

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
Motor Transportation Companies to
Increase Express and Freight Rates,
as follows:

	Applications
Kellogg Express Company.	3845
Peoples Express Company.	3846
American Transfer & Storage Company.	3847
Austin Freight & Transportation Company.	3848
Oakland Parcel Delivery.	3849
B-Line Transfer Company.	3850
Merchants Express & Draying Company.	3851
Williams' Motor Express Company.	3852
Santa Fe Express & Draying Company.	3853
United Transfer Company.	3854

C.L. Bolt, for Kellogg Express Company.
L.A. Aborelli, for Peoples Express Company.
M.A. Casenave, for American Transfer & Storage Company.
W.P. Scott, for Austin Freight & Transfer Company.
H.L. Hinman, for Oakland Parcel Delivery.
C.C. Chappell, for B-Line Transfer Company.
H.L. Hinman, for Merchants Express & Draying Company.
S.S. Williams, for Williams Motor Express Company.
C.D. Rasmussen, for Santa Fe Express & Draying Company.

LOVELAND, COMMISSIONER:

O P I N I O N

These are applications by ten automobile transportation companies seeking increases approximating 20% in their freight rates for the transportation of merchandise between San Francisco, Oakland, Berkeley, Alameda and intermediate points; also between Oakland, Hayward, San Leandro, San Lorenzo and intermediate points.

With the exception of the Williams Motor Express Company, the activities of these applicants are between San Francisco, Oakland, Berkeley and Alameda. The Williams Motor Express Company operates

between the outside points enumerated above in connection with the Santa Fe Express & Draying Company under a through joint tariff. The Santa Fe Express & Draying Company and the B-Line Transfer Company are also parties to joint tariffs, publishing through rates between San Francisco and Richmond, via Oakland, in connection with the Richmond Motor Express.

The United Transfer Company, Application No. 3854, made no appearance at the hearing, therefore no consideration will be given to its application in this opinion and order.

Present and proposed rates and changes in rules sought by these applicants are set forth below:

GENERAL FREIGHT

PRESENT AND PROPOSED RATES

<u>Weight</u> <u>Pounds</u>	<u>Zone 1</u>		:	<u>Weight</u> <u>Pounds</u>	<u>Zone 2</u>	
	<u>Present</u>	<u>Proposed</u>			<u>Present</u>	<u>Proposed</u>
1-20	15	18	:	1-10	15	18
21-50	20	24	:	11-20	20	24
51-75	25	30	:	51-75	30	36
76-100	30	36	:	76-100	35	42

WEIGHTS OVER 100 POUNDS

ZONE 1 - present:

For all weights over 100 pounds add to the above 20¢ per 100 lbs. Less than 100 pounds the above first class rate will be charged. Articles classified "S" will be charged for at the rate of 30 cents per 100 lbs.

Proposed:

For all weights over 100 pounds add to the above 24¢ per 100 lbs. Articles classified "S" will be charged for at the rate of 36¢ per 100 lbs. Less than 100 lbs. the above first class rate will be charged.

ZONE 2 - Present:

For all weights over 100 pounds add to the above 25¢ per 100 lbs. Articles classified "S" will be charged for at the rate of 35¢ per 100 lbs. Less than 100 lbs. the above first class rate will be charged.

Proposed:

For all weights over 100 pounds add to the above 30¢ per 100 lbs. Articles classified "S" will be charged for at the rate of 42¢ per 100 lbs. Less than 100 lbs. the above first class rate will be charged.

GROCERIES

ZONE 1 - Present:

17½¢ cwt. with a 25¢ minimum charge and minimum weight 140 lbs.

Proposed:

20¢ cwt. with a 25¢ minimum charge and minimum weight 125 lbs.

ZONE 2 - Present:

20¢ cwt. with a 25¢ minimum charge and minimum weight 125 lbs.

Proposed:

22½¢ cwt. with a 25¢ minimum charge and minimum weight 112 lbs.

The zones mentioned refer to the territory wherein the rates cover free pickup and delivery service, as follows:

OAKLAND, BERKELEY and ALAMEDA

Zone 1

All of Alameda and that part of Oakland south of 40th Street and west of 23rd Avenue.

Zone 2

All of Berkeley or Oakland outside Zone 1 and extending to the city limits.

SAN FRANCISCO

Zone 1

All territory bounded by Bay Street on the north, Fillmore Street on the west (Transport Dock and Presidio not included-apply Zone 2 rate), 16th Street to Potrero Avenue to 22nd Street to Minnesota Street.

Zone 2

West of Fillmore to 25th Avenue South, Sunset and 25th Avenue Richmond, west of 16th Street to 26th Street.

General publicity of the filing of these applications and the date of hearing were given through the public press and by individual notices to interested firms, but no one appeared in opposition.

Under the provisions of Chapter 213, Laws of 1917, this Commission has jurisdiction only over transportation furnished by auto trucks between fixed termini and not operating exclusively within the limits of an incorporated city or town. All the petitioners handle a large volume of business locally within the cities through which they operate and over which charges this Commission has no jurisdiction. Their books are not kept in a manner permitting of comprehensive segregation between the strictly local traffic moved under the rates sought to be increased. There is absolutely no way in which to ascertain the expenses chargeable to the two different classes of transportation, for the reason that the service is performed by the same employees and the same vehicles.

Testimony of all the witnesses was along practically the same lines and this was, in substance, to the effect that since the outbreak of the war, in 1914, all costs entering into the operation of their properties has increased and this is especially true of the charges comparing the year 1917 with 1918. It will not be necessary to reproduce in detail the claimed increases in the prices of materials and supplies. These show changes upward ranging from 14% to 90%. The greatest items of expense are in the wages of their men and overtime allowances, and for hay, grain and automobile supplies.

The Merchants Express & Draying Company presented a statement showing certain expenses for the month of July, 1917 and the cost of the same items for the month of July, 1918. This statement, which is characteristic of the operations of all these applicants, shows that recently wages of truck drivers and teamsters were increased 50 cents per day, that these employees were allowed an increase of 15 cents per hour for overtime and the working day reduced from ten hours to nine hours. This is an additional

monthly expense of \$352.00, or 12%, in wages and \$205.09, or 400%, in the payment of overtime, basing on a nine hour day instead of ten hours, testimony being to the effect that the work is so arranged most of the employees are kept on duty ten hours. Hay has increased from \$21.00 to \$30.00 per ton, or 43%; barley and oats from \$55.00 to \$62.00 per ton, or 15%; the rates for transporting trucks and the freight they carry, via the Ferry Route of the Southern Pacific Company between San Francisco and East Bay points, was raised 25%, effective June 25, 1918, in compliance with an order of Director General of Railroads McAdoo, which increase means to the Merchants Company \$326.89 per month. The added costs of this company, as shown by the statement comparing the estimates for the month of July, 1918 with the corresponding month of 1917, make a total of \$1585.92 and it is alleged these increases, which do not take into consideration the depreciation on auto trucks, horses, wagons, harness or other property devoted to the service, produce a deficit. The gross business has increased somewhat, but not in sufficient volume to take care of the added costs of operation.

Under existing conditions, due to the abnormal advances in operating expenses and in materials used, I am of the opinion that the rates now in effect are unremunerative and that the applications should be granted. It is suggested that petitioners establish a more thorough method of bookkeeping and that they be in a position to advise the Commission the results obtained from these changes in rates.

I submit the following form of order:

O R D E R

The Kellogg Express Company, Peoples Express Company, American Transfer & Storage Company, Austin Freight & Transportation Company, Oakland Parcel Delivery, B-Line Transfer Company, Merchants Express & Draying Company, Williams' Motor Express Company, Santa Fe Express & Draying Company, having applied to this Commission to increase certain rates and rules for the transportation of freight between San Francisco, Oakland, Berkeley, Alameda, Hayward, San Leandro, San Lorenzo and intermediate points, as set forth in the opinion, and a ~~regular~~ hearing having been held and the Commission being fully apprised in the premises and basing its order on the opinion which precedes this order.

IT IS HEREBY ORDERED that these transportation companies are hereby authorized to establish and publish in tariffs to be filed with this Commission within twenty days from the date of this order the rates set forth in the applications and the opinion which precedes this order.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 17th day of July, 1918.

Edmund C. Edgerton
H. D. Loveland
Alex. L. Kirk