

Decision No. 13448 .**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 LEWIS A. MONROE as Agent for W. W. )  
 WOOD, operating Warner-Julian and )  
 Cuyamaca Truck Line, for an order )  
 granting permission to publish and )  
 file new local freight tariff show- )  
 ing certain commodity rates, also )  
 class rates, to be governed by Mon- )  
 roe's "Ship by Truck" Freight Class- )  
 ification in lieu of present tariff. )

Application No. 13987.

Lewis A. Monroe and E. J. Bischoff, for applicant.

BY THE COMMISSION:

O P I N I O N

This is an application filed by Lewis A. Monroe as Agent for W. W. Wood, an individual operating an automobile truck line under the fictitious name of the Warner-Julian and Cuyamaca Truck Line, for the transportation of freight between San Diego on the one hand and on the other Warner's Hot Springs, Julian, Cuyamaca and the intermediate points, seeking authority to establish a scale of class rates, first, second, third and fourth classes, to be governed by a uniform freight classification and to establish certain special commodity rates as set forth in the petition. The proposed adjustment will result in both increases and reductions in the present rates.

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

Applicant's present tariff, C.R.C. No. 1, provides specific rates on a limited number of commodities such as dairy and agricultural products, tanks, oils and stovewood, with all other articles charged the rates provided for "General Merchandise". It is contended the present tariff is not sufficient for the movement of a large number of commodities differing widely in their inherent transportation characteristics, is inadequate to meet the transportation requirements, and results in the assessing of inconsistent charges which do not provide sufficient revenue to cover the cost of operation. The proposed adjustment it is claimed will eliminate the inconsistencies now prevailing.

Applicant submitted exhibits showing that the gross revenue for the first 8 months of 1927 was \$38,442.75 and the operating expense \$11,231.27, or a claimed loss of \$2,788.52. Included in the expense is an item of \$1,130.60 for gas and oil, of which amount \$482.34 was charged for the month of August. This amount appears excessive when compared with the average monthly expense for gas and oil for the first 7 months of 1927 of but \$92.61. Based on the gross receipts the traffic handled during August was 138 per cent. greater than the monthly average for the preceding 7 months; hence on this basis gasoline and oil would not have exceeded \$220.44 for August and \$868.71 for the full 8 months. Wages for drivers for the period is set forth as \$2,954.62, but this includes \$500.00 for the construction of a terminal depot, therefore this amount is a proper charge to the capital account. Taxes are shown as \$1,006.03, including the state gross receipt tax of 5%. During 1926, exclusive of the 5% gross tax, they averaged \$10.79 per month, and assuming this to be a fair property tax for the first 8 months of 1927 it would appear that the amount charged to taxes, including 5% on the gross receipts of \$38,442.75,

should be approximately \$508.45 and not \$1,006.03. Depreciation on equipment valued at \$10,200 has been charged at the rate of 20% per annum, or \$1,360.00 for the 8 months' period. The equipment includes one truck built in 1918 and one built in 1920, purchased by applicant in 1925 for \$3,500.00, thus indicating that these trucks have a longer life than five years and that new trucks should not be depreciated on a 20% basis. Likewise the alleged value of \$10,200 for all present equipment is \$911.48 in excess of the value stated in applicant's 1926 Annual Report, although the record indicates no new equipment added in 1927. The maintenance expense also appears excessive. For the 8 months' period applicant has charged to this account \$1,471.74, or approximately \$2,207.64 for a 12 months' period. During the year 1926 in the operation of the same equipment the maintenance expense was \$1,479.64.

Based on a check of the traffic moved from June 1 to June 15, 1927, which applicant claims is a representative period, the proposed rates if in effect would have produced an increase in revenue of about \$1,633.84 for the first 8 months of 1927, or \$2,450.76 for the year.

Applicant also claims that the operations during 1926 were conducted at a loss, but the Annual Report for that year does not bear out this contention. The revenues for 1926 were \$15,826.32 and the expenses, including taxes and depreciation but excluding interest, were \$13,138.37, a net transportation profit of \$2,687.95.

The establishment of a comprehensive, equitable and uniform rate structure governed by a proper classification is to be desired in the interest of the shipping public and of the carrier. It may be that this applicant is entitled to relief, but the financial statements and figures presented are so

conflicting and erroneous that the record totally fails to show a justification for the proposed adjustment. Applicant should inaugurate a proper system of accounting in conformity with our rules and regulations and should give study to a more equitable schedule of the class rates.

We must conclude and find that the application should be denied and the proceeding dismissed, without prejudice to the filing of a new application.

O R D E R

A public hearing having been held in the above entitled proceeding, evidence having been submitted by the applicant, and the Commission being fully advised,

IT IS HEREBY ORDERED that the application of W. W. Wood, operating under the fictitious name of Warner-Julian and Cuyamaca Truck Line, to adjust class and commodity rates and adopt Monroe's "Ship-by-Truck" Freight Classification, be and the same is hereby denied, without prejudice.

Dated at San Francisco, California, this 10th day  
March of ~~February~~, 1928.

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*C. S. ...*  
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*Thos. S. ...*  
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*M. J. ...*  
Commissioners.