

Decision No. 18449.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	}	
HIGHWAY TRANSPORT COMPANY		Application No. 13597.
for authority to increase rates.		

Gwyn H. Baker, for applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

This is an application filed by the Highway Transport Company, a corporation engaged in the transportation of freight by motor truck between San Francisco on one hand and on the other San Jose, Alviso, Agnew, Hollister, Pacific Grove, Soledad and the intermediate points, seeking authority (a) to publish in Tariff C.R.C. No. 4 a rule to provide that on shipments too bulky or heavy to be safely or readily handled by one man, shippers will furnish the additional help necessary to load and unload; (b) to restrict the present rate named in Items 840 and 850-A of Tariff C.R.C. No. 4, of 22½ cents per hundred pounds on freight of all kinds between San Jose and San Francisco, subject to a minimum weight of 2,000 pounds northbound and 8,000 pounds southbound, to apply only when the classification rate named in the tariff on the consolidated commodities is 25 cents or over; and (c) to amend the rates named in the same tariff applicable on cotton, cotton lintens, stove-pipe, sheet iron heaters, stoves, ranges, phonographs, and iron and steel articles as specifically set forth in the application.

A public hearing was held before Examiner Geary May 6, 1927, at San Francisco, and the application having been duly submitted is now ready for an opinion and order.

At the present time there is no rule in effect relating to the handling of articles of unusual bulk or weight. Prior to the issuance of the present tariff a rule was carried in Tariff C.R.C. No. 3, providing in substance that the handling of articles of a bulky or heavy nature would be subject to special rates to be agreed upon at the time of shipment. The form of this rule however did not meet tariff requirements, in that the carrier held itself out to perform a service but did not set forth a specific charge therefor. Applicant was notified by this Commission of the objectionable features, and when Tariff C.R.C. No. 3 was re-issued the old rule was omitted but through inadvertence a substitute rule in harmony with our tariff provisions was not published. The record shows that shipments of unusual weight or bulk are sometimes offered, often making it necessary to employ extra men to load or unload, and in many cases the expense incurred exceeds the actual revenue received. The proposed rule is similar to Section 2, Rule 27, of Western Classification No. 59.

The 22½ cent rate in Items 840 and 850-A applicable on freight of any description was originally established to attract movements of canned goods or freight of a similar character in sufficient quantities to fill a unit of equipment. There was no limitation placed on this rate as to the character of the commodity to be transported, with the result that single pieces of machinery weighing approximately 2,000 pounds have been transported on which the cost of handling, loading and unloading exceeded the transportation revenue, also light and bulky articles have been offered, such as cotton, which due to the bulk and shape of the bales was impossible of loading to more than 5,000 pounds to a

truck, producing a revenue of but \$11.25 for the exclusive use of a truck for the 50-mile haul from San Francisco to San Jose.

In the case of such articles as stove-pipe, stoves, ranges and phonographs the proposed change in rates is solely to re-classify these articles, which because of their inherent nature are light, bulky and easily susceptible to damage. It is apparent from the record they are now carried in many cases at rates less than the out-of-pocket costs of transportation.

The amendment to the rates on iron and steel articles is for the purpose of providing a basis for transportation in pieces measuring over 20 feet in length, for such lengths require special equipment. There will be no change in the rates on iron and steel articles 20 feet or less in length.

Witness for applicant testified that the proposed changes are not for the purpose of increasing the operating revenues but are solely to provide rates, rules and regulations in harmony with sound classification principles, and that the increase in revenue resulting from the changes would be negligible. The record indicates that many of the rates of applicant were inherited from its predecessor, Service Motor Transportation Company, when the motor transportation business was in its infancy, and were established without due regard to or understanding of the transportation characteristics of the commodities to which they were applicable.

There were no protests to the granting of the application.

After careful consideration of all the facts of record we are of the opinion and find that applicant should be authorized to amend its present rates, rules and regulations as specifically set forth in the application, and that the application should be granted.

O R D E R

This 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 which precedes this order,

IT IS HEREBY ORDERED that applicant, Highway Transport Company, a corporation, be and it is hereby authorized to publish upon not less than ten (10) days' notice to the Commission and to the public, in tariffs constructed in accordance with the rules of the Commission, the rates, rules and regulations as specifically set forth in Exhibit "A" of application.

Dated at San Francisco, California, this 1st day of June, 1927.

H. B. Bondige

C. Severy

Thos. D. Keady

Commissioners.