

ORIGINAL

Decision No. 35326.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
WALKUP DRAYAGE AND WAREHOUSE CO.,)	
for authority under Section 10 of)	
City Carriers' Act and Section 11)	Application No. 24949
of Highway Carriers' Act to perform)	
transportation at a lesser rate than)	
the established minimum rates.)	

BY THE COMMISSION:

OPINION AND ORDER

By this application Walkup Drayage and Warehouse Co. seeks authority under Section 10 of the City Carriers' Act and Section 11 of the Highway Carriers' Act, to transport split delivery shipments of bakery goods for National Biscuit Company and Loose-Wiles Biscuit Company from San Francisco and Oakland to points within these cities and to other points along designated routes, having such boundary points as Willits, Calistoga, Suisun-Fairfield, Tracy and San Jose, ¹ at rates less than the minimum rates established for such shipments.

The proposed service contemplates the operation of a routed delivery service, using trucks having a maximum capacity of 4,500 pounds. Applicant states that at present the transportation involved is being effected with proprietary equipment and that in the event the authority sought is granted, applicant will purchase this equipment aggregating 23 trucks.

¹ The bakery goods to be transported are biscuits, cookies, crackers, matzos, pretzels and toast.

Applicant seeks authority to observe for this transportation a rate of 35 cents per 100 pounds, minimum truckload weight 3,812 pounds. This rate would permit a maximum of 75 stops per truck per trip, and include operations for distances of not in excess of 50 miles. A charge of 25 cents per delivery would be made for each delivery in excess of 75, and a rate of 7 cents per mile would be assessed for mileage traveled in excess of 50 miles. Moreover, additional charges would be assessed for designated taxes and tolls and for operations involving the payment of overtime to drivers.

The minimum rates prescribed for the transportation of bakery goods within San Francisco and within the East Bay drayage area vary with the weight of the delivery and the zone within which the delivery point is located. Alternative bases of monthly truck unit rates may be used in lieu of the drayage rates provided for individual deliveries.² Minimum rates established for split delivery shipments from San Francisco and Oakland to the points outside the drayage areas are set forth in cents per 100 pounds and vary with the aggregate weight of the shipment and the distance traveled. Additional charges which vary with the size of the individual deliveries are provided. Monthly rates are not applicable to this traffic.

Applicant represents that it is not feasible to observe rates for the operations involved on a basis requiring determination of the weight of each component part of the split delivery shipment because of the expense and delay which would be involved in securing

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The monthly truck unit rate for a vehicle having a capacity of not over 4,500 pounds, when operated not in excess of 23 days per month and 50 miles per day, in San Francisco, is \$293.50, and within the East Bay drayage area, \$300.

separate weights for the large number of split deliveries included in each truckload. The carrier further represents that the clerical detail required to rate the shipments would be an undue burden.

Applicant states that the sought rate basis would produce charges somewhat higher than the costs experienced by the bakeries in performing the operations in question. It further states that by reason of its larger aggregate operations it would be able to effect certain operating economies and perform the transportation involved at costs lower than those experienced by the bakeries. For these reasons applicant contends that the sought rate basis would be compensatory. In further support of the reasonableness of the proposed basis, applicant asserts that the minimum revenue accruing from the operation on a per-truck basis for a 22-day month would be equivalent to, or greater than, the minimum charge established by the Commission for transportation under monthly truck unit rates between points within San Francisco.

It is maintained that the peculiar nature of this service precludes common carriers or highway carriers from enjoying this traffic under existing minimum rates and that unless the relief sought is granted the shippers will continue their proprietary operations.

The record indicates that the proposed rate basis would be compensatory for the transportation involved and that authority to deviate from the established minimum rates is necessary to divert this traffic from proprietary to for-hire carriage. Under the circumstances it appears that a public hearing is not necessary and that temporary deviation from the established minimum rates should be permitted. The application will be granted. As it is possible, however, that the conditions under which this service is to be rendered may change at any time the authority will be limited to a one-year period, unless sooner cancelled, changed, or extended.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Walkup Drayage and Warehouse Co. be and it is hereby authorized to transport bakery goods, viz.: biscuits, cookies, crackers, matzos, pretzels and toast, for National Biscuit Company and Loose-Wiles Biscuit Company from San Francisco and Oakland to points within the area embraced by the application at rates less than the established minimum rates but not less than the basis of rates set forth therein.

This authority shall expire one (1) year from the date hereof unless sooner changed, cancelled or extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 5th day of May, 1942.

Justice F. Cameron
Ray H. Rieker
M. D. M.
Francis K. Stevenson
Richard L. L.
Commissioners.