

Decision No. 19289.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 LEWIS A. MONROE, as agent for RUSH )  
 OPPENHEIMER for an order granting )  
 permission to establish class rates )  
 and adopt "Monroe's Ship by Truck )  
 Freight Classification" as basis for )  
 assessing freight charges in lieu of )  
 present tariff, resulting in both in- )  
 creases and reductions in rates be- )  
 tween San Diego and points served. )

Application No. 14043.

Lewis A. Monroe and H. J. Bischoff, for applicant.  
 John Ballantyne, for San Diego County Farm Bureau, protestant.  
 David B. Raeburn, for El Cajon Chamber of Commerce, protestant.  
 Jack Kellam, for Traffic Committee of Farm Bureau, protestant.

BY THE COMMISSION:

O P I N I O N

This is an application filed by Lewis A. Monroe as agent for Rush Oppenheimer, an individual, operating an automobile truck line between San Diego and Descanso, and between San Diego and Bostonia and intermediate points, for an order granting permission to establish and maintain a scale of class rates, and to adopt "Monroe's Ship by Truck Classification" to govern the transportation of property between all points served.

Applicant contends the present method of assessing freight charges is inadequate to meet the needs of the shipping public and that the establishment of the proposed rates is not sought for the sole purpose of increasing the revenues but is primarily to provide for a more satisfactory and reliable basis of rates. It is further contended that the application is the result

of demands from the shipping public for a basis of class rates to be governed by proper classification.

A hearing was held at San Diego December 14, 1927, before Examiner Geary and the proceeding having been duly submitted is now ready for our opinion and order.

At the present time applicant has two freight tariffs naming a merchandise rate and specific commodity rates, referred to as the Bostonia and Pine Valley tariffs. The former contains 16 commodity items, the latter 9 commodity items, on such articles as fresh fruit, hay, lumber, live stock and furniture. The greater portion of freight is being carried under the general merchandise rate which also applies on groceries.

The adoption of class rates in lieu of the present commodity rates will result in both increases and reductions.

Exhibit "B" attached to the petition is a traffic check for the first fifteen days of August, 1927, and shows that the revenue received under the present rates is \$32.15 in excess of the revenue that would have accrued if the proposed rates had been applied. There will be increases on certain traffic at El Cajon, Bostonia and Pine Valley and reductions on certain traffic at La Mesa, Lemon Grove and Descanso.

There was introduced at the hearing a statement of revenues and expenses for the period of seven months ending July 31, 1927, which indicates an operating loss, including depreciation, of \$1,190.35, or \$170.05 per month. According to applicant's Annual Report for the year 1926, the total revenues received from all operations were \$11,309.61, and total operating expenses, including depreciation, were \$12,563.72, resulting in an operating loss of \$1,254.11. During this period the expenses did not include any compensation for salaries.

Protestants objected to the increase of 3 cents per 100

pounds on freight subject to fourth class rates under Monroe's Classification and to the increase in rates on fresh fruits, and stated that if commodity rates were not established by this applicant certain articles would be moved by other methods. The testimony showed however that the Poultry Association and many fruit farmers were not regularly using the services of this applicant although they objected to the adjustment. The proposed first, second, third and fourth classes between San Diego and El Cajon are 30 cents, 25 cents, 20 cents and 15 cents respectively. These rates include pick up and delivery service and do not appear excessive but compare favorably with the rail rates between the same points of 25 cents, 21 cents, 17½ cents and 15 cents for the same classes of freight, which rail rates apply from depot to depot only.

Beginning January 1, 1927, it will be necessary for applicant to provide for a 5% gross revenue tax amounting to approximately \$560.00 per annum. The payment of this gross revenue tax was contested in the courts and no payments made until July, following the court decision.

Upon consideration of all the facts of record, we are of the opinion and find that this applicant is not earning operating expenses, including depreciation and taxes, and should be authorized to establish and maintain the proposed adjustments. The application will be granted.

#### O R D E R

This application having been duly 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, Rush Oppenheimer, be and he is hereby authorized to adopt "Monroe's Ship by Truck

Freight Classification" and 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 and regulations of the Commission, the rates, rules and regulations set forth in Exhibit "A" of the application.

Dated at San Francisco, California, this 23<sup>rd</sup> day of January, 1928.

Lionel Whitney

Chas. E. Seaver

Ernest C. ...

John D. ...

M. J. ...  
Commissioners.