

Decision No. 32724

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of)
maximum or minimum, or maximum and mini-)
mum rates, rules and regulations for the)
transportation of property, for compensa-)
tion or hire, over the public highways,)
by all Radial Highway Common Carriers)
and Highway Contract Carriers between,)
and by all City Carriers within the)
cities of Oakland, Albany, Alameda,)
Berkeley, Emeryville and Piedmont, in)
the County of Alameda.)

Case No. 4108

In the Matter of the Investigation and)
Establishment of rates, charges, classif-)
ications, rules, regulations, contracts)
and practices, or any thereof, of EAST)
BAY DRAYAGE & WAREHOUSE CO., HASLETT)
WAREHOUSE COMPANY, INTER-URBAN EXPRESS)
CORPORATION, KELLOGG'S EXPRESS & DRAYING)
CO., MERCHANTS EXPRESS CORPORATION,)
PEOPLES EXPRESS, SPECIAL DELIVERY SERVICE)
CO., UNITED PARCEL SERVICE, UNITED TRANS-)
FER COMPANY and WEST BERKELEY EXPRESS &)
DRAYING COMPANY, operating as Highway)
Common Carriers, for transportation of)
property, for compensation over the pub-)
lic highways of the State of California,)
between the cities of Oakland, Albany,)
Alameda, Berkeley, Emeryville and Pied-)
mont, in the County of Alameda, and for)
accessorial services incident to such)
transportation.)

Case No. 4109

ORIGINAL

BY THE COMMISSION:

FOURTEENTH SUPPLEMENTAL OPINION AND ORDER

Decision No. 32686 of December 27, 1939, in these proceed-
ings prescribed various amendments to the established minimum rates,
rules and regulations for the transportation of property within the
East Bay drayage area.¹ These changes are scheduled to become effec-
tive January 25, 1940. As so amended reduced rates on canned goods

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The established rates, rules and regulations are those set forth
in Appendix "A" to Decision No. 29217 of October 26, 1936, and amend-
ments thereof, excluding the amendments contained in Appendix "A" of
said Decision No. 32686.

and dried fruit are provided for a minimum weight of 5 tons per shipment, within and between various zoned areas. Many of these rates are identical with and the remainder are similar to the rates now in effect for such transportation at a 20,000 ton minimum per year without regard to the weight per shipment. The revised rates were prescribed upon petition of Morris Draying Co. seeking amendment of the rates to the level prescribed subject to a minimum of 10,000 tons per year but not subject to a minimum weight per shipment. In disposing of that petition the Commission said:

"Petitioner's estimate of revenues and expenses under the proposed rates indicate that on shipments weighing not less than 10,000 pounds, the proposed rates would develop revenues exceeding the cost here of record for the transportation involved, but that on shipments of lesser weights revenues would not cover the estimated costs. Under these circumstances, it appears that the proposed rates should be authorized, subject, however, to a minimum weight of 10,000 pounds per shipment. Neither the revenue nor the cost estimates used were related to or dependent upon a large volume of annual tonnage and, therefore, it does not appear that the authorized rates should be made subject to minimum annual tonnage requirements. The petition will be granted to the extent indicated and in all other respects will be denied."

By petition filed January 6, 1940, Draymen's Association of Alameda County alleges that the reduced rates on canned goods and dried fruit prescribed by Decision No. 32686 are unduly low and insufficient except when and only when restricted to (1) a minimum yearly tonnage of not less than 10,000 tons, (2) a minimum weight per shipment of 10,000 pounds, and (3) the particular traffic involved in the petition of Morris Draying Co. The Association alleges further that the prescribed rates do not guarantee the carrier the volume of business necessary for profitable operation thereunder; and that the reduced rates were ordered despite the increased costs which have been experienced by the carriers since the rates now in effect were established. For these reasons the Association requests an opportunity to present evidence in support of its allegations and to substantiate the insufficiency of the prescribed

rates when applied to transportation from, to or between wholesale grocers, retail stores, jobbers or public warehouses. It urges that, meanwhile, the prescribed changes in the established rates be limited to a minimum of 10,000 tons per year as originally proposed by Morris Draying Co.

The position of Morris Draying Co. with respect to the Association's petition is expressed in its letter of January 6, 1940. It estimates that the property which will be transported in shipments subject to the 10,000 pound minimum per shipment will fall short of 10,000 tons per year. Therefore, it urges that if the Decision 32686 rates are modified upon the representations of the Draymen's Association, either the weight of shipments not subject to the 5-ton minimum rates be permitted to be included in the determination of the annual tonnage or the minimum tonnage be reduced to 7,500 tons per year. With these qualifications, Morris Draying Co. states that the utility of the order in so far as it is concerned would not be destroyed by the granting of the Association's petition. It states further if either of its proposals are given effect in modifying the prescribed rates it will be satisfactory to it that the rates be otherwise restricted as urged by the Draymen's Association. Informed of the objections so raised the Association states that either of the suggested qualifications is acceptable to it.

The allegations made by the Draymen's Association cast some doubt upon the propriety of making the reduced rates applicable to individual shipments without a minimum annual tonnage requirement. For a temporary period the ordered reduction will be made subject to a minimum annual tonnage of 7,500 tons. At the public hearing scheduled to be held in these matters on March 19, 1940, petitioner will be expected to present evidence in support of its contention that the minimum annual tonnage requirement should be retained, or to justify such other or different rates as it may deem proper in

lieu of those established by Decision No. 32686 as herein modified.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Appendix "A" of Decision No. 32686 of December 27, 1939, in the above entitled proceedings, be and it is hereby amended by changing the provision appearing on page 1 thereof, immediately following the rate table, reading "Amend the minimum weight of '20,000 Tons per year' to '5 Tons per shipment'" to read "Amend the minimum weight of '20,000 Tons per year' to '7,500 Tons per year; 5 Tons per shipment.'"

IT IS HEREBY FURTHER ORDERED that in all other respects Decision No. 29217 of October 26, 1936, in the above entitled proceedings, as amended by prior order and by this order, shall remain in full force and effect.

The effective date of this order shall be January 15, 1940.

Dated at San Francisco, California, this 10th day of January, 1940.

Ray & Rice
Robert A. Rice
Ray Walbridge

Commissioners.