

Decision No. 28855.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment
of rates, rules, classifications
and regulations for the transporta-
tion of property, exclusive of
property transported in dump trucks,
for compensation or hire over the
public highways of the City and
County of San Francisco.

Case No. 4084

ORIGINAL

DEVLIN, Commissioner:

ELEVENTH SUPPLEMENTAL OPINION

At adjourned hearings held in this proceeding in San Francisco, evidence was received concerning several proposals of The Draymen's Association of San Francisco for further modification of minimum rates, rules and regulations heretofore established. The proposals submitted included modifications in classification of commodities, changes in rules and regulations and adjustments of commodity rates. Only those proposals which were supported by probative evidence are discussed herein.¹

A rating of 80% of 4th class was proposed for "salt water" and "semi-refined bar" soaps when moving in shipments of 10,000 pounds or more, subject to a minimum tonnage of 6,000 tons per year. The assertion was made by applicant's witness that while these commodities are known as soap, they are inferior in quality and of lower value than ordinary soaps and move in greater volume. Applicant's witness estimated that the use of the established 3rd class rating would

¹ Proposals made at the hearing not discussed herein include a request to reduce the guaranteed tonnage requirement in connection with the 3rd class rating for shipments from drug and chemical houses from 400 tons per month to 3,000 tons per year; to increase the charge of \$1.25 per hour for extra help supplied by draymen to \$1.50 per hour; to change the rule defining "shipment"; and to amend the rule prohibiting the use of commodity rates where the transportation is performed from a pool car, by adding a provision to the effect that class rates should apply when property is consigned to a consignee other than a carrier and is then transported from depots, team tracks, wharves, piers, landings or public warehouses, under sub-orders by consignee to a sub-consignee.

produce revenue of \$9.00 per truck per hour, a sum which he believed to be excessive. A shipper witness stated that his company had decided to perform this transportation in its own trucks should the rating here sought be denied. In view of the low value of these commodities (approximately $3\frac{1}{2}$ cents) per pound, and the showing that they move in unusually heavy volume, they appear to be distinguishable from ordinary soaps and to be entitled to the rating sought.

It was proposed that a rating of $1\frac{1}{2}$ times 1st class be provided for empty iron oil barrels of 50 gallons capacity in lieu of the D-1st class rating now applicable. In support of this proposal evidence was introduced to show that for shipments moving during February and March 1938, the proposed rating would have produced revenue of \$34.96. A witness testified that prior to the establishment of minimum rates a rate of 50 cents for the first barrel and 10 cents for each additional barrel had been used and that under this basis the shipments moving during February and March, 1938, would have produced revenue of \$33.00. No evidence was introduced, however, to show that rates used prior to the establishment of minimum rates were themselves reasonable and compensatory. Moreover, as testified in prior hearings in this proceeding, operating costs have increased considerably in the last two or three years. A mere comparison of revenue produced by the established minimum rates with revenue accruing under rates previously in effect is insufficient to justify a reduction in rating. In the absence of evidence as to the transportation characteristics of iron barrels and as to the cost of performing the service, the proposed rating should be denied.

A proposal was made that "bars, beams and columns" be added to the present description of iron and steel articles. These items, it was pointed out, were said to be almost universally included in all other freight classifications in descriptions of iron and steel

articles, and that bars, beams and columns are comparable from a transportation standpoint with other commodities named in the iron and steel group. It is recommended that this proposal be given effect.

As justification for a proposal to reduce the rate for the distribution of new furniture from pool cars from 38½ cents per 100 pounds to 35 cents per 100 pounds, testimony was introduced to show that a 35 cent rate is in effect in Oakland; that over 30 per cent of the new furniture arriving from the east is distributed to points beyond Oakland and San Francisco, and that the rate differential favoring Oakland has resulted in a loss of this business to San Francisco draymen. This proposal to lower the rate applicable in San Francisco to the Oakland rate appears justified in order that these two distributing centers may compete on an equality of rates. The rate reduction sought should be granted.

The establishment of a rate of 25 cents per 100 pounds, minimum \$1.00 for regular trips and minimum \$2.50 for special trips, was proposed for transportation of exhibits between Zones 1, 2 and 3 on the one hand and Zone 4 (Yerba Buena Island and Golden Gate International Exposition site) on the other hand. Mr. C. M. Covell, traffic manager for the exposition, supported the proposal, and stated that it had the approval of the exposition authorities.

A single commodity rate for the transportation of exhibits to the Golden Gate International Exposition was said to be desirable from the standpoint of simplifying the determination of transportation charges by exhibitors, many of whom will forward their exhibits from points outside of the United States. The proposed rate is not materially less than the present class rates. Furthermore common carriers operating from Oakland and other points in the East Bay area in competition with draymen from San Francisco are permitted to transport exhibits from or to fairs at free or reduced rates under Section 17(a) 4 of the Public Utilities Act. In view of these circumstances the pro-

posal will be given effect.

The establishment of a rate of $4\frac{1}{2}$ cents per 100 pounds in Zone 1 for commodities transported for bagging houses where the shipments originate at private warehouses was proposed. Applicant's witness testified that there is no commodity rate applicable on this type of movement at present and that the applicable class rates are excessive. In justification of the rate proposed he stated that the movement is identical in every respect with the present "inhaul" movement for commodities transported for bagging houses for which a rate of $4\frac{1}{2}$ cents per 100 pounds has heretofore been established. It appears from the evidence that the movement described is in all respects similar to the present inhaul movement and that the same rate should be applied.

It was also proposed that a first class rating be provided for domestic and imported liquors when moving in city delivery. This is the rating now applicable under the Western Classification. The proposal is made in the interest of simplification only. The requested rating will be provided.

A proposal to change the rate on pineapple juice from 5 cents per 100 pounds appearing in the "steamship transfer" item in this proceeding, to $5\frac{1}{2}$ cents per 100 pounds, should be granted, as the latter rate has heretofore been found justified but due to inadvertence was not carried into the order.

Upon careful consideration of all of the facts of record, I am of the opinion and find that the changes and modifications sought are justified to the extent shown in Appendix "A" of the order herein and that all other proposals have not been justified on this record.

The following form of order is recommended:

O R D E R

IT IS HEREBY ORDERED that Appendix "A" of Decision No. 28652, dated March 16, 1936, as amended, in the above entitled proceeding, be and it is hereby further amended to the extent shown in Appendix "A" attached hereto and hereby made a part hereof.

IT IS HEREBY FURTHER ORDERED that in all other respects said Decision No. 28652, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty (20) days from the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at ^{Los Angeles}~~San Francisco~~ California, this 12th day of

June, 1938.

Mattie Allen
Leon Arthur
Frank Nelson
Karl A. Kiefer
Carl A. Kelly
Commissioners

APPENDIX "A"

Ratings, rules and regulations provided in Exhibit "A" of Decision No. 28632 and as amended, are hereby further amended as follows:

Original Page 18 - "Exceptions to Classification"

Add a new item as follows:

"Soaps, salt water or semi-refined bar, when moving in shipments of 10,000 pounds or more and in quantities of not less than 6,000 tons per year . . . 80% of 4th class."

Original Page 13

Add "Iron or Steel, bars, beams and columns . . . 4th class."

Original Page 19 of Decision No. 28731 (added item) as amended

Amend rule for "Handling and Distribution of Pool Cars" by substituting "\$.35 per 100 pounds" for "\$.38½ per 100 pounds" following the words "For the transportation of new furniture."

Original Page 18

Amend steamship transfer item by substituting "\$.05½ per 100 pounds" for "\$.05 per 100 pounds" following the words "canned pineapple juice."

Original Page 2 of Appendix "B" of Decision No. 29902 (added item)

Add to Note 1 a new commodity as follows:

"Iron or Steel, bars, beams and columns."

Original Page 22

Substitute for Item 55 the following:

Commodities transported for Bagging Houses, in quantities averaging *750 tons or more per calendar months

Inhaul	\$.04½ per 100 pounds
Outhaul	.05½ per 100 pounds
Movement between points in Zone 1 from private warehouses to bagging houses	.04½ per 100 pounds

*Tonnage is to be averaged over 12 calendar months commencing with the month in which the property is first transported.

Original Page 14

Add a new commodity:

"Liquors, domestic or imported, city delivery . . . Class 1."

Original Page 24

add a new item:

Exhibits for Golden Gate International Exposition

Between points in Zones 1, 2 and 3 and points
in Zone 4 \$.25 per 100 pounds

Minimum charge \$1.00 per shipment.

Minimum charge \$2.50 per special trip.