

Decision No. 30277.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
I. J. MENDOSA for permission under)
Sec. 11 Chapter 223 Statutes of 1935)
of Highway Carriers' Act. To trans-)
port merchandise between Mendocino)
and Petaluma, California, at lesser)
rates than are charged by Common)
Carriers.)

Application No. 21284

ORIGINAL

William Mendosa, for applicant.

John E. McCurdy, for Poultry Producers of Central
California.

BY THE COMMISSION:

O P I N I O N

Applicant, a highway contract carrier, seeks authority under Section 11 of the Highway Carriers' Act to observe certain rates less than the minimum rates heretofore established for the transportation of property for Poultry Producers of Central California between Petaluma and territory described as "Mendocino City district."¹

At a public hearing had at San Francisco on September 17,

¹ Mendocino City is an unincorporated community in the County of Mendocino located approximately 10 miles south of Fort Bragg. The distance from Petaluma to Mendocino City is shown in the application as 120 miles. The rates applicant seeks authority to observe are set forth in the following tabulation:

	<u>FROM</u>	<u>TO</u>	<u>COMMODITY</u>	<u>RATE</u>	
Mendocino	City District	Petaluma	Eggs, in cases	*15	cents per case
"	"	"	Poultry, in coops	*75	" " coop
Petaluma		Mendocino	Feed, empty sacks		
		City District	and other merchandise	25	" " 100 Pounds

* Includes free return of containers.

1937, before Examiner Mulgrew those appearing for applicant and shipper stated that they relied upon the showing made in the application and that they had no evidence to offer.

The statement of operating costs and revenue incorporated in the application indicates that rates of the volume of those sought are now being observed on all property transported, with the exception of eggs shipped from Mendocino to Petaluma. Whether or not the rates sought for property other than eggs are the same as, less than, or in excess of the prescribed minimum rates cannot be determined from the data contained in the application. Under these circumstances further discussion of the application will be confined to the request for relief from the rate of $18\frac{1}{2}$ cents per 53-pound case of eggs, represented as the established minimum rate.

Attached to the application is a statement of operating costs and revenue by months for the period November 1935 to January 1937, both inclusive. While this statement purports to show a substantial profit both under the rates now being charged and under those sought, it is by no means convincing. In proceedings such as this where rates lower than those established upon a record made at a formal hearing are sought, it is incumbent upon applicant to show by clear and sufficient evidence that the prescribed minimum rates are excessive for the particular service involved and that those sought are proper. On this record the application

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The statement is inadequate in many respects. For example it assigns no operating expense to such costs as overhead, supervision, and garage rent. Although it is alleged that applicant makes two trips per week between the same points the gas and oil costs shown vary considerably and the reason for this variation is not explained. The carrying capacity of the equipment is not shown but figures of record indicate that it is at least ten tons. Expense items shown for tires and repairs appear inadequate for equipment of this size. The detail of the calculation of labor costs is likewise not disclosed. Insurance expense is shown for twelve months although the statement covers a fifteen-month period. The nature and extent of the protection afforded by insurance is not of record. Unemployment and social security taxes are not shown. Neither has any allowance been made for a return on an investment of \$3086.78. There is a discrepancy of approximately \$800.00 between the gross revenue shown and that indicated by the State Board of Equalization tax and Railroad Commission fee.

must be denied. If upon reviewing the statement applicant still believes that the rates sought are justifiable it should explain the discrepancies and see that the Commission is furnished with the supporting data.

O R D E R

The matter having been duly heard and submitted,
IT IS HEREBY ORDERED that the above entitled application be
and it is hereby denied.

Dated at San Francisco, California, this 1st day of
Nov., 1937.

Arthur J. ...
John ...
Samuel ...
Richard ...
Paul L. ...
Commissioners