

Decision No. 19507.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 W. L. WARNER, operating under the)
 fictitious name of SACRAMENTO AUTO)
 TRUCK COMPANY, for an order grant-)
 ing permission to establish revised)
 rates, rules and regulations and)
 adopt Northern California Auto Traf-)
 fic Bureau Freight Classification to)
 govern the transportation of proper-)
 ty by auto truck between Sacramento,)
 Davis and Woodland.)

ORIGINAL

Application No. 14266.

W. L. Warner, in propria persona.

BY THE COMMISSION:

O P I N I O N

This is an application by W. L. Warner, owner of an automobile truck line operated under the fictitious name of the Sacramento Auto Truck Company between Sacramento and Woodland via Davis, seeking permission under the provisions of Section 4 Auto Stage and Truck Transportation Act and of Rule No. 21 of General Order No. 80, to publish a revised freight tariff showing class and commodity rates and rules and regulations governing the same, also to adopt the Northern California Auto Traffic Bureau Freight Classification. The proposed rates are as shown in Exhibit "A", attached to and made part of the application, and will result in both increases and reductions.

A public hearing was held at Sacramento before Examiner Geary on March 13, 1927, and the matter having been submitted is now ready for our opinion and order.

The application sets forth that the present tariff

provides for only three class rates and is governed by the individual classification of the applicant, which contains but a few commodities and therefore is not suitable to the very large number of commodities now being transported.

This applicant also operates the Winters Truck Company, serving Sacramento, Davis and Winters, and the two operations parallel each other between Sacramento and Davis. The freight rates via these truck lines, although owned by one operator, are not the same. Some of these rates between Sacramento and Davis are higher by the Sacramento Auto Truck Company than via the Winters Truck Company and in other cases they are lower. The gravamen of the application is to equalize the rates between Sacramento and Davis and remove the controversy brought about by the conflicts in the rates.

The operations between Sacramento and Woodland involved in this proceeding were originally granted to C. M. Ray, Application No. 3832. Ray transferred to Warner and Nickerson, Application No. 6271. Nickerson transferred to W. L. Warner, Application No. 8432. By authority of Application No. 10939 Warner purchased the operating rights of Claude Sears between Sacramento, Davis and Winters, and as heretofore stated Warner now operates two independent lines between Sacramento and Davis, with rates which are not on a parity.

The Annual Reports for the years 1925, 1926 and 1927 consolidate the revenues and expenses of the Sacramento Auto Truck Line and the Winters Auto Truck Line, and it is therefore impossible to ascertain just what the net profit or loss was in connection with either operation. The combined operations during these three years show the following results:

1925	Net operating profit	\$3.60
1926	" " loss	\$464.46
1927	" " profit	\$590.79

The favorable results obtained in 1927 were due in part to the fact that in this year applicant purchased two new trucks and as a result the expense item for repairs was reduced (comparing 1926 with 1927) from \$1,127.42 to \$757.23, or \$370.19. Depreciation charge was likewise reduced. In 1926 it was \$2,400 and in 1927, \$1,900, a reduction of \$500. Apparently from the testimony given the depreciation charge in 1926 was in excess of the requirements by reason of the fact that certain of the automobiles had already been depreciated their total value. Applicant should correct this situation and in future charge no depreciation against properties which have already been depreciated 100 per cent.

The total assets of applicant as of December 31, 1927, were \$9,837. The revenue under the proposed rates cannot be accurately estimated, but from a check made of the tonnage January 1 to June 30, 1927, the proposed rates will increase revenue approximately \$400 per annum.

The freight rates between Sacramento and Davis should be the same via both truck lines operated by this applicant, and from the facts developed it is manifest that additional revenue is needed and applicant should be authorized to publish the proposed changes.

We conclude and find, in view of the circumstances of record in this proceeding, that the present freight rates are unreasonable and that applicant should be permitted to establish the class and commodity rates as set forth in Exhibit "A" attached to and made part of the application.

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 preceding opinion, which said opinion is

hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that W. L. Warner, doing business under the fictitious name and style of the Sacramento Auto Truck Company, be and he is hereby authorized to establish within twenty (20) days from the date hereof, in appropriate tariffs, the freight rates applying between Sacramento, Davis and Woodland as set forth in Exhibit "A" attached to and made part of the application.

Dated at San Francisco, California, this 21st day of March, 1928.

C. L. Scammon

Emmett Scott

Thos. J. Hottel

M. J. Cunniff
Commissioners.