

Decision No. 6749

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of Port Costa Warehouse & Dock Company for authority to increase warehouse rates.)	
)	
)	APPLICATION NO.4929
)	

In the matter of the application of California Wharf & Warehouse Company for authority to increase warehouse rates.)	
)	
)	APPLICATION NO.4930
)	

IN the matter of the application of Grangers Business Association for authority to increase warehouse rates.)	
)	
)	APPLICATION NO.4931
)	

Sanborn & Roehl, by H. E. Sanborn, for Applicants.

MARTIN, Commissioner.

O P I N I O N.

Applicants herein operate public warehouses at Port Costa, properties involved being contiguous to each other and constructed over tide lands on the south side of Carquinez Straits. These warehouses and their supporting wharves were built primarily to meet the demands of the export trade in grain, approximately 90% of all business handled being loaded to deepsea craft for direct shipment to Europe. Since Port Costa is not a logical place for growers to store their grain for long periods, and because of the necessity for applicants to reserve a large amount of space in their warehouses for handling grain directly through to ships, it follows that their gross revenues will be strongly affected by whatever changes are made from time to time in the wages of employees necessary to effect a rapid transfer of cereals from car or river craft to deepsea vessels.

The service performed by applicants being similar if not identical in all particulars, their present charges are likewise identical, and the request for increased rates in each case is the same. For these reasons the applications were heard together, it being stipulated that facts developed by the testimony in a given instance might be deemed as applying to all.

Present rates, rates proposed in the applications and resulting increases are shown in parallel columns in the following table:

WAREHOUSE CHARGES

- On Grain -

Rates in Cents Per Ton

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
Weighing and loading into cars	25	40	15
Weighing and delivering to ship - Direct from car to craft	25	40	15
Direct from warehouse	20	35	15
From dump (in warehouse or on dock) if loaded within 2 days	35	50	15
From cleaner or grader dumps	20	35	15
Weighing or repiling option lots	25	40	15

- On Screenings and Rejections -

Weighing rejections without additional service	10	15	5
Weighing screenings	15	25	10
Weighing and piling screenings on grader	25	40	15
Weighing and loading screenings into cars	30	50	20

- Tolls -

Grain delivered from craft to ship at dock, including weighing	25	35	10
---	----	----	----

Additional charge proposed

For labor receiving, i.e., handling, trucking, weighing and piling		25	25
---	--	----	----

Applicants base their request upon the showing that subsequent to November 27, 1917,- at which time their present rates were established by the Commission in Decision No.4901,- it has been necessary to increase by 60% the wages of all warehouse laborers. Said employees received on November 27, 1917, 50 cents per hour each, which wage was later voluntarily increased to 60 cents per hour and on September 2, 1919, again advanced, under stress of strike conditions, to 80 cents per hour per man. It is asserted by applicants that the imperative need for meeting the demands of labor in this case is attested by the fact that thousands of tons of grain deposited on river banks and in danger of great damage, could not otherwise have been expeditiously handled; it is further alleged that the present rates charged by applicants for the services indicated in the foregoing table "are wholly inadequate by reason of the increased cost of labor."

A hearing on the applications was held in San Francisco on September 19, 1919, at which time oral testimony and certain financial statements were submitted in support thereof. These statements are not uniform as to periods covered, and may not here be usefully quoted in full, but for the latest twelve-months period reported the net operating revenue of each is as follows:

Port Costa Wnso. & Dock Co.	* \$ 4,164.31
California Wharf & Wnso. Co.	# 15,700.96
Crangers' Business Assn.	# 25,602.25

* Calendar year - 1918.
Year ending May 31, 1919.

The above showing does not include depreciation of buildings and equipment nor interest on investment, except as to Port Costa Warehouse & Dock Company against which an arbitrary depreciation charge of \$5000. is written; and, as may be seen, covers a period antedating the principal increase in wages.

California Wharf and Warehouse Company estimates that the

latest advance in wages/ ^{will} increase its annual payroll by \$27,000., and that other increases necessary in the office payroll will add another \$1500.; this company, if normal conditions prevail, would expect, under increased rates requested, additional revenue amounting to \$25,000. or \$30,000. Port Costa Warehouse & Dock Company estimates that its entire expense for the present season will be increased 40%, or about \$27,000.. while estimated additional revenue which the proposed increases would produce for the same period is placed at \$25,000. Grangers Business Association produced no figures to show its increased operating expenses under the new wage scale, but its probable additional revenue was estimated by its principal witness to be not more than \$30,000. In other words, it is claimed by applicants, and the testimony supported such claim, - that the purpose of the present proceeding is to preserve, as nearly as possible the 1918 status of these companies, by protecting their revenues to a point that will insure continued good service.

There was no one present at the hearing to oppose granting the application, notwithstanding the usual publicity and a showing by the testimony that the matter had been laid before the commercial bodies of San Francisco, where 90% of applicants' patrons are engaged in business.

From the testimony presented at the hearing, and from all the facts surrounding the peculiar warehouse service necessary to meet operating requirements at applicants' warehouses at Port Costa, I am of the opinion that the proposed increases have been justified and should be authorized. I recommend the following form of order,

O R D E R

Port Costa Warehouse & Dock Company, California Wharf and Warehouse Company, and Grangers' Business Association each having applied to this Commission for authority to increase warehouse

charges as per Exhibit "A" accompanying the applications, a hearing having been held thereon, the matter having been submitted and being now ready for decision,

IT IS HEREBY FOUND AS A FACT that the present rates of applicants insofar as they conflict with rates set forth herein are unjust, unreasonable and non-compensatory, and that rates fixed herein are just and reasonable charges for the services indicated.

Basing its order upon the foregoing finding of fact and upon other facts contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Port Costa Warehouse and Dock Company, California Wharf and Warehouse Company, Grangers' Business Association be and they are hereby authorized to publish and file within twenty (20) days from date hereof and thereafter collect, for the services indicated, the following rates,- applicable at Port Costa:

WAREHOUSE CHARGES

-On Grain -

	<u>Per Ton</u>
Weighing and loading into cars	\$.40
Weighing and delivering to ship	
Direct from car to craft	.40
Direct from warehouse	.35
From dump (in warehouse or on dock), if loaded within two days	.50
From cleaner or grader dumps	.35
Weighing or repiling option lots	.40
- On Screenings and Rejections -	
Weighing rejections without additional service	.15
Weighing screenings25
Weighing and piling screenings ex-grader40
Weighing and loading screenings into cars	.50

TOLLS

- On Grain -

Per Ton

Weighing and delivering from craft to ship at dock .35

ADDITIONAL HANDLING CHARGE

(Applicable only on commodities received for storage) Per Ton

Receiving, - i.e., handling, trucking, weighing and piling .25

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 this 3^d day of ~~September~~ October, 1919.

Edwin C. Edgerton
H. D. Boyd
Frank Nelson
Waring Morrison
Commissioners.