

Decision No. 33874

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment)
of rates, rules, classifications)
and regulations for the transpor-)
tation 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.)

ORIGINAL

Case No. 4084

BY THE COMMISSION:

TWENTY-FIFTH SUPPLEMENTAL OPINION

By Decision No. 28632 of March 16, 1936, (C.R.C. 636), as amended, in this proceeding, the Commission established minimum rates, rules and regulations for the transportation of property within San Francisco by city carriers. At an adjourned hearing held in San Francisco on December 10, 1940, before Examiner E. S. Williams, Draymen's Association of San Francisco (hereinafter referred to as the Association) sought certain modifications in the minimum rates, rules and regulations theretofore established. None of these modifications were opposed.

Application of Rates

The established pickup and delivery rates include, unless otherwise specifically provided, pickup and delivery at sidewalk, platform or truckside; also inside shippers' or consignees' door at street level not more than 20 feet from the curb and at other than street level where vehicular elevator service or vehicular ramp is provided. Additional charges are provided for

service not included at the pickup and delivery rates. A witness for the Association testified that a question had arisen as to the exact nature of the pickup and delivery service embraced by the term "truckside." This question, he said, arose in determining the established minimum charges for shipments handled for distances as great as 70 feet from carriers' equipment. He recommended, in order to avoid any future question, that the term "truckside" be defined as pickup and delivery from and to points not more than 20 feet distant from carriers' equipment. He also recommended that the terms "sidewalk" and "platform" be similarly defined.

The Association witness asserted that city carriers had generally construed and applied the terms "sidewalk," "platform" and "truckside" as embracing pickup and delivery from and to points immediately adjacent to carriers' equipment and that they had not generally considered such pickup and delivery as authorizing the handling of property in excess of 20 feet from carriers' equipment, without additional charge.

It appears desirable in order to avoid uncertainty as to the meaning of sidewalk, platform and truckside pickup and delivery that they be defined as pickup and delivery from and to points within a specified maximum distance from carriers' equipment. The suggested maximum distance of 20 feet appears from the evidence to be that generally observed by San Francisco city carriers. The proposal will be adopted.

Definition of Shipment

The Association proposed that the established definition of a shipment be restricted by the addition thereto of a provision reading "When shipments are delivered to or received from other

carriers, each bill of lading or freight bill shall be considered as a separate shipment and charges assessed accordingly." ¹ It was represented that the established minimum rates contemplated pickup and delivery of a single lot of property at one pickup or delivery point at carriers' terminals. It was claimed that where two or more lots of property covered by separate bills of lading or freight bills involving transportation beyond San Francisco were tendered to a city carrier as a single shipment the delays incident to the handling of the separate lots at the terminals resulted in higher costs than would be experienced in handling a single lot of freight covered by one bill of lading or freight bill. ² These higher costs, it was said, justified treating each lot of property as a separate shipment. It was pointed out that the proposed provision is identical to that now provided in

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A shipment is defined in outstanding orders in this proceeding in a rule reading as follows:

"Unless otherwise provided, rates named herein apply to single shipments of property. A single shipment of property is a lot received from one shipper, at one pickup address, on one shipping order or one bill of lading, at one time, for one consignee, to one delivery address. Two or more single shipments shall not be combined and billed as one shipment, but must be carried as separate shipments and at rates not less than the established minimum rates for each shipment."

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A witness for the Association testified that the delays were experienced in picking up and delivering separate lots of property at carriers' terminals (1) in locating each lot of property picked up or in determining the location of the delivery point for each lot of property delivered, (2) in moving the truck from and to the different locations, (3) in executing separate delivery receipts, and (4) in handling the separate documents covering each lot. At steamship docks, he said, the property from or to different origin and destination points or arriving on or moving out on different vessels were frequently placed at widely separated points on the docks and that separate clerks were sometimes in charge of different piles or sections of the docks, involving further delays in locating and obtaining the services of the separate clerks.

connection with drayage transportation in the East Bay.³

It appears that the established minimum rates did not contemplate the consolidation by city carriers of lots of property delivered to or received from other carriers on separate bills of lading or freight bills. It is apparent from the evidence that the costs to the city carriers of transporting such consolidated shipments are ordinarily higher than those experienced by the city carriers in transporting a single lot of property covered by one bill of lading or freight bill. In view of these higher costs, the proposal to treat each lot of property delivered to or received from another carrier on a single bill of lading or freight bill as a separate shipment appears justified. It will be adopted.

Classification Rating on Pails

Pails (Buckets) not otherwise indexed by name, not enameled, are classified in the Western Classification from above 1st to 3rd class depending on their liquid capacity.⁴ The Association proposed that ratings of 1st class and $1\frac{1}{2}$ times 1st class on cans heretofore established in this proceeding be made applicable on pails regardless of their capacity. In justification of the increases which would result under the proposed ratings, it represented that the cost of transporting pails was as great

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Decision No. 29217 of October 26, 1936, as amended, in Cases Nos. 4108 and 4109 (unreported), involving transportation in and between the cities of Oakland, Albany, Alameda, Berkeley, Emeryville and Piedmont.

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Items Nos. 13845 to 13870, page 75, of Western Classification No. 69, C.R.C.-W.C. No. 2 of Agent R. C. Fyfe.

as or greater than for cans⁵ and that the proposed ratings and rates were necessary to permit a compensatory operation.

In support of its contention that the proposed rating and rates are necessary to permit a compensatory operation, the Association witness submitted a statement showing the revenue which had accrued under the existing ratings and rates and that which would have accrued at the proposed ratings and rates on 13 shipments of pails transported during the period October 21 through November 18, 1940. It was shown by the statement that the revenue which would have accrued on the shipments involved at the proposed rating and rate was considerably less than that which would accrue for the transportation involved under the hourly truck unit rate of \$3.85 per hour applicable for the transportation of so-called "unusual shipments"⁶ when performed with a truck having a capacity of over 5 tons but not over 7½ tons. The witness asserted that trucks of this size were required to transport the shipments involved.

The transportation characteristics of pails, according to this record, are no less favorable than those of cans and it appears that ratings and rates on pails no lower than on cans are necessary to permit a compensatory operation. The proposed modification will be made.

Commodity Rate on Newsprint Paper

The Association proposed the establishment of a commodity rate of 4½ cents per 100 pounds, minimum 500 tons per calendar

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A witness for the Association testified that paint pails were somewhat lighter than cans and were equipped with handles. Due to these circumstances, he asserted, a lesser weight of pails than cans may be loaded in a given space on a truck.

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Hourly truck unit rates apply for transportation of "unusual shipments," which term is defined as being shipments on which no actual or estimated weight can be secured, where there is neither a definite point of destination nor specific time for loading or unloading or for releasing the vehicle.

month for inhaul transportation⁷ of newsprint paper, in rolls, the monthly tonnage to be determined by averaging the tonnage received over 12 calendar months commencing with the month in which property is first transported.⁸ In support of the proposed commodity rate, a witness representing a city carrier which expects to handle tonnage under the proposed rate, testified that it was primarily intended to apply to movements from steamship docks to the plant of the San Francisco News located at 4th and Mission Streets. He stated that shipments of this commodity destined to this plant usually weighed from 500 to 750 tons. Prior to 1940, he said, the newspaper had storage facilities at its plant for not more than 300 tons of newsprint paper. Any amount in excess of the available storage, he asserted, was placed in public warehouses from which shipments were made to the newspaper plant as needed. He stated that at that time, due to the double haul involved in connection with a considerable portion of the tonnage moved, the shipper had no difficulty in supplying the minimum tonnage required to obtain the benefit of the 4½ cents per 100 pounds commodity rate provided for a minimum average weight of 750 tons per calendar month, as the amount transported by the carrier generally exceeded 10,000 tons per year. However, the witness stated, the newspaper

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The term "inhaul" is defined in outstanding orders as follows:

"Inhaul means the transportation of property received from another carrier at a depot, dock, wharf, pier or landing, originating beyond the limits of the City and County of San Francisco, also the transportation of property from public warehouses to wholesalers."

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The established rates on newsprint paper, in rolls, are (1) 4th class rates when in shipments of less than 6,000 pounds, (2) 80 per cent of 4th class rates when in minimum shipments of 6,000 pounds (5½ cents for movements within Zone 1), (3) a commodity rate of 5 cents for inhaul transportation within Zone 1 when in minimum shipments of 100 tons, and (4) a commodity rate of 4½ cents, minimum 750 tons per calendar month subject to a provision reading: "Monthly tonnage is to be averaged over twelve (12) calendar months commencing with month in which property is first transported."

had recently acquired private storage facilities adjoining its plant adequate to store from 3,000 to 4,000 tons of newsprint paper, thereby making it unnecessary to utilize the storage facilities of public warehouses. The effect of this change, he said, was to reduce the average tonnage handled by the city carrier from something in excess of 750 tons per calendar month to something in excess of 500 tons but not more than 600 tons per calendar month.

The witness asserted that he had made a study of the cost of performing the transportation involved and was of the opinion that the proposed rate would be profitable. He presented a cost and revenue study based on a shipment weighing approximately 479 tons tendered to his firm on May 16, 1940, for transportation from a steamship dock to the plant of the San Francisco News. This study showed that the revenue which would have accrued at the proposed rate would have been substantially in excess of the estimated cost.

It appears from the cost evidence and from the relationship that the proposed rate bears to other rates for the transportation of the commodity involved in San Francisco that the sought rate is reasonable and compensatory. The proposed commodity rate will be established.

O R D E R

An adjourned hearing having been held in the above entitled proceeding, and based upon the evidence received at the hearing and upon the conclusions and findings set forth in the opinion which precedes this order,

IT IS HEREBY ORDERED that Exhibit "A" of Decision No. 28632, dated March 16, 1936, as amended, in the above entitled proceeding, be and it is hereby further amended as follows:

Rule No. 5 - Application of Rates

Add to paragraph (b) a note reading:

"Note. - Sidewalk, platform, and truckside pickup and delivery as used in this paragraph means pickup and delivery from and to points located not more than 20 feet distant from carriers' equipment."

Rule No. 15 - Definition of Shipment

Add a new paragraph reading:

"When shipments are delivered to or received from other carriers, each bill of lading or freight bill shall be considered as a separate shipment and charges assessed accordingly."

Classification of Articles

Substitute for classification ratings reading "Cans: Empty, N.O.S. ... 1; Milk or Oil, in crates ... 1½" the following:

"CANS OR PAILS:

Empty, N.O.S. 1
Milk or Oil, in crates 1½"

Item No. 90 - Commodity Rate on Newsprint Paper

Add the following rate:

"Inhaul ... 4½ cents per 100 pounds, minimum weight 500 tons per calendar * month."

IT IS HEREBY FURTHER ORDERED that in all other respects said Decision No. 28632, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 40th day of February, 1941.

W. B. R. R.
W. B. R. R.
Ray & Riley
Justin J. Cullen
Frank R. Havens
Commissioners.