

Decision No. 22912

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DAN HETZEL to charge less than) Application No. 22912
established minimum rates.)

BY THE COMMISSION:

APPEARANCES

Dan Hetzel, en propia persona

Frank Karr and E. L. H. Bissinger, by E. L. H.
Bissinger, for Pacific Electric Railway
Company, as its interests may appear.

Laurence Berger, for Los Angeles Parcel Delivery
Association, interested party.

N. H. Williams, for Williams Transfer Company,
interested party.

O P I N I O N

By this application Dan Hetzel, an individual engaged in the transportation of property as a city carrier, seeks authority under Section 10 of the City Carriers' Act to transport paper napkins and toilet tissue for Consolidated Paper Manufacturing Company and Crown Willamette Company between points in the Metropolitan Los Angeles Drayage Area as that area is defined in Decision No. 31473, as amended, in Case No. 4121, at rates and charges which would in some instances be less than those established in and by that decision as minimum for such transportation.

The matter was heard before Examiner Bryant at Los Angeles on September 1, 1939.

The established rates are on the basis of cents per 100 pounds or dollars and cents per hour, as the shipper may

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elect. Applicant, it appears, has employed the hourly basis almost entirely. The established hourly rates vary according to the weight of the property transported; for shipments within the weights transported by applicant they are as shown in the footnote.¹ The rate proposed is 3½ cents per case, but not less than 12 cents per 100 pounds, subject to a minimum charge of \$1.75 per shipment. The cases vary in weight from 20 to about 45 pounds each.

From the testimony of Hetzel, who testified in his own behalf, it appears that he owns and operates one small truck, which he drives himself and stores in the garage of his home. He does not maintain an office, and has no employees. He has been engaged in transporting various kinds of paper and paper articles for Consolidated Paper Manufacturing Company and for one other shipper not involved in this application. He now desires to specialize in the transportation of paper napkins and toilet tissue for the Consolidated Company and for Crown Willamette Company. He has not served the latter heretofore, but hopes to secure a share of their traffic at the sought rates.

Applicant believes that the proposed basis of rates would simplify his billing and accounting, and would obviate the possibility of disputes between himself and his shippers as to the length of time consumed in transporting shipments. However, the principal advantage of the proposed basis according

1 The established hourly rates, subject to a minimum charge of one hour, are as follows:

<u>Weight in Pounds</u>	<u>Rate per Hour</u>
2,000 or less.....	\$2.00
Over 2,000 but not over 3,000.....	2.25
Over 3,000 but not over 5,000.....	2.50

to applicant, is that it would enable the shippers and consignees to know in advance what their transportation charges would be in terms of cents per case. He estimated that his revenue per shipment under the sought rates would average about the same as, or possibly somewhat higher than revenue which would accrue under the established hourly rates.

Applicant made no attempt to show in what respects his present billing and accounting methods required simplification, or why, if the task of recording time in connection with hourly rates is considered onerous, it would not be satisfactory to him and his shippers to employ the minimum rates established upon the basis of cents per 100 pounds. It does not appear that any shipper or consignee requested him to file the present application, or to otherwise seek a change in the established rates.

No other witness testified. Pacific Electric Railway Company, Los Angeles Parcel Delivery Association and Williams Transfer Company appeared as interested parties and participated in cross-examination of Hetzel, but did not offer evidence of their own nor state their positions with respect to the granting of this application.

Under the circumstances as disclosed by the record it is not necessary to describe applicant's physical operations, either as conducted in the past or as proposed to be conducted in the future; nor will it be necessary to discuss his estimates of the cost of performing the transportation service involved in this application. Aside from the alleged simplification of billing and the elimination of actual or potential disputes as to the accuracy of charges assessed, it appears that applicant's sole purpose in seeking the proposed rates is to offer to shippers

and consignee a basis which he believes will be more agreeable to them, in the expectation that they will favor him with additional traffic.

The Commission should not be called upon to authorize a deviation in established minimum rates merely for the purpose of enabling a carrier to solicit and secure additional tonnage, which must in large measure be diverted from other for-hire carriers. If such a policy were followed for one carrier it should necessarily be followed for all, with the inevitable result that the carriers would soon be engaged in a struggle for traffic which would be reminiscent of the chaotic period immediately preceding the enactment of regulatory legislation in this state in the year 1935.

Upon consideration of all the facts and circumstances of record, the Commission is of the opinion that the proposed rates have not been shown to be reasonable. 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 this application be and it is hereby denied.

Dated at San Francisco, California, this 12th day of September, 1939.

[Signature]
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[Signature]
[Signature]
Justice J. Casman
Commissioners