he is hereby authorized to publish and maintain a first class rate of 67 cents; second class rate of 62 cents; third class rate of 56 cents and fourth class rate of 49 cents for the transportation of property between Los Angeles on the one hand and on the other Hemet and San Jacinto, as set forth in Exhibit A attached to the application.

Dated at San Francisco, California, this 25th day of October, 1926.

H. H. Bunnell
C. C. Seaver
Frank W. ...
Leon A. Whitely

Commissioners.