

ORIGINAL

Decision No. 36833

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of rates, rules, classifications and regulations for the transportation 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.

Case No. 4084

In the Matter of the Establishment of maximum or minimum, or maximum and minimum rates, rules and regulations for the transportation of property, for compensation 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, classifications, rules and regulations, contracts and practices, or any thereof, of EAST BAY DRAYAGE & WAREHOUSE CO., EASLETT WAREHOUSE COMPANY, INTERURBAN EXPRESS CORPORATION, KELLOGG'S EXPRESS & DRAYING CO., MERCHANTS EXPRESS CORPORATION, PEOPLES EXPRESS, SPECIAL DELIVERY SERVICE CO., UNITED PARCEL SERVICE, UNITED TRANSFER COMPANY, and WEST BERKELEY EXPRESS & DRAYING COMPANY, operating as Highway Common Carriers, for transportation of property for compensation over the public highways of the State of California, between the cities of Oakland, Albany, Alameda, Berkeley, Emeryville and Piedmont, in the County of Alameda, and for accessorial services incident to such transportation.

Case No. 4109

BY THE COMMISSION:

SUPPLEMENTAL OPINION

By prior orders in these proceedings, minimum rates, rules and regulations have been established for the transportation of property by city carriers within the City and County of San Francisco and

by city and highway carriers within and between the cities comprising the East Bay drayage area.<sup>1</sup> By petition, certain carriers rendering drayage service for shippers of lumber and other forest products seek revision of the minimum rates, rules and regulations prescribed for that service.<sup>2</sup>

A public hearing was had at San Francisco before Examiner Mulgrew.

The present drayage rates are generally stated in cents per 100 pounds. These rates vary with the classification of the property shipped, the zones within or between which the shipments are transported, and the weight of the shipments in relation to established weight minima. They cover, in addition to transportation service, loading and unloading operations incidental thereto, except where such operations require the handling of property for distances of more than 20 feet. Accessorial charges are provided for loading or unloading service where greater distances are involved. Rates are also stated in dollars per hour and per month. They apply to the transportation of all classes of property and within and between all zones of each drayage area and cover loading and unloading service. They vary, however, with the capacity of the vehicle.

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They were prescribed by Decision No. 23632 of March 16, 1936, as amended, in Case No. 4084 and by Decision No. 29217 of October 26, 1936, as amended, in Cases Nos. 4108 and 4109. The former proceeding involves San Francisco drayage; the latter proceedings involve East Bay Drayage. The East Bay cities comprising the drayage area are: Oakland, Albany, Alameda, Berkeley, Emeryville and Piedmont.

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The petitioners are: American Stevedore Co. Inc., Hill & Morton, Inc. and Wholesale Distributors, Inc., corporations; A. E. Sorrell and A. J. Morabito, copartners doing business as Lumber Terminal Company; and John Cabral, P. E. Gallo, Jr., Lawrence Luke and Nicholas J. Melchioris, individuals. Their petition concerns drayage of the following commodities: carstrips, lath, logs, lumber (including ceiling, flooring, finish, mouldings, surface stock, trim and other mill lumber), piling, poles, slabs, shingles, spars and wallboard.

For the transportation services they perform, petitioners contend on the one hand that the zoned class rates are excessive and on the other hand that the hourly and monthly rates are unduly low. In place of the former, they propose the establishment of rates in cents per 1,000 feet board measure, for minimum quantities of 3,000 feet, which vary with distance rather than according to zoning arrangements and which, it is claimed, would produce generally lower charges. Petitioners also contend that because the commodities involved are sold on a board-measure basis, weight rates are not as well suited to the assessment of transportation charges as board-measure rates. Establishment of measurement rates, they point out, would eliminate the necessity for weighing shipments. Increased hourly and monthly rates are also proposed.

The proposals here being considered are limited to service performed with automotive equipment described as "straddling" and "roller-bed" trucks. In connection with the operation of such equipment, the record shows, it is customary for forwarders of lumber and similar commodities to tender shipments on blocks or stands from which the property is loaded mechanically by these trucks. The trucks also unload mechanically. Under these conditions loading and unloading operations are said to require only a fraction of the time involved in handling similar freight manually. According to the petitioners, "straddling" and "roller-bed" trucks are also operated by many of the lumber dealers. It is estimated that approximately 75 per cent of the San Francisco and East Bay drayage of lumber and forest products is handled by the dealers in their own equipment. Petitioners claim that they handle 90 per cent of the remainder of this transportation.

The rates proposed are based upon a study made by petitioners' consulting engineer. Estimated costs and the proposed rates (in cents per 1,000 feet board measure) are shown in the following tabulation:

M i l e s		Costs	Rates	M i l e s		Costs	Rates
Over	But Not Over			Over	But Not Over		
0	$\frac{1}{4}$	38	40	6	8	135	150
$\frac{1}{2}$	1	64	70	8	10	157	175
1	2	80	90	10	12	177	185
2	4	96	105	12	15	199	200
4	6	116	130				

Costs and rates shown in the foregoing tabulation are limited to operations in which the property is tendered to the carrier properly arranged on blocks, in the case of transportation by "straddling" trucks, and properly arranged on stands in the case of transportation by "roller-bed" trucks. Petitioners' engineer testified that, in handling property so tendered, the carriers incur no loading expense. Arrangement of loads by the carriers, according to the engineer's estimates, results in an average cost of \$1.12 per 1,000 feet board measure, except in connection with loading from yard or rough piles, where average costs are said to be \$1.28 and \$1.32, respectively. Petitioners propose, for these loading operations, rates of \$1.15 for service not involving handling from yard or rough piles and \$1.50 for service involving such handling.

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The existing rates, as previously noted, are generally stated in cents per 100 pounds and vary with the classification of the article shipped. It is therefore not feasible to make precise comparisons of existing and proposed rates. Petitioners claim, however, that the articles they ordinarily transport are classified as 4th class and weigh, on the average, 3 pounds per board foot. Based on these estimates, the existing rates, converted to rates in dollars per 1000 feet board measure, range from \$2.10 to \$2.70 for San Francisco traffic and from \$2.25 to \$3.15 for East Bay traffic.

Because of their greater handling costs, value and susceptibility to damage, petitioners' rate witness said higher charges than those based on the foregoing proposals for both the transportation and loading services are necessary in connection with commodities treated with chemicals, oil or creosote and for untrimmed and unwieldy articles. Rates ranging from 25 to 100 per cent higher than the basic rates are recommended for these commodities.

Hourly costs, as disclosed by the engineer's study, vary according to the width of the "straddling" trucks operated, and amount to \$4.05 in the case of 3-foot trucks and \$4.28 for 4-foot and 5-foot trucks. Establishment of rates of \$4.50 and \$4.75 per hour, respectively, is proposed.<sup>4</sup> On a monthly basis (23 days 8 hours per day) costs for such equipment are shown as \$745 for the small equipment, and \$787 for the larger units, and rates of \$700 and \$800, respectively, are proposed.<sup>5</sup> Costs were not submitted for the operation of "roller-bed" trucks on hourly and monthly bases. Petitioners urge, however, that uniformity of rates is necessary in order to preserve a competitive equality between the two types of operating equipment. This may be achieved, they claim, by establishing for "roller-bed" trucks of 4,500 pounds or less capacity, the same hourly and monthly rates as those proposed for the 3-foot "straddling" trucks, and by establishing for larger "roller-bed" trucks, the same rates as those for the 4 and 5-foot "straddling" trucks.

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The present hourly minimum rates applicable to the transportation here involved range from \$2.20 to \$3.25 in San Francisco and from \$2 to \$4 in the East Bay area.

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The corresponding rates under the established bases range from \$259.50 to \$389 and from \$260 to \$400, for San Francisco and East Bay drayage, respectively.

The Secretary-Manager of the Draymen's Association of San Francisco said that the members of this Association are not interested in the transportation involved except to the extent that adoption of petitioners' proposals would affect rates for steamship transfer operations, i.e. transportation from one water carrier's wharf to another such wharf. He claimed that rates lower than the rate of \$2.20 per 1,000 board feet heretofore prescribed for lumber so transferred are not justified. Counsel for petitioners stated that they did not object to the continuation of the present steamship-transfer basis and amended their proposals accordingly. As so amended, no one opposed the sought modifications of the outstanding minimum rate orders in question.

It is not disputed and the record shows that the services involved are specialized services and that the prescribed minimum rates fail to reflect the economies resulting from the use of trucks designed or equipped to load and unload the property involved by mechanical means. The establishment of reduced rates reflecting these economies appears amply justified by the evidence submitted. However, the basic rates proposed by petitioners are for certain distances materially higher than those shown to be necessary to return estimated costs. Moreover, the higher rates recommended for treated, untrimmed, unwieldy articles and for arranging loads from yard and rough piles are not supported by a convincing showing that these rates are reasonably related to the additional cost and risk involved in handling such articles, or that rates as high as those proposed are necessary for these operations. The basic rates and charges proposed, modified to the extent necessary to reflect the costs of record, will be established. Petitioners have failed to

demonstrate that the hourly and monthly rates heretofore established as minimum rates are unreasonably low when other than "straddling" trucks are involved. Accordingly, the proposed increases in hourly and monthly rates will not be established. Similarly, the prescribed minimum rates based upon weight have not been shown to be unduly low for ordinary cartage operations. The board-measurement rates found justified herein will, therefore, be permitted to alternate with the existing weight rates.

Upon consideration of all the evidence of record, we are of the opinion and find that Decisions Nos. 28632 and 29217, as amended, in these proceedings, should be modified to the extent provided by the order herein and that in all other respects the requested modifications of the aforesaid decisions have not been justified on this record.

#### O R D E R

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

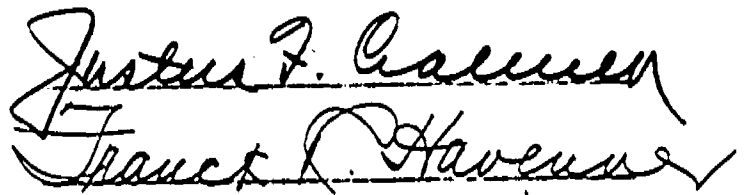
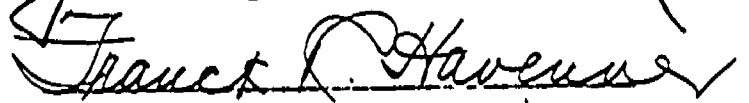
IT IS HEREBY ORDERED that Exhibit "A" of Decision No. 28632 of March 16, 1936, as amended, in Case No. 4084 and Appendix "A" of Decision No. 29217 of October 26, 1936, as amended, in Cases Nos. 4108 and 4109, be and they are hereby further amended to the extent shown in Appendix "A" attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that in all other respects said Decisions Nos. 28632 and 29217, as amended, shall remain in full force and effect.

This order shall become effective twenty (20) days from  
the date hereof.

Dated at ~~Los Angeles~~ <sup>San Francisco</sup>, California, this 24<sup>th</sup> day of  
January, 1944.



Commissioners



APPENDIX "A"

Rule 1 - Application of Appendix

(a) Minimum rates, rules and regulations provided in Exhibit "A" of Decision No. 28632, as amended, in Case No. 4084, and Decision No. 29217, as amended, in Cases Nos. 4108 and 4109, be and they are hereby further amended to the extent hereinafter provided in this appendix.

(b) The minimum rates, rules and regulations provided by this appendix shall be observed as minima only to the extent that they produce lower charges than the minimum rates, rules and regulations otherwise applicable.

(c) Except as otherwise provided, the minimum rates named in this appendix shall be governed by the rules and regulations contained in Exhibit "A" of Decision No. 28632, as amended, in Case No. 4084, and Appendix "A" of Decision No. 29217, as amended, in Cases Nos. 4108 and 4109.

(d) Rules and regulations contained in Decision No. 29217, as amended, in Cases Nos. 4108 and 4109 relating to handling and distribution of pool cars and the handling of heavy or bulky shipments and rules and regulations contained in Decisions Nos. 28632 and 29217, as amended, in Cases Nos. 4084, 4108 and 4109, relative to charges for service at other than regular working hours shall not be applied to the rates named in this appendix.

(e) The rates named in this appendix do not apply to steamship transfer shipments moving between points in the City and County of San Francisco.

(f) For arranging loads on blocks or stands at the loading point, a charge based upon a rate of \$1.15 per 1,000 feet board measure shall be assessed in addition to the charge based upon the rate named in this appendix; for other accessorial services, the provisions of Exhibit "A" of Decision No. 28632, as amended, in Case No. 4084 and Appendix "A" of Decision No. 29217, as amended, in Cases Nos. 4108 and 4109, shall be observed.

Rule 2 - Description of Articles and Basis for Determining Board Measure

(a) The rates contained in this appendix shall be applied only to transportation of the articles listed in this rule.

(b) The board measurement basis provided in this item shall be used in assessing charges under the provisions of this appendix.

DESCRIPTION OF ARTICLES (Subject to Note 1)	BASIS FOR DETERMINING BOARD MEASURE (Subject to Note 2)
<b>CARSTRIPS, in bundles:</b>	
7/16" x 1 1/2" or 1 1/2" x 8'	25 feet BM per bundle.
1/2" x 1 1/2" or 1 1/2" x 8'	32 feet BM per bundle.
<b>LATH, in bundles:</b>	
1 1/2" or 1-5/8" x 4'	25 feet BM per bundle.
<b>LOGS, PILING, POLES, SPARS</b>	Board Measure shall be computed on the actual square of the mean diameter.
<b>LUMBER:</b>	
Less than 1" thick	Figure as 1" thick, except mouldings for which the minimum size for computing measurement shall be 1" x 1".
Milled lumber 1" or more thick	Figure at the size before being worked
<b>SHAKES, in bundles:</b>	
Redwood	12 1/2 feet BM per bundle.
Cedar	40 feet BM per bundle.
<b>SHINGLES, in bundles</b>	25 feet BM per bundle.
<b>WALLBOARD:</b>	
1/2" and less thick	500 feet BM per 1,000 feet SM.
Over 1/2" to and including 3/4" thick	667 feet BM per 1,000 feet SM.
Over 3/4" to and including 1" thick	1,000 feet BM per 1,000 feet SM.

NOTE 1. " and ' as used herein mean inches and feet, respectively.  
 NOTE 2. BM and SM as used herein mean Board Measure and Surface Measure, respectively.

Item No. 1 - Rates

MILES (1)		Rates in Cents Per 1,000 Feet Board Measure (2)
Over	But Not Over	
0	1/2	40
1/2	1	65
1	2	80
2	4	95
4	6	115
6	8	135
8	10	160
10	12	180
12	15	200

(1) The mileage shall be the actual distance from point of origin to point of destination.

(2) (a) Minimum 3,000 feet board measure.

(b) In lieu of the rates otherwise provided in this item a rate of 35 cents per 1,000 feet board measure shall be applicable to transportation from bulkheads, docks, piers, or wharves for distances of not more than 1,000 feet.

(END OF APPENDIX)