

Decision No. 10904

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
E. H. SHULL for certificate of public  
convenience and necessity to operate  
freight truck service between Los  
Angeles and Oakland, San Francisco  
and Berkeley, and certain intermediate  
points.

Application No. 7345

ORIGINAL

In the Matter of the Application of  
CALIFORNIA HIGHWAY EXPRESS, a corpora-  
tion, for certificate of public conven-  
ience and necessity to operate motor  
truck service for transportation of  
certain personal property between San  
Francisco and Los Angeles and Los  
Angeles and San Francisco, and inter-  
mediate points.

Application No. 7376

Milton Marks for Applicants  
L. N. Bradshaw for Southern Pacific Company,  
Protestant.  
Edward Stern for American Railway Express Company,  
Protestant.  
E. T. Lucey for Atchison, Topeka and Santa Fe  
Railway Company, Protestant.  
Harry W. Blair for San Joaquin Valley Transportation  
Company, Protestant.

BY THE COMMISSION.

S-U-P-P-L-E-M-E-N-T-A-L O-P-I-N-I-O-N.

E. H. Shull, applicant in Application No. 7345, has peti-  
tioned the Railroad Commission for a modification of the provi-  
sions of Decision No. 10063 on said application as decided

February 8, 1922, insofar as said decision provided a basis of  
rates on crated household goods, trunks and personal effects,  
and ordinary and grand pianos, and seeks authority for the estab-  
lishment of a basic rate of \$4.40 per cwt. between Los Angeles  
and San Francisco on all commodities authorized to be transported  
under the provisions of Decision No. 10063 hercinabove referred

to, with a graduated scale of rates to intermediate points predicated on mileage traversed and the proposed rate between the terminals of Los Angeles and San Francisco.

California Highway Express, a corporation, applicant in Application No. 7376, has petitioned the Railroad Commission for a modification of the provisions of Decision No. 10063 on said application as decided February 8, 1932, insofar as said decision provided a basis of rates on crated household goods, trunks and personal effects, and ordinary and grand pianos, and seeks authority for the establishment of a basic rate of \$4.40 per cwt. between Los Angeles and San Francisco on all commodities authorized to be transported under the provisions of Decision No. 10063 heretofore referred to, with a graduated scale of rates to intermediate points predicated on mileage traversed and the proposed rate between the terminals of Los Angeles and San Francisco.

A public hearing on the petitions for modification of Decision No. 10063 was conducted by Examiner Handford at San Francisco, at which time the matters were consolidated for the purpose of receiving evidence and for decision, were duly submitted and are now ready for decision.

Chester A. Nelson, a witness for applicant, California Highway Express, testified that the cost of operation for trucks used by his company averaged 37<sup>5</sup>/<sub>100</sub>¢ per mile or a total cost of \$157.50 to operate a truck between Los Angeles and San Francisco. On this basis a capacity load between Los Angeles and San Francisco at the rate allowed by Decision No. 10063 for crated household goods ( \$2.64... per cwt.) would return a revenue of \$138.50, or a net loss of \$19.00. The average load carried is approximately 70% of the truck capacity and assuming 3,675 pounds to be the

average load, if it consisted entirely of crated household goods at the rate of \$2.64 per cwt. it would return a revenue of \$97.02 at an operating cost of \$157.50 resulting in a deficit of \$60.48. If the proposed rate of \$4.40 per cwt. were to be allowed, and assuming the average load to be 70% of the truck capacity or approximately 3,675 pounds, a shipment moving between San Francisco and Los Angeles would return a revenue of \$161.70 against an operating cost of \$157.50 or a profit of \$4.20. It appears, however, that but 10% of the household goods offered for movement over the line represented by this witness are crated, therefore the rate of \$4.40 per cwt. as already authorized for shipments of uncrated household goods between Los Angeles and San Francisco by the provisions of Decision No. 10063 is now effective for the applicant on approximately 90% of the household goods which are handled.

E. H. Shull, a witness for applicants, testified that his trucks could care for a maximum capacity of 6,000 pounds of household goods if uncrated and but 4,200 pounds if crated, the larger capacity if uncrated being due to his ability to more compactly stow uncrated household goods when loading on trucks. This witness estimates his operating cost at 30¢ per car mile or a cost per trip between San Francisco and Los Angeles of \$126.00. Based on this operating cost the return on a capacity load of 6,000 pounds of uncrated household goods at the rate of \$4.40 per cwt. (as authorized by Decision No. 10063) would return a gross revenue of \$264.00. or a profit of \$138.00; and on a capacity load of 4,200 pounds of uncrated household goods at the rate of \$2.64 per cwt. (as authorized by Decision No. 10063) would return a gross revenue of \$110.88 or a net loss of \$15.12. This witness testified that his trucks carried an average of 75% of their maximum capacity and using such figure a load of crated household goods transported between San Francisco and Los Angeles would produce

a net loss of \$42.84 at the present authorized rates and a net profit of \$12.60 at the proposed rate.

As to the matter of rate on pianos it was testified that the average weight of an upright piano was 650 pounds and that of a grand piano 900 pounds. The rates for transportation of pianos as authorized under Decision No. 10063 between San Francisco and Los Angeles were \$15.00. each for uprights and \$17.50 each for grand pianos. Under the proposed rate of \$4.40 per cwt. the rate for transportation of pianos of the average weight above stated would be for uprights \$28.60 and for grand pianos \$39.60.

It appears from the evidence that in the consideration of the contractual relations between the applicants and the California Transfer and Storage Association, as referred to in the opinion preceding the order in Decision No. 10063, that the Commission was not then advised of the fact that no commission was paid by applicants for the securing of business by the members of the California Transfer and Storage Association when such business consisted of crated furniture or household goods, trunks and personal effects, or pianos, the commission being paid only upon the uncrated household goods and furniture. In actual practice it has been found difficult to segregate the various classes of commodities which applicants herein are authorized to transport and to readily secure accurate weights as applicable to the several classes. It also appears that the volume of crated furniture and household goods, trunks and personal effects, and pianos is not material being, in the case of either applicant, not over 20% of the business transacted and the granting of the application and placing of all the authorized commodities on a flat rate of \$4.40 per cwt. will not alone eliminate the handling of such commodities, upon which the increase is effective, at a loss,

but will facilitate the service of both applicants in that it will be unnecessary to separately weigh the various articles in order to properly classify same under the rate structure as herein before authorized under Decision No. 10063.

Although protestants were present and represented by counsel, there was no evidence offered in protest against the granting of the applications.

O-R-D-E-R.

A public hearing having been held in the above entitled proceedings, the matters having been consolidated for the purpose of receiving evidence and decision, and having been duly submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that the portion of the Commission's decision on Application No. 7345 and 7376 (Decision No. 10063 decided February 8, 1922, ) reading as follows:

"The rates herein authorized to be published by" applicants herein for the service proposed to be rendered shall be as follows:

Between San Francisco & Los Angeles.

|                                 |                 |
|---------------------------------|-----------------|
| Household goods etc. - uncrated | \$4.40 per cwt. |
| Household goods etc. - crated   | 2.64 per cwt.   |
| Trunks and personal effects     | 2.00 per cwt.   |
| Pianos - Ordinary               | 15.00 each      |
| Pianos - Grand                  | 17.00 each. "   |

be and the same hereby is amended as follows,

"Between San Francisco & Los Angeles.

Household goods, etc. - crated or uncrated,  
trunks and personal effects, pianos - ordinary  
and grand, - \$4.40 per cwt."

In all other respects the conditions of the former order in this proceeding (Decision No. 10063) remain in full force and effect.

Dated at San Francisco, California, this 24<sup>th</sup> day of August, 1922.

H. B. Blanding  
James Martin

J. S. Bland  
Commissioners.