

MC

Decision No. 23271.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
WEBB & SCHELL, a copartnership, for)
an order authorizing the establish-)
ment of rates for the transportation) Application No. 20707
of specified commodities between)
specified points under Section 11 of)
the Highway Carriers' Act.)

Carl R. Schulz, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

Fred P. Schell and Mrs. Wayne Webb, copartners, engaged in the business of transporting property as a highway contract carrier, seek authority to charge rates less than the minimum rates established in this Commission's Decision No. 28761, dated April 27, 1936, in Case No. 4068 (Part "A"), 39 C.R.C. 732, in so far as they apply to the transportation of shipments of eggs, live poultry and egg cases and poultry coops between Santa Cruz, San Jose and Hollister on the one hand, and various points situated between King City on the south, and Santa Cruz on the north, both inclusive, on the other hand.

The matter was submitted at a public hearing had before Examiner Johnson in San Francisco.

For the transportation service here involved, applicants propose to charge the rates set forth in Exhibit "A" attached to the application. Generally, the rates proposed for the transportation of eggs range from 6 cents to 45 cents per case,

depending upon the length of the haul. For the transportation of poultry from King City and points north thereof to Santa Cruz and San Jose, a rate of 50 cents per coop is sought. All of the proposed rates are intended to include the return of empty cases and coops.¹

In support of the proposed rates, applicants offered evidence to show that they transport the commodities here involved for Poultry Producers of Central California under contract; that the proposed rates are necessary to hold the business to their line as against the proprietary trucks of Poultry Producers; and that the proposed rates are sufficient in volume to return a substantial profit over and above the cost of performing the service. Applicants also submitted an exhibit showing the cost of performing the service for a period of one year. A total cost of \$4,654.90 is shown, and is contrasted with an estimated gross revenue of \$5,400.00. On this basis, a profit of \$745.10 would be realized on a year's operation.²

A witness representing Poultry Producers of Central California testified that applicants' service has been satisfactory, but that if the proposed rates are not authorized his firm will seriously consider transporting its products in its own trucks.

The proposed rates are intended for application from

¹ Applicants allege that the proposed rates are in some instances substantially less than, and in other instances approximately the same as, the minimum rates heretofore established by the Commission.

² In addition, the cost figure of \$4,654.90 includes an item for return on investment of \$64.00, figured at the rate of 8% on a purported investment of \$800.00.

both incorporated cities and unincorporated areas. To the extent they are intended for application from definite zones or territory, such as incorporated cities, it must be concluded upon this record that they have been justified as reasonable, and that the application should be granted. However, the Commission should not authorize the application of the proposed rates from such undefined areas as "ranches in the vicinity of Morgan Hill" or "Monterey district." Furthermore, minimum rates have not been established from or to a substantial portion of the territory not specifically defined by applicants, and as to such territory, relief under Section 11 of the Highway Carriers' Act is unnecessary.

O R D E R

This application having been duly heard and submitted, IT IS HEREBY ORDERED that Fred P. Schell and Mrs. Wayne Webb, copartners, doing business as Webb and Schell, be and they are hereby authorized to assess and collect for the transportation of eggs, live poultry and egg cases and poultry coops returning for the account of Poultry Producers of Central California, rates not less than those set forth in Appendix "A" attached hereto and made a part hereof, from and to the points shown in said appendix.

IT IS HEREBY FURTHER ORDERED that in all other

respects the application be and it is hereby denied.

Dated at San Francisco, California, this 16th day of
November, 1936.

M B Harris
Leon Whittell
W J Carr
Malcolm ...
Doyle R. ...
Commissioners.

APPENDIX "A"

<u>FROM</u>	<u>TO</u>	<u>Commodity</u>	<u>Rate in Cents (Per Case)</u>
King City	Santa Cruz	Eggs	45
Salinas	" "	"	20
Hollister	" "	"	10
Gilroy	San Jose	"	06
Santa Cruz	" "	"	10
Santa Cruz	Hollister	"	15
			<u>(Per Coop)</u>
King City	} Santa Cruz or San Jose	Poultry	50
Salinas			
Hollister			
Gilroy			

The foregoing rates shall include the return of a like number of empty cases or coops.