

DECISION NO. 22590.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the WESTERN TRUCKING)
CO., INC., to charge less than estab-) Application No. 22590
lished minimum rates.)

Appearances

J.E. Dexter and E.R. Kerns, for applicant

BY THE COMMISSION:

OPINION

ORIGINAL

By this application Western Trucking Co., Inc., seeks authority to charge less than established minimum rates for the transportation of dirt and debris by dump truck between points in the City of Los Angeles for the Los Angeles Board of Education.

A public hearing was had before Examiner Bryant at Los Angeles on March 24, 1939.

The application alleges that the reduced rate is justified by reason of the facts that "trucks are driven by owners, eliminating drivers wage compensation insurance; office is in one member's home, eliminating office rent; bookkeeping done by member; trucks are parked in individual owner's garage, eliminating garage rent; all minor

The minimum hourly rates established by Decision No. 28836 of May 25, 1936, as amended, in Case No. 4087, for the transportation of excavated material and certain other commodities between points in Southern California in dump trucks having a capacity of from $3\frac{1}{2}$ to $4\frac{1}{2}$ cubic yards (water level measurement) are \$1.35 per hour when the material is loaded by hand and the average mileage of each truck does not exceed eight miles per hour per day during the hours such truck is operated, and \$1.85 per hour when the material is loaded by power shovel or other power loading device. To these rates there must be added charges equal to the general prevailing hourly wages for a driver and/or helper for work of a similar character in the locality in which the work is done. Applicant proposes to assess a rate of \$1.30 per hour when loading is by hand, and \$1.85 per hour when loading is by power shovel. Thus it will be observed that no reduction is sought under power shovel loading, and a reduction of only 5 cents per hour is sought under hand loading.

repairs are done by owners cooperating, eliminating many repair bills." The evidence introduced at the public hearing consisted principally of a repetition of these allegations. In addition, the president of the applicant corporation testified that applicant's costs for tires, fuel and lubricants total approximately 16- 3/4 cents per hour, and that its other expenses are "small".² He explained that Western Trucking Co. Inc. is an incorporation of individual members who own, drive and generally maintain their own vehicles. The secretary of the corporation stated that he believed applicant was entitled to a lower rate than other companies because its expenses were less. Another witness stated that the proposed reduction of 5 cents per hour represented the approximate saving made possible to applicant by the fact that no compensation insurance was required in connection with owner-drivers.

No one protested the granting of this application.

Other than the testimony regarding running expenses, the Commission has nothing before it in this proceeding from which it may judge whether or not, and to what extent if at all, applicant's total costs of operation may justify a rate less than the established minimum rate. The witnesses had no information concerning the cost of major repairs, telephone, stationery, printing, public liability and property damage insurance, or in fact of any of the expenses other than those for tires, fuel and lubricants. In brief, applicant has in this proceeding offered no concrete evidence relative to its cost of operation, but urges that the reduced rate be authorized on the grounds that many expenses are borne by "members" of the corporation who drive their own vehicles and do a portion of the maintenance and repair work, and that applicant is saved the expense of compensation insurance. It

2

The witness stated that applicant's tire expense is approximately 1-1/4 cents per hour; that the vehicles run 8 to 10 miles to a gallon of gasoline; that lubrication expense is about 2 cents per hour; and that the total of these items is approximately 16-3/4 cents per hour. He did not explain how these averages were determined, nor offer any detailed figures in support of his conclusions.

is obvious that a meagre showing of this nature could not support a finding that the proposed rate is compensatory or otherwise reasonable. While it may well be that applicant's methods of operation permit economies in certain respects, it seems equally probable that some of its other items of expense would be greater than those of other carriers.

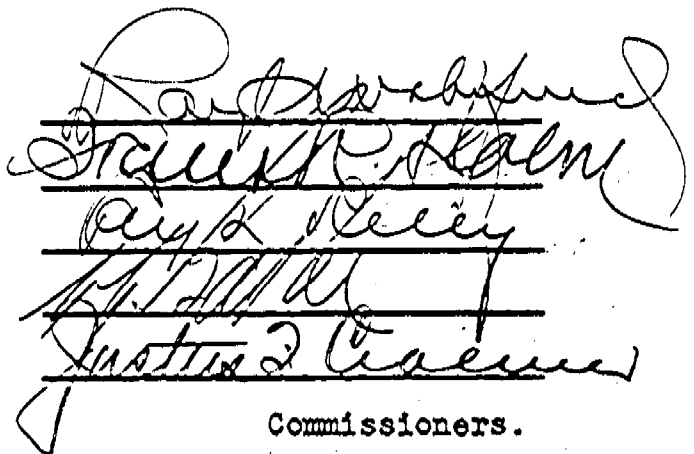
Upon consideration of all of the facts of record, therefore, the Commission is of the opinion and finds that the proposed rate has not been shown to be a "reasonable" rate within the meaning of Section 10 of the City Carriers' Act. The application will be denied.

O R D E R

This application having been duly heard and submitted, full consideration of the matters and things involved having been had and the Commission now being fully advised,

IT IS HEREBY ORDERED that Application No. 22590 be and it is hereby denied.

Dated at San Francisco, California, this 17th day of April, 1939.


Commissioners.