

Decision No. 30541

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

American Warehouse (D.W. Griggs)
Bekins Van Lines, Inc.
Birch Smith Storage Company
California Warehouse Co. (W.E. Fessenden)
Central Warehouse & Storage Co.
Chaffee, E.G. Warehouse Co.
Citizens Warehouse (E.B. Johnston)
Clark, J.A. Draying Co., Ltd.
Colyears' Van & Storage Co.
Cook-McFarland Warehouse Co.
Davies Warehouse Company
Hollywood Storage Co.
Jennings-Nibley Warehouse Co., Ltd.
Los Angeles Warehouse Company
Metropolitan Warehouse Company
Modern Warehouses, Inc.
Overland Terminal Warehouse Co.
Pacific Coast Terminal Warehouse Co.
Pacific Commercial Warehouse, Inc.
Richards Trucking & Warehouse Co.
Smith Bros. Truck Co.
Star Truck & Warehouse Co.
Union Terminal Warehouse
Western Warehouse & Transfer Co.
Westland Warehouses, Inc.

on behalf of themselves and each of them,
for an order authorizing an increase in
storage and warehouse handling rates and
charges in and near the City of Los Angeles,
State of California

ORIGINAL

Application No. 21653

BY THE COMMISSION:

O P I N I O N

By application filed December 16, 1937, the above named applicants, operators of public utility warehouses seek authority to increase on ten (10) days' notice to the Commission and to the public rates for storage and warehouse handling at Los Angeles and Vernon.

The matter was submitted at a public hearing had before Examiner Howard G. Freas at Los Angeles January 12, 1938.

The rates now in effect are published in California Warehouse Tariff Bureau Warehouse Tariffs Nos. 7-C and 5-J, C.R.C. Nos. 102 and 94 respectively. Those sought are contained in appendices to

to the application. In general the proposed rates are 10% higher than those now in effect. In order to avoid impracticable fractions certain increases proposed are slightly greater and others slightly less. A few other exceptions to the general basis are said to be necessary to safeguard revenues and because of competition.

Applicants allege that, notwithstanding the fact that the managements have been honestly efficient and the operations prudently economical for several years last past said operations have been conducted and are now being conducted at a loss. This allegation is supported by a statement of operating revenues and expenses, showing losses of \$187,527.68 for the year 1936 and \$80,342.93 for the period January 1 to July 31, 1937. The latter figure is said to be exclusive of certain annual debits ordinarily set up at the end of each year.

Applicants further allege that their present rates and charges have been in effect with but nominal modifications for several years, that such rates and charges do not reflect current conditions, and that recent increases in operating expenses have created a highly critical situation making immediate relief imperative. These increases result, applicants state, (a) from increased wages,¹ (b) from increases in prices of materials and supplies, (c) from increases in Social Security Act taxes and (d) from increases in cost of providing workmens' compensation insurance, due to increased pay rolls.

No one appeared in opposition to the granting of the application.

It is apparent that applicants are entitled to additional revenue. The proposed increase which is less than the present operating

¹ Since 1934 the hourly wage for common labor has been increased from 40 cents to 65 cents, for casual labor from 40 cents to 60 cents and for clerical and certain other help from 47½ cents to 70 cents.

loss appears necessary if the smaller and less secure warehousemen are not to be eliminated and if the public is to be assured of an adequate and efficient warehouse service. The application will be granted.

It will be understood that any interested party may properly challenge by complaint and in the usual manner the reasonableness or lawfulness of any individual increases herein authorized, should such increases be regarded as unreasonable or in any other manner unlawful. The applicants before accepting the benefits of this order, and before filing the increased rates authorized herein, will be required to agree that they will never urge before this Commission, in any reparation proceeding under Section 71 of the Public Utilities Act, or in any other proceedings, that the opinion and order herein has found that any individual rate authorized is reasonable.

ORDER

This matter having been duly heard and submitted,

IT IS HEREBY ORDERED that applicants be and they are and each of them is hereby authorized to establish on not less than ten (10) days' notice to the Commission and to the public the increased storage rates and handling charges set forth in Appendix "E" and Appendix "F" attached to and made a part of the application.

The authority herein granted is void unless said increased rates are made effective on or before March 1, 1938.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 17th day of

January, 1938.

[Signature]
[Signature]
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Commissioners.