

Decision No. 21586.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
MOTOR SERVICE EXPRESS for permission) Application No. 15804.
to increase its rates.)

H. J. Bischoff for Applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

Applicant herein requests authority of the Railroad Commission to increase its rates for the transportation of property between Los Angeles on the one hand, and Santa Monica, Venice and Ocean Park and intermediate points on the other hand. This division is referred to as the "Short Line" to distinguish it from other routes to various points over which applicant presently operates a similar service. The application prays for general readjustment of rates, chiefly upward, so as to make them conform to rates charged by applicant's chief competitor, Rice Transportation Company, operating between the same points.

A public hearing was held by Examiner Gannon in Los Angeles, the matter was submitted, and is now ready for decision.

Attached to the application are exhibits setting forth rates in effect at present, and rates of Rice Transportation

Company, which it is proposed to adopt. Also appended to the application are statements showing operating expenses and revenue for the calendar year 1928 and for the first six months of 1929. According to these statements applicant sustained a net operating loss in 1928 on all its divisions of \$11,707.11, and in the first six months of the current year a loss of \$1244.90. The operating revenue from the short line in 1928 was \$11,072.54 and for the first half of 1929 amounted to \$6,598.08.

The general manager of applicant company testified that the Short Line has been operating at a loss and that the proposed rates if applied to its 1928 business would have resulted in an increased revenue of \$830.04, and against its 1929 business would have produced approximately \$1000. additional revenue. Applicant contends that the rates proposed will amount generally to an increase of 7½ percent in its operating revenue. This figure is arrived at by tabulating all shipments transported over two ten-day periods, one in June and one in July of this year, showing the revenue from each such shipment under the present and under the proposed rates. The rates proposed would not in any instance affect shipments of one hundred pounds or less on which there is a minimum charge, and which, according to the testimony of this witness constitute the bulk of the shipments to and from the territory involved.

We believe the record herein justifies the granting of the application and it will be so ordered. There is no protest against the application and it seems clear, in view of applicant's financial condition, that the rates based upon those

of its competitor in the same territory are reasonable for the service performed, and that applicant is entitled to have the benefit of such increased revenue as the new rates may create in this particular division.

ORDER

A public hearing having been held in the above entitled proceeding and the Commission being fully advised in the matter,

IT IS HEREBY ORDERED that Motor Service Express be permitted to establish class, commodity and hourly rates for transportation of freight between Los Angeles and points named in the application as more specifically designated in Exhibit "B" attached to and made a part of such application, provided such rates are published on not less than ten (10) days' notice to the Commission and the public in tariffs constructed in compliance with our General Order No. 80.

Dated at San Francisco, California, this 19th day of September, 1929.

Thos D. Lott
Chas. W. Black
Leon A. Whelan
W. J. Linn
Commissioners.

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Ed. Lewis
Edw. W. Black
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M. J. Lane
Commissioners.