

Decision No. 31624

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment  
of maximum or minimum, or maximum  
and minimum rates, rules and regula-  
tions of all Radial Highway Common  
Carriers and Highway Contract Car-  
riers operating motor vehicles over  
the public highways of the State of  
California, pursuant to Chapter 223,  
Statutes of 1935, for the transporta-  
tion for compensation or hire of any  
and all commodities and accessorial  
services incident to such transporta-  
tion.

Case No. 4088

Part "U"

In the Matter of the Investigation  
and Establishment of rates, charges,  
classifications, rules, regulations,  
contracts and practices, or any thereof,  
of Common Carriers of property.

Case No. 4145

Part "F"

BY THE COMMISSION:

EIGHTEENTH SUPPLEMENTAL OPINION

By Decision No. 30370 of November 29, 1937, (40 C.R.C. 837)  
as amended, in the above entitled proceedings, minimum rates were  
established for the transportation of property by radial highway com-  
mon carriers and highway contract carriers, within defined territory  
in central and northern California, in shipments weighing 20,000  
pounds or less. <sup>1</sup> In addition, common carriers by highway, rail and  
vessel were required to maintain rates no lower than those establish-  
ed as minimum for radial and contract carriers.

After said Decision No. 30370 had become effective, Bay Cities  
Transportation Company, Berkeley Transportation Company and Richmond  
Navigation and Improvement Company (common carriers by vessel operating  
on San Francisco Bay) and Coggeshall Launch Company (a common carrier

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<sup>1</sup> The provision was made that the charge for shipments weighing more  
than 20,000 pounds should not be less than the charge established for  
a shipment weighing 20,000 pounds.

by vessel serving points on Humboldt Bay) filed petitions seeking exemption from the prescribed rates insofar as they affected dock-to-dock transportation. Evidence relative to these petitions was received at public hearings held at San Francisco before Examiner <sup>2</sup> Malgrew.

In support of the petitions it was asserted (1) that under Decision No. 30370, supra, vessel carriers were required to base their rates on highway mileages, which in many instances were said to be considerably in excess of the distance actually traversed by vessel carriers; <sup>3</sup> (2) that the cost of transbay vessel operations is less than the cost of performing the same service in highway vehicles and that, therefore, rates based on truck costs are excessive for this transportation; <sup>4</sup> (3) that the unit cost of vessel operation does not vary with the size of the shipment as does the cost of truck operation, and that, hence, rates based on truck costs are not appropriate for vessel transportation; and (4) that petitioners have suffered a substantial loss of business to proprietary carriage and will lose more in the future if required to charge the Decision No. 30370 rates.

No one objected to the sought exemption of Coggeshall Launch Company. However, Pacific Motor Tariff Bureau, a highway carrier organization, opposed the petitions of the San Francisco Bay

<sup>2</sup>

It was understood that the evidence so received would also be considered by the Commission in Case No. 4246, in re Establishment \* \* \* of rates \* \* \* for the transportation for compensation or hire of any and all commodities. (See Decision No. 31606 of December 27, 1938, in that proceeding.)

<sup>3</sup>

The following comparisons were made:

<u>Between</u>	<u>Vessel Mileage</u>	<u>Constructive Highway Mileage</u>
Eureka and Samoa	1.7	20.0
San Francisco and Oakland, Berkeley and Emeryville	7.0	39.5
San Francisco and Richmond	11.0	47.5

<sup>4</sup>

Several cost studies and revenue and expense statements were introduced in support of this contention.

carriers. This protestant claimed that the cost studies introduced in support of the contention that vessel transportation could be performed profitably at rates less than those established as minimum for highway carriers were vulnerable in many respects and that, in any event, the rates which petitioners seek to reinstate bear no relation to the cost of performing the service.<sup>5</sup>

Although the cost studies of record contain many arbitrary allocations, and although the rates in effect prior to the establishment of minimum rates were not conclusively shown to be reasonable and compensatory the showing made is convincing that the rates established as minimum for highway carriers are, in general, considerably in excess of the cost to the petitioning carriers of performing dock-to-dock vessel service between the same points and that reasonable and sufficient rates for this transportation should be determined independently of the rates established as minimum for the same transportation by highway carriers. Petitioners will be exempted from the requirements of Decision No. 30370, as amended, insofar as it affects dock-to-dock transportation. Competing carriers will be permitted, however, to base their terminal-to-terminal rates upon the dock-to-dock rates of these exempted carriers.

#### O R D E R

Further public hearings having been held in the above entitled proceedings, and based upon the evidence received at the hearings and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that paragraph (c) of Rule 20, Appendix

5

Protestant called attention to the fact that the annual reports of the petitioners for the year 1937 (prior to the time the minimum rates became effective) show that Berkeley Transportation Company and Richmond Navigation and Improvement Company sustained losses of \$3708.29 and \$4931.02, respectively, and that Bay Cities Transportation Company's profit was \$2870.15 on a gross revenue of \$204,548.

"A" of Decision No. 30370, dated November 29, 1937, as amended, in the above entitled proceedings, be and it is hereby further amended by adding as exempted carriers Bay Cities Transportation Company, Berkeley Transportation Company, Coggeshall Launch Company and Richmond Navigation and Improvement Company, for dock-to-dock transportation.

IT IS HEREBY FURTHER ORDERED that Appendix "A" of Decision No. 30370, as amended, be and it is hereby further amended by adding to the note immediately following paragraph (e), Rule 40 of Section No. 1 thereof a new paragraph reading:

"Carriers maintaining established depots in the cities or communities served by Bay Cities Transportation Company, Berkeley Transportation Company, Coggeshall Launch Company or Richmond Navigation and Improvement Company may apply for transportation between such depots rates applying for the same transportation between the docks of said vessel carriers in the same cities or communities."

In all other respects, said Decision No. 30370, as amended, shall remain in full force and effect.

The effective date of this order shall be January 20, 1939.

Dated at San Francisco, California, this 3rd day of

January, 1939.

Robert Van Dine  
Frank D. Smith  
Ray H. King  
H. J. AKA

Commissioners