

ORIGINAL

Decision No. 7821

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of FLETCHER and TREMBLE for an order granting permission to increase rates by establishing a line of class rates and adopting a uniform classification of commodities to apply on business handled between Los Angeles and Venice, Ocean Park and Santa Monica and intermediate points.

Application No. 5796.

L. T. Fletcher for applicant.
Frank Karr for Pacific Electric
Railway Company.

BY THE COMMISSION:

O P I N I O N.

Above named applicants ask authority to increase rates for transporting freight by auto truck between Los Angeles, Venice, Ocean Park, Santa Monica and intermediate points.

A public hearing upon the application was held by Examiner Westover in Los Angeles, June 25d.

Applicants have been and now are operating under rates shown in tariff filed by Bert Ritchie, their predecessor. These rates, including store door, pick-up and delivery are 15¢ first-class and 12½¢ second-class with a minimum charge of 25¢ and 15¢ respectively; capacity truck

loads, all classes, \$10.00, and pianos \$5.00 each. This tariff divides all shipments into two classes.

Applicants operate a local transfer business in Los Angeles, motor truck service between Los Angeles and San Bernardino and the service in question between Los Angeles, Santa Monica and intermediate points. It appears from applicants' figures that under these rates for the eight months which ended April 19, 1920, the San Bernardino division showed a profit of \$567.83, and the Los Angeles and Beach division here under consideration showed a loss of \$5318.75 figuring in the operating expenses of \$6810.75 depreciation upon equipment at 33-1/3% per year and interest upon investment at 8% per year. In the computation the Los Angeles terminal expense of \$7530.66 is divided between the two divisions in proportion to tonnage, three-quarters of the amount being charged to the Los Angeles & Beach Division. Of the business handled on the latter division, about nine-tenths moves toward the beaches. Applicants charge about one-third of the rent of the terminal and all of the salary of the man in charge of the local transfer business to that branch of their business, but do not charge to it about one-tenth of the time of the managing partners, which is devoted to the local business.

The rates requested from terminal to terminal are stated to be approximately the present rail rates between the same points.

Applicants' testimony was to the effect that at the time of the commencement of operations, the terminal facilities offered the shipping public were inadequate, that they had since been largely increased, and that this additional accommodation and service, together with the increased cost of supplies, repairs and labor had resulted in losses from the beginning until now it was impossible to continue at the old rates. They anticipated the increases in rates will cause a temporary loss in revenue, but nevertheless believed the final results would in the end prove satisfactory and to the best interests of all concerned.

Applicants estimate that the proposed increases in rates will amount to about 66-2/3%. Applying this ratio of increase to the estimated revenue of \$7140.00 during the eight months period referred to, crediting the item of Los Angeles Terminal expense with one-tenth of the salary of applicants, and reducing the rate of depreciation to 20% for the purposes of our computation, we conclude that the showing made justifies the increase in rates applied for.

The position of the Pacific Electric Railway Company is that the requested rates are justified.

O R D E R

L. T. FLETCHER and ELMER TREMBLE, partners in business under the name of Fletcher and Tremble, having applied for authority to establish the rates and rules hereinafter set forth governing shipments by motor truck between Los Angeles, Venice, Ocean Park, Santa Monica and intermediate

points and a public hearing having been held thereon, the matter being submitted and now ready for decision,

IT IS HEREBY ORDERED that said Fletcher and Tremble be and they are hereby authorized to establish rates and rules governing said shipments between Los Angeles, Venice, Ocean Park, Santa Monica and intermediate points and after filing tariff therefor to charge and collect rates as follows, to-wit:

| Between | Rates in cents per 100 pounds. | | | | |
|-----------------------------------|--------------------------------|----|-----|----|--------|
| | 1. | 2. | 3. | 4. | Charge |
| Terminal Depot and Terminal Depot | 25 | 21 | 17½ | 15 | .35 |
| Terminal Depot and Store Door | 30 | 26 | 22½ | 20 | .50 |
| Store Door and Store Door | 35 | 29 | 25½ | 23 | .75 |

Said class rates to be governed by Monroe's "Ship by Truck" Freight Classification No. 1, C.R.C. No. 1, supplements thereto or reissues thereof.

Where rates cover store door pick up and delivery same includes such service within defined city limits at all points served, except Los Angeles. Free pick up and delivery zone in Los Angeles: North: First St; South: Ninth St; East: Santa Fe Ave; West: Main St.

Charge for pick up and delivery service outside above described zone in Los Angeles will be as follows:

| | | |
|--------------------------|--------|-----------|
| For ½ ton or less, | \$1.25 | per hour. |
| Over ½ ton to 1 ton inc. | 1.50 | " " |
| Over 1 ton to 2 ton " | 1.75 | " " |
| Over 2 ton to 3 ton " | 2.00 | " " |
| Over 3 ton to 4 ton " | 2.25 | " " |
| Over 4 ton, | 2.50 | " " |

Special equipment or extra labor when furnished by this company for loading or unloading any article requiring such special service will be charged for at rate of 75 cents per hour per extra man required, in addition to the regular rates.

Dated at San Francisco, California, this 30th
day of June, 1920.

J. D. England
Frank H. H. H.
H. B. B. B.
Dwight Martin
Commissioners.