

ORIGINAL

Decision No. 35454.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 J.A. CLARK DRAYING COMPANY, LTD., A)
 corporation, to charge less than es-) Application No. 24848
 tablished minimum rate.)

BY THE COMMISSION:

Appearance

J.A. Clark, Jr., for applicant

O P I N I O N

In the above entitled application J.A. Clark Draying Company, Ltd., a city carrier, seeks authority to transport wrought iron pipe for Crane & Company, San Francisco, at rates less than those established as minima in Rates for San Francisco City Carriers, 39 C.R.C. 636, Decision No. 28632, as amended. The matter was submitted at a public hearing held before Examiner Knapp at San Francisco, May 25, 1942.

The applicant's vice-president testified that his company has been engaged in hauling wrought iron pipe from San Francisco docks to Crane & Company's storage facilities, Second and Brannan Streets, San Francisco, but that with the entry of the United States into World War II, shipments commenced moving in by railroad and are now being transported from Southern Pacific Company rail terminals at Fourth and Berry Streets. He explained that the consignee's storage facilities are served by a railroad industrial spur track, but that these facilities are more adaptable to receiving shipments by truck transportation. Shipments are transported in low-bed truck equipment, each unit having a capacity of 20,000 pounds per trip.

The applicable minimum rate for transporting wrought iron pipe in volume movement within the primary commercial and manufacturing areas of San Francisco is a Fourth Class rate of 7 cents per

100 pounds, minimum weight 6,000 pounds. This rate, the witness said, is being assessed and collected for the transportation. In lieu thereof he requested that his company be authorized to assess and collect a rate of 5½ cents per 100 pounds, subject to a minimum quantity requirement of 3,000 tons per year.

The witness testified that an analysis of shipments hauled under the 7 cents per 100 pounds rate disclosed that rate to be somewhat excessive. He explained that a check of 355,900 pounds of pipe hauled during one week of February, 1942, revealed that an average truck unit revenue per hour of \$5.54¹ had been earned. He then compared this earning, said to be typical of that returned in connection with pipe hauling operations, with the minimum hourly truck unit rate of \$4.40 established by the Commission for the hauling of unusual shipments in comparable truck units in the same territory. He stated that if the referred to February movement had been transported at the 5½ cents per 100 pounds rate, that rate would have produced an hourly revenue per vehicle of \$4.26, which, according to the witness, is compensatory for the use of the equipment.

The vice-president testified further that although the origin of shipments had shifted from dock to railhead the length of truck haul was approximately the same in either case. Loading at

¹ An exhibit was submitted in support of this revenue testimony. It discloses, however, that the truck revenue per hour earned on the February, 1942 shipments was \$5.41 instead of \$5.54.

² The witness testified that shipments of wrought iron pipe had been transported from San Francisco docks to Crane & Company's storage warehouse facilities at a rate of 5 cents per 100 pounds, which, he said, produced charges slightly higher than those established as minimum by the Commission. San Francisco city carriers are authorized to determine charges for transportation from docks, piers or wharves to industries directly served by railroad spur truck facilities by combining the carload charge at dock, pier or wharf with the applicable switching rates.

rail terminals is somewhat less costly than at the docks, he said, in that the Southern Pacific Company makes available its derrick facilities to effect the transfer of inbound rail pipe shipments from rail car to truck without charge.

Finally, the witness expressed apprehension that unless the sought rate was authorized Crane & Company would request the railroads to spot equipment for unloading on their storage industrial track thereby depriving the applicant of business which it is now enjoying. He testified that while Crane's unloading facilities are more adaptable to truck transportation, with minor alterations they could be made equally suitable for the handling of rail cars. No other city carrier, he stated, participates in the pipe hauling here involved.

No one opposed the granting of the application.

Measured from an hourly truck-unit-revenue standpoint, the proposed rate of $5\frac{1}{2}$ cents per hundred pounds appears reasonable, producing only slightly less per truck-hour than hourly rates established for the hauling of unusual traffic in comparable truck units. The applicable 7 cents per 100 pounds rate, moreover, is a class rate designed to cover the movement of all types of commodities rated as fourth class in shipments as small as 6,000 pounds. The record in this proceeding shows that individual pipe shipments transported for Crane & Company by the applicant are substantially greater in weight and move in heavy volume throughout the year. The use of the sought rate will render unnecessary alteration of Crane & Company's facilities to handle rail cars and at the same time assure the continued movement of the traffic involved by the applicant. The application will be granted.

Inasmuch as the conditions under which this transportation service is to be rendered may be changed at any time the authority will be limited to a one-year period unless sooner changed, canceled, or extended.

ORDER

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that J.A. Clark Draying Company, Ltd., be and it is hereby authorized to transport wrought iron pipe for Crane & Company in shipments weighing 6,000 pounds or more, and in minimum quantities of 3,000 tons per calendar year, from railroad unloading facilities at Fourth and Berry Streets, San Francisco, to Crane & Company's storage warehouse, Second and Brannan Streets, in that city, at rates less than those established as minima for that transportation by Decision No. 28632 of March 16, 1938, as amended, in Case No. 4084, but not less than 5½ cents per 100 pounds.

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 ten (10) days from the date hereof.

Dated at San Francisco, California, this 9th day of June, 1942.

Justice F. Cramer

Ray H. Kelly

J. Parker

Richard H. ...

Commissioners