

Decision No. 9433

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of)
Coast Truck Line, a corporation, for)
an order authorizing the increasing)
of freight class rates between San)
Diego-Oceanside and intermediate)
points.)

APPLICATION NO. 6857.

Henry J. Bischoff, for Applicant.
Warren E. Libby, for Boulevard Express.
Harry M. Blair, for R. C. Walker.

BY THE COMMISSION:

O P I N I O N

The Coast Truck Line is a corporation and by this application seeks an order authorizing the increasing of its freight class rates between San Diego-Oceanside and intermediate points.

A public hearing was held upon the application by Examiner Westover at San Diego.

Applicant operates two divisions, one between San Diego and Oceanside, known as its Oceanside Division, being the route formerly operated by Roy Jakeway, and the other the division covering the territory between Los Angeles and Escondido via Oceanside.

There are now but two schedules of class rates in effect between San Diego and Oceanside, the territory San Diego to and including Encinitas having a blanket schedule of rates of: First class 25 cents; second class 22 cents; third class 20 cents and

fourth class 18 cents. At points Carlsbad to Oceanside, inclusive, the rates are: First class 30 cents; second class 27 cents; third class 23 cents and fourth class 20 cents. It is proposed to increase the rates in the first division to: First class 33 cents; second class 30 cents; third class 28 cents and fourth class 25 cents. In the second division: First class 38 cents; second class 35 cents; third class 31 cents and fourth class 28 cents. These proposed rates include pickup and delivery service at both terminals and would be slightly higher than the station to station rates now in effect between the same points via the Atchison, Topeka & Santa Fe Railway. The classification of commodities is governed by Monroe's Ship By Truck Freight Classification.

A large part of applicant's traffic is handled under the minimum charge of 50 cents and under special commodity rates, neither of which is to be changed by this application.

Applicant acquired the Oceanside Truck Line and commenced operation on March 20, 1921.

At the hearing, applicant presented an operating statement of Oceanside Truck Line for a period of six and two-thirds months up to March 20, 1921, when applicant acquired the line, showing operating expenses of \$8356.99 and freight revenue of \$6963.05, or an apparent deficit of \$1393.94; also an operating statement for 1-1/3 months from March 20, 1921 to May 1, 1921, during which time it operated the line, showing operating expenses of \$1690.04, and freight revenue of \$1380.61, showing an apparent operating loss for that period of \$309.43. For the first period, it showed an approximate/^{average}tonnage of ten tons per day and daily revenue of \$41.50; and for the second period, an average tonnage of nine tons per day and average daily revenue of \$38.35.

As the first period covered was that immediately preceding the applicant's operation of the line, and as the second period was too brief for satisfactory analysis and showed only local business

on the Oceanside Division, Examiner Westover requested the applicant to file an operating statement from March 20, 1921, (the date it acquired the line) to July 1, 1921, showing separately the results of operating the Oceanside Division, and of operating both divisions, from which it appears that the loss on the Oceanside Division was \$712.63 and the loss on the entire system was \$3260.39. Attention is called to the fact that on the Escondido Division the service is performed to a great extent by hired trucks, which is probably responsible for the poor financial results. He also requested a traffic check at representative periods, from which it appears that the average tonnage handled was about 7.6 tons per day and daily revenue \$39.88, and that its revenue under the proposed rates would have been increased about 24%. The periods so selected by applicant for checking as periods which would illustrate an average movement of traffic by its line during the year were the last ten days of October, February, and May last, respectively.

If revenue on the Oceanside Division were increased by 24% to \$4580.48, the apparent loss for the Division would have been converted into an apparent net earning of \$173.92 for the period of 3-1/3 months, or \$626.04 per year upon an apparent investment of \$9875.00. Applicant's operating expenses, as shown in its statements, appear to be reasonable upon being checked, but its rate of depreciation and the theory upon which it is based cannot be approved by the Commission. However, as we are satisfied from the showing made that applicant needs relief, we authorize the establishment of the rates applied for.

O R D E R

A public hearing upon the above entitled application having been held, the matter being submitted and now ready for decision,

IT IS HEREBY ORDERED that Coast Truck Line be and it is hereby authorized and empowered to publish and thereafter charge and collect for transportation of freight between San Diego and Oceanside the rates shown in Exhibit "A" attached to above Application No. 6857.

Dated at San Francisco, California, this 30th day of August, 1921.

H. B. Brundage
H. D. Leland
J. W. Maston
J. P. Jones
Commissioners.