

Decision No. 7709

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
Santa Fe Express & Draying Co.,)
Merchants Express & Draying Co.,)
American Transfer & Storage Co.,)
Peoples Express Co.,)
Kellogg's Express Co.,)
Hull, Weider Transfer & Storage Co.,)
Austin Freight & Transportation Co.,)
Williams Motor Express & Draying Co.,)
United Transfer Co.,)
Oakland Parcel Delivery,)
Richmond Motor Express Company,)
for a horizontal increase of twenty)
(20%) in their freight rates.)

ORIGINAL

APPLICATION NO. 5303.

M. A. Van Dine, for Applicants.

LOVELAND, COMMISSIONER:

O P I N I O N

The eleven applicants in this proceeding are automotive transportation companies operating between San Francisco and the east bay cities (Oakland, Berkeley, Alameda, Piedmont, Emeryville, Fruitvale and Melrose). The applicants petitioned for a horizontal increase of 20 per cent in their present freight rates. This application was heard at San Francisco 10 a.m. February 27, 1920, and is now ready for decision.

These same applicants, with the exception of Hull, Weider Transfer & Storage Co., in Applications 3845, 3846, 3847, 3849, 3850, 3851, 3852, 3853 and 3854 made application in 1918 for a general increase in rates. The Commission, in its Decision No. 5587, July 17, 1918, granted the increases requested.

These same applicants, in Application No. 5010, with the exception of the Richmond Motor Express Co., filed in October, 1919, another application for a 20 per cent increase in rates and a hearing was held thereon October 15, 1919, but owing to the showing made by the applicants the latter requested that the case be dismissed without prejudice. The Commission in its Decision No. 6958, rendered December 17, 1919, authorized the dismissal of Application No. 5010.

In the three hearings had by these applicants it was developed that all of the applicants, in addition to their transbay business, do a local drayage, hauling and car distributing business in Oakland and the other transbay cities. With most of them the transbay hauling is incidental to their local business. Their books have not been kept in a manner permitting of a complete and positive segregation between these different kinds of business, for the reason that the service is performed by the same employees and with the same equipment.

A statement of the gross revenue, operating expenses and total assets and liabilities of six of the applicants, the Merchants Express & Draying Co., Peoples Express Company, American Transfer & Storage Co., Santa Fe Express & Draying Co., Hull Weider Transfer & Storage Co. and Kellogg Express Co., shows that at present, at least one of these companies is operating at an actual loss and the others are operating at varying profits without a remunerative return upon their investment.

The figures referred to are to a considerable extent estimated, for the reason indicated in the foregoing paragraphs.

that the applicants have not kept their books in a comprehensive manner.

The showing made by the petitioners as to the cost of performing the service is sufficient, in my opinion, to support the conclusion that their present rates are unremunerative and that the application should be granted in part.- that these petitioners should be authorized to increase their rates by 10 per cent.

For the reasons heretofore set forth, I am for the present not inclined to pass upon the merits of this application, other than to permit a moderate increase during a test period in order to ascertain what amounts would accrue to the applicants under such moderately increased rates.

However, under existing conditions, due to the abnormal advance in operating expenses and in materials used, including increased wages, etc., I am of the opinion that the rates now in effect are unremunerative and that the applicants should be granted a temporary increase in rates. I submit the following form of order:

O R D E R

The Santa Fe Express & Draying Co., Merchants Express & Draying Co., American Transfer & Storage Co., Peoples Express Co., Kellogg's Express Co., Hull, Weider Transfer & Storage Co., Austin Freight & Transportation Co., Williams Motor Express & Draying Co., United Transfer Co., Oakland Parcel Delivery, and Richmond Motor Express Co., have applied to this Commission to increase certain rates for the transportation of freight between San Francisco and the east bay cities (Oakland, Berkeley, Alameda, Piedmont, Emeryville, Fruitvale and Melrose) and the intermediate

points, as set forth in the opinion, and a hearing having been held, the Commission being fully advised in the premises and basing its findings on the opinion which precedes this order,

IT IS HEREBY ORDERED that these transportation companies be and the same hereby are authorized to establish and publish their tariffs, to be filed with this Commission effective July 1, 1920, rates 10 per cent higher than those set forth in their tariffs now on file with this Commission, disposition of fractions to be as follows:

Less than .25¢ omit.
.25¢ to .75¢ will be counted one-half.
Over .75¢ will be counted next higher number.

The rates herein authorized to be in effect for seven months, expiring January 31, 1921.

The applicants will be required to adopt a comprehensive method of bookkeeping and keep as a separate item their operations over which the Railroad Commission has jurisdiction and as soon after December 31, 1920 as possible the applicant companies will be required to make a report to the Railroad Commission setting forth just what effect on their revenue the increased rates authorized have had and if such showing justifies, the Commission may then make the increases permanent.

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 10th day of June, 1920.

Edwin D. Edgerton
H. D. Loveland
Dwight M. Mason

Commissioners.