

Decision No. 32127

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CLAY & SMITH, a copartnership, for an)
order authorizing them to perform trans-)
portation and accessorial services in)
connection with the construction of)
Lindbergh Field, San Diego, California,)
at a rate lesser than the minimum rate)
established by the Railroad Commission,)
and for relief under Section 10 of the)
City Carriers Act and Section 11 of the)
Highway Carriers Act.)

Application No. 26163

ORIGINAL

- A. E. Rogers, 208 West 8th Street, Los Angeles, for applicant.
- C. F. Reynolds, for R. E. Hazard & Sons Truck Company, San Diego, as their interests may appear.
- H. L. Ragsdale, 3216 Island Ave., San Diego, protestant.
- S. L. Stowell, for the Truck and Warehouse Association of San Diego and Imperial Counties, San Diego, protestant.

BY THE COMMISSION:

O P I N I O N

By this application, Clay & Smith, a copartnership, seeks authority under the provisions of Section 10 of the City Carriers' Act and Section 11 of the Highway Carriers' Act to transport sand, rock, gravel, and excavated material in dump trucks over highways of the City and the County of San Diego at rates less than those set forth in City Carriers' Tariff No. 6 and Highway Carriers' Tariff No. 7, as amended⁽¹⁾.

(1) This tariff is Appendix "A" of Decision No. 32566, as amended.

At a public hearing held before Examiner Jacobsen at San Diego on May 29, 1944, a witness for the applicant testified that the transportation involved is for the construction of a new runway at Lindbergh Field, adjoining the plant of CONSOLIDATED VULTEE AIRCRAFT CORPORATION in San Diego, the new runway to be used by the corporation; that the job will require approximately 800,000 tons of material for base and surface construction; that the time required to complete the job is approximately one hundred eighty days; and that the general contractor, CASSON AND BALL, has contracted with CONSOLIDATED VULTEE AIRCRAFT CORPORATION for the construction of said runway.

The witness further testified that applicant proposes to transport three types of material to be used in said construction:

- (a) Approximately 380,000 tons of pit run sand barrow material from Levi Pit in the Mission Valley, located in the City of San Diego, 4.2 miles from a central point on the runway. From this central point the material must be transported an average of 0.4 miles to the point of unloading. The average one-way haul will be 4.6 miles. The loading will be performed by 2½ cubic yard power shovels. This material will be weighed at the pit.
- (b) Approximately 234,000 tons of select crusher run sub-base material from the Levi Pit. Loading will be performed by means of a bunker of sufficient capacity to prevent the trucks from waiting in line. This material will be weighed at the bunker.
- (c) Approximately 181,000 tons of crushed rock and sand from the plant of the Fenton Material Company at Otay, San Diego County, located 14.9 miles from the stockpile on Lindbergh Field. This material will be weighed at the Otay plant.

The transportation rates sought by this application are:

- | | | |
|-----|----------------------------------|-------------|
| (a) | Pit run material from Levi Pit | 25¢ per ton |
| (b) | Select crusher run from Levi Pit | 25¢ " " |
| (c) | Rock and sand from Otay plant | 62¢ " " |

The minimum rates prescribed by the Commission in Decision No. 32566, as amended, are:

- | | | |
|-----|--------------------|-------------|
| (a) | Pit run material | 33¢ per ton |
| (b) | Select crusher run | 33¢ " " |
| (c) | Rock and sand | 70¢ " " |

The applicant introduced cost data in support of his request, based upon similar transportation conditions in other localities and upon approximately one week's operation in hauling pit run material for the construction involved herein at hourly rates.

In the transportation of material from the Levi Pit, the applicant witness estimated that an eight cubic yard truck would make seventeen trips per hour and produce a revenue of \$5.10 per hour at the proposed rates⁽²⁾. In the transportation of sand and rock from the Otay plant the number of trips was estimated at seven per each ten and one-half hour period. At \$0.62 per ton, this would produce a revenue of \$4.96 per hour.

The witness estimated the cost of operating this size of equipment to be \$3.5105 per hour, broken down as follows:

ITEM	COST PER HOUR
<u>Depreciation</u> (based upon an 8 cu. yd. vehicle), cost new \$5,500.00, first year depreciation 30% is \$1,650.00 per year, or \$137.00 per month, and at 260 hours per month is	\$.53
<u>Wages</u> (Labor contract scale)	1.00
<u>Payroll Insurance</u> (10% of wages)	.10
<u>Fuel</u> (Gasoline), average 200 miles per day of 10 hours, six miles per gallon is 33-1/3 gallons per day, at 18¢ per gallon is \$6.00 per day, or	.60
<u>Lubrication</u> average 1-3/5 quarts per day, @ 30¢ per quart, is 48¢ per day, or	.048
<u>Insurance</u> \$15.00 per month, or 58¢ per day, is	.058
<u>Licenses</u> \$150.00 per year, \$12.50 per month, or 50¢ per day, are	.05
<u>Supervision, office, clerks, etc.</u>	.10
<u>Repairs, maintenance, supplies, materials, tires</u>	.50
<u>Board of Equalization, 3% tax (\$5.00 earnings)</u>	.15
<u>Railroad Commission, 1/2% tax, (\$5.00 earnings)</u>	.0125
Total hourly cost	\$3.1485 per hour
To this is added:	
Overtime of drivers	\$.17 ⁽³⁾ per hour
Payroll charges of 10%	.017 " "
Provision for increase in labor rates	.10 " "
Payroll charges of 10%	.01 " "
Provision for managerial salaries	.03 " "
Performance bond	.035 " "
Total	\$3.5105 " "

(2) 8 cubic yards are estimated to weigh 12 tons. 12 tons x 17 trips per hour = 204 tons per hour. 204 tons per hour x \$.025 per ton = \$5.10 per hour.

(3) In the case of movements from Otay plant, where 10 1/2 hour shifts are to be used, the average overtime per hour is \$0.18.

The record shows that the applicant is well qualified to perform the type of work involved, having had experience in transporting material for airport construction and similar work in the State of California and in neighboring states.

A witness representing the general contractor, CASSON AND BALL, testified that the construction of the runway was supervised by the military authorities; that the work is of an important military nature, and that the applicant is known by him to be able and willing to perform the transportation services involved.

The protestants presented no testimony in opposition to the applicant's request. Their cross-examination brought out the fact that the wage rate for dump truck drivers would no doubt be increased 10 cents per hour before the construction would be completed. This factor has been recognized as an expense item in developing the cost of rendering the service involved herein.

The operations proposed by the applicant should have no effect upon the normal transportation of property in dump trucks under the applicable minimum rates established by the Commission. The large tonnage to be handled in the relatively short period of time of approximately one hundred eighty days greatly increases the use factor of the equipment over that experienced in normal operations in this territory.

The application will be granted.

Inasmuch as the transportation service to be rendered is temporary in nature, the authority granted herein will be limited to a nine months' period, unless sooner canceled, changed, or extended.

O R D E R

IT IS HEREBY ORDERED that CLAY & SMITH, a copartnership, be and they are hereby authorized to transport pit run sand barrow material and select crusher run material in dump truck equipment from the Levi Pit located in Mission Valley in the City of San Diego, to Lindbergh Field, an airport located in the City of San Diego, at a rate

less than that established as a minimum for such transportation but not less than twenty-five (25¢) cents per ton; also to transport sand and crushed stone from the producing plant of the Fenton Material Company located at Otay, in San Diego County, to Lindbergh Field, an airport located in the City of San Diego, at a rate less than that established as a minimum for such transportation but not less than sixty-two (62¢) cents per ton.

IT IS HEREBY FURTHER ORDERED that in all other respects the transportation involved in the application shall be subject to the provisions of Decision No. 32566, as amended.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire nine months from the date of this Order, unless sooner canceled, changed, or extended by appropriate order of this Commission.

This Order shall become effective on the date hereof.

Dated at San Francisco, California, this 13th day of June, 1944.

Richard L. Jackson
Justus D. Cameron
Francis D. Havens
Anna E. Lavin
Irving D. Sussel
Commissioners