

ORIGINAL

Decision No. 34346

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of EARL H. ROBINSON, doing business)	
under the firm name and style of,)	Application No. 23887
ARROW TRANSFER, to charge less than)	
established minimum rates.)	

BY THE COMMISSION:

Appearances

- Earl H. Robinson, in propria persona.
- Harold W. Dill, for Truck & Warehouse Association of San Diego and Imperial Counties, interested party.
- C. W. Carlstrom, for Ace Van & Storage Company, interested party.
- C. C. Temple, for Bekins Van & Storage Company, interested party.
- F. O. Culy, for Culy Transportation Company, interested party.

O P I N I O N

By this application Earl H. Robinson, a city carrier, doing business as Arrow Transfer, seeks authority under Section 10 of the City Carriers' Act to assess rates and accessorial charges less than those established by the Commission as minimum for the transportation of flour between points in the City of San Diego.

Public hearing was had before Examiner Bryant at San Diego, and the matter is now ready for decision.

The record shows that flour in carload quantities of approximately 62,000 pounds is purchased by various San Diego bakeries and is received by them at public team tracks in San Diego. The transportation involved in this application is the handling of the flour from the team tracks to the bakeries.

¹ The bakeries are not served directly by rail facilities.

Applicant, testifying on his own behalf, said that this transportation as performed by his employees permits of economies in operation which in his opinion make the established minimum rates and charges excessive for this particular service. He stated that he was able to make unusually efficient use of vehicles, drivers and helpers because he handled flour regularly, frequently, and in large shipments. In this connection the witness declared that he transported about 90 per cent of the flour moved by for-hire carriers within the City of San Diego. He asserted also that his expenses for gasoline, oil and tires were relatively low because the destinations of all shipments are within a short distance of the rail team tracks; and that other economies result from the fact that his employees have had long experience in the handling of flour for the bakeries involved and are, therefore, acquainted with the most advantageous methods of performing the required accessorial handling at destination.

Applicant explained that accessorial services at destination may consist of stacking, sorting, delivery beyond tailgate and, in some instances, delivery at other than ground floor. He said that the cost of performing these services varies with the different bakeries, depending upon whether delivery is to be made at ground floor or upstairs, and upon the type of handling facilities maintained by the bakeries.

For the transportation here involved applicant seeks authority to charge rates of 4 cents, 5 cents or 6 cents per 100 pounds, according to the location of origin and destination; and to observe accessorial handling charges which are materially lower than

the corresponding charges established by the Commission.² He testified that in his opinion the proposed rates and charges would return the cost of performing the service plus a reasonable profit.

Studies of the cost of performing the transportation were introduced in evidence and explained by a transportation cost accountant employed by applicant. The estimated costs are reduced to an hourly basis, using actual costs for wages of drivers and helpers, based upon a time study of representative shipments, and estimated costs for other factors. According to these studies the estimated costs of performing the transportation range from \$2.84 per hour where only one helper is required, to \$3.58 per hour for two helpers. Converted to a weight basis on representative shipments, these costs vary from 3.51 cents to 4.33 cents per 100 pounds, including the delivery and accessorial services. These figures include most of the usual overhead expenses, but do not make provision for return on capital investment, depreciation on buildings owned, or for certain other items.

A representative of the Truck and Warehouse Association of San Diego and Imperial Counties testified that the Association which he represents desires uniformity in rates for all classes of carriers, and is not in favor of any single carrier being granted special authority to assess rates less than those established by the Commission as minimum. On the other hand, he said that the Association

2

The rates are uniformly 2 cents per 100 pounds lower than minimum rates established by the Commission for shipments of 10,000 pounds or more as provided in Decision No. 30021 of August 9, 1937, as amended, in Case No. 4082, Part "K". The proposed accessorial handling charges are one-half cent and one cent per 100 pounds according to the service involved, as more completely set forth in Appendix "A" hereof. The established charges for corresponding services are 5 cents per 100 pounds (minimum charge 25 cents) for pickup or delivery shipments weighing 100 pounds or more at other than street level, where no vehicular elevator service or vehicular ramp is provided, and 75 cents per man per hour (minimum charge 75 cents) for stacking, sorting or any other accessorial service.

believed some reduction should be made in the minimum rates for transportation of flour within the San Diego Drayage Area, and was not specifically opposed to the granting of this application.³ A representative of Bekins Van and Storage Company also participated in the cross-examination of the witnesses, but did not oppose granting of the application.

The record is persuasive that applicant enjoys certain economies in operation which make the established minimum rates and charges excessive for the particular movements here under consideration. These economies appear to result largely from the fact that the shipments are offered to applicant with a degree of frequency and regularity permitting of specialization, are tendered in large quantities, consist of only one commodity, are moved relatively short distances, and are delivered at destinations with which applicant's employees, through experience, are entirely familiar. Although the cost exhibits of record are not in all respects complete and above criticism,⁴ the margin between the cost of performing the service as developed by these exhibits and the gross revenue which would accrue under the proposed rates and charges appears to be ample to absorb such errors or omissions as might be pointed out in the

3

He recommended a rating of 90 per cent of 4th class on flour in lieu of the 4th class rating now applicable under Decision No. 30021, supra. However, rates of carriers other than applicant are not involved in this proceeding.

4

For example, the exhibits made no distinction between general overhead expenses assignable to the operations here involved and those assignable to other transportation services performed by applicant, and made no provision for return on capital investment, for depreciation on certain real property, or for time consumed in traveling from and to applicant's terminal.

estimates. Considered in connection with the other evidence of record, the cost data are convincing that the rates and charges herein proposed, if made subject to an appropriate minimum weight, would be compensatory.

Applicant proposed no minimum weight other than that of 10,000 pounds specified in connection with the established minimum rates. The evidence offered, however, dealt almost exclusively with shipments of 40,000 pounds or more, and it appears necessary and proper that a substantial minimum weight be fixed in connection with any reduced rates herein authorized. Subject to this condition, we are of the opinion and find that the proposed rates and charges will be reasonable for the transportation here involved. The application will be granted accordingly.

The findings herein are necessarily predicated upon existing conditions, and the authority hereinafter granted will therefore be limited to a period of one year. If, prior to the date of expiration, applicant is of the opinion that an extension is justified, an appropriate supplemental application should be filed.

O R D E R

This matter having been duly heard and submitted,

IT IS HEREBY ORDERED that applicant, Earl H. Robinson, be and he is hereby authorized to assess and collect for the transportation for which rates are provided in Appendix "A" attached

⁵ The record indicates that the majority of the shipments handled weigh 62,000 pounds or more, and that few weigh less than approximately 40,000 pounds. A minimum weight of 30,000 pounds, as provided in connection with the carload class rating on flour in Pacific Freight Tariff Bureau Exception Sheet No. 1-2, C.R.C. No. 39, of J. P. Haynes, Agent, would appear to be high enough to fit into the economics of applicant's specialized operation, and low enough to accommodate most, if not all, of the shipments tendered. This minimum will therefore be prescribed.

hereto and by this reference made a part hereof, rates and charges less than the minimum rates and charges heretofore established by the Commission, but in no event less than those provided in said Appendix "A".

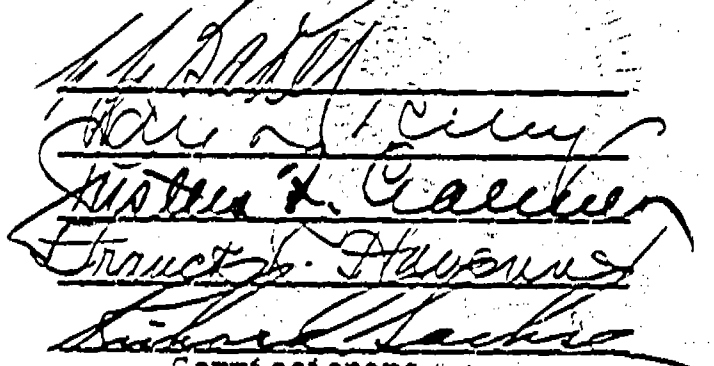
IT IS HEREBY FURTHER ORDERED that in connection with transportation for which rates are provided in Appendix "A" hereto applicant shall issue and preserve a freight bill for each shipment received for transportation, in accordance with the requirements of Decision No. 30021, as amended, in Case No. 4088, Part "K", and shall observe in connection with such transportation all rules and regulations established in and by said decision, as amended, which are not inconsistent with those specifically provided in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that in connection with transportation for which rates are provided in Appendix "A" hereto applicant shall cease and desist on the effective date of this order and thereafter abstain from quoting, assessing, charging, or collecting rates or accessorial charges based upon a unit of measurement different from that in which such rates and charges are stated.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one (1) year from the effective date of this order unless sooner changed, canceled or extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 24th day of June, 1941.


Commissioners

APPENDIX "A"

ITEM NO. 10 - APPLICATION OF RATES

(a) Rates provided in this appendix apply only for the transportation of flour in shipments subject to a minimum weight of 30,000 pounds, for shippers and consignees listed in Item No. 30, between points within the corporate city limits of San Diego.

(b) Rates include unloading from rail car at point of origin, and tailgate unloading at point of destination. (See Item No. 50 for accessorial charges for delivery beyond tailgate.)

ITEM NO. 20 - DEFINITION OF TERMS

(a) SHIPMENT means a quantity of freight tendered by one shipper on one shipping document at one point of origin at one time for one consignee at one point of destination.

(b) TAILGATE UNLOADING means unloading of the shipment from carrier's equipment and placing it at a point not more than 25 feet distant from said equipment.

ITEM NO. 30 - SHIPPERS AND CONSIGNEES

Mrs. Conkling's Bakery
Continental Baking Company
Fisher Flouring Mills Company
Franco Superior Bakery
Snowflake Bakery
Southern California Baking Company
Winter Baking Company

ITEM NO. 40 - EXPLANATION OF ZONES

Zones referred to herein are Zones 1, 2 and 3 as described in Rule No. 20 of Appendix "A" to Decision No. 30021, of August 9, 1937, in Case No. 4088, Part "K", in so far as such zones embrace territory within the corporate city limits of San Diego.

ITEM NO. 50 - ACCESSORIAL CHARGES

(a) When delivery service other than tailgate unloading is performed, the following accessorial charges shall be made:

(1) For delivery beyond tailgate at street level; including stacking if required, one-half cent per 100 pounds.

(2) For delivery beyond tailgate at other than street level, without stacking, one-half cent per 100 pounds.

(3) For delivery beyond tailgate at other than street level, including stacking, one cent per 100 pounds.

(b) The charges for collecting and remitting the amount of C.O.D. bills on C.O.D. shipments shall be as provided in Rule No. 60 of Appendix "A" of Decision No. 30021, as amended, in Case No. 4088, Part "X".

(c) For any accessorial service not otherwise provided for in this item, an additional charge of 75 cents per man per hour, minimum charge 75 cents, shall be made.

ITEM NO. 60 - RATES

Minimum Weight 30,000 Pounds

<u>From Rail Team Tracks in Zone 1 to point in</u>	<u>Rates in Cents per 100 pounds</u>
Zone 1	4
Zone 2	5
Zone 3	6
<u>From Rail Team Tracks in Zone 2 to point in</u>	
Zone 1	5
Zone 2	4
Zone 3	6

END OF APPENDIX "A"