

Decision No. 38396

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of C. R.)
BECKER, an individual, doing business as)
DELIVERY SERVICE COMPANY, for a certifi-)
cate of public convenience and necessity,)
to operate an inter-city auto truck pick-)
up and delivery service for the transpor-)
tation of packages as a common carrier be-)
tween Alameda, Oakland, Piedmont,)
Emeryville, Berkeley, Albany, El Cerrito,)
and intermediate points, limited to)
certain commodities.)

ORIGINAL

Application No. 20144
1st Supplemental

CLIFTON E. BROOKS, for applicant.

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

By his first supplemental application in this proceeding C. R. Becker, an individual doing business as Delivery Service Company, asks to be relieved from the obligation of transporting certain commodities included among those which, by the terms of the certificate issued herein, he was originally authorized to carry. The matter was submitted at a public hearing had before Examiner Austin at San Francisco. No one opposed the granting of the application.

By Decision No. 28691, rendered April 6, 1936, in this proceeding, a certificate of public convenience and necessity was issued to Becker authorizing the establishment of an automotive parcel delivery service, as a highway common carrier, between Alameda, Oakland, Piedmont, Emeryville, Berkeley, Albany and El Cerrito. The authority thus granted was limited to the transportation of specified commodities, viz.:

Auto Parts, Accessories and Supplies; Bags; Barber Supplies; Blue Prints; Cakes, Candy and Confections; Cameras; Cigars, Cigarettes, Tobacco and Pipes; Cosmetics; Dental Supplies and Equipment; Drugs and Medical Supplies and Equipment; Films and Prints; Groceries and Grocers' Supplies; Ice Cream; Labels; Liquors, Beer, Ale and Wines (packages); Meats; Mechanical Tools; Optical Supplies and Equipment; Paper and Stationery Supplies; Periodicals, Magazines and Newspapers (single issues); Photographic Supplies; Rubber Stamps; Twine; and X-ray Plates and Prints.

Applicant now seeks an amendment to this certificate permitting the deletion of four of the commodities mentioned, comprising cakes, groceries, ice cream and meats. Assertedly, this would obviate the inconveniences and the losses in revenue attributable to this traffic.

The number of retail establishments served, it appears, has shown a marked decrease. Since the inception of the business, applicant testified, he has engaged continuously in the performance of a parcel delivery service, transporting throughout the East Bay territory the commodities specified in his certificate. At the outset the shipments received from retail stores comprised a large share of the total traffic handled. During the war however, the operation of the regulations promulgated by the Office of Defense Transportation tended to discourage the delivery of packages for retail stores, and as a result the number of stores served fell from thirty to four. The four remaining stores are engaged in business in the Piedmont and the Claremont districts of Oakland and Berkeley, respectively. For some two years applicant has devoted his facilities principally to the transportation of packages received from wholesale establishments.

The share contributed to both traffic and revenue by the four items involved has diminished substantially during the war period. Formerly, the shipments of these commodities offered by

the thirty stores then served represented 60 per cent of the volume of traffic handled; at present, the shipments received from the four remaining retail stores comprise but four per cent of the total traffic. And the proportion of the total revenue derived from these items has declined from fifteen to four per cent.

From the four retail stores currently served applicant receives shipments of meats and groceries, cakes being included within the latter item. Recently, no shipments of ice cream have been offered for transportation.

The delivery service which has been provided for the retail stores, it was shown, has proved both burdensome and inconvenient. Shipments of meats and groceries (including cakes), tendered to applicant for transportation, weigh on the average in excess of the wholesale packages offered. Generally, they are distributed throughout residential districts, including those situated in the hills and consequently difficult of access. Areas less remote and more readily reached are served by the stores' own trucking facilities. Wholesale packages, on the other hand, are consigned to business establishments situated in more accessible localities, and they involve less handling than the retail packages.

These retail stores, it appears, have been served at a substantial loss. During the war period the cost of providing the service, applicant testified, has averaged \$2.50 per hour throughout the system. At the rate of six deliveries an hour (the maximum number attainable for retail deliveries, as demonstrated by experience) the cost is approximately 41 cents for each delivery. The revenue derived from this phase of applicant's operations, it was shown, averages 22 cents per delivery. Thus the retail parcel delivery service has been conducted at an average loss of 19 cents

for each delivery. Applicant testified that during the war he had assumed and borne this loss in order to facilitate the delivery of essential food products and to overcome the difficulties encountered by retail store proprietors because of the gasoline shortage. In view of the termination of the war, however, applicant asserts he no longer should be required to sustain this burden.

In response to the Commission's request, applicant personally notified all interested shippers regarding his proposal, and secured their consent to the deletion of the commodities involved from among those which he undertook to carry. Written waivers signed by these retail store proprietors, some four in number, were submitted by the applicant, who testified that during personal interviews had with them each had expressed his approval of the contemplated withdrawal of these items. Proof of service of notice of the hearing upon these shippers was also submitted.

In our judgment, applicant has justified his request for authority to discontinue the transportation of the commodities mentioned, and the certificate will be amended accordingly.

FIRST SUPPLEMENTAL ORDER

Application having been made as above entitled, a public hearing having been had, and it having been found that public convenience and necessity so require,

IT IS ORDERED as follows:

(1) That Decision No. 28691, rendered herein on April 6, 1936, be and it hereby is modified and amended by deleting from the specification of the commodities which applicant was therein

authorized to transport the following commodities, viz., cakes, groceries, ice cream and meats, and each of said commodities.

(2) That within thirty days after the effective date hereof, applicant shall file with the Commission an appropriate tariff or supplement to his tariff, cancelling the published rates upon the commodities herein deleted from applicant's certificate.

(3) That in all other respects said Decision No. 28691 shall remain in full force and effect.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13th day of November, 1945.

Richard Ruden
Justus J. Carver
Francis Cowley
Joseph L. Luce
COMMISSIONERS