

Decision No. 32572**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 WALKUP DRAYAGE & WAREHOUSE COMPANY for
 an order granting permission to charge
 less than the minimum rates established
 by Decision No. 32541, in Case No. 4084. }
 Application No. 25066 }

BY THE COMMISSION:

Appearances

Douglas Brookman, for applicant and for Baker
 and Hamilton.
 Russell Bevans, for Draymen's Association of
 San Francisco.

SECOND SUPPLEMENTAL OPINION.

Decision No. 37572, in this proceeding, authorized applicant to observe a rate of $8\frac{1}{2}$ cents per 100 pounds, minimum charge 35 cents per shipment, for a minimum aggregate quantity of 4,000 tons per calendar year, in connection with drayage service performed for Baker and Hamilton, a wholesale hardware concern. The basis prescribed for drayage for wholesale hardware houses in Rates for San Francisco City Carriers, 39 C.R.C. 636, as amended, is $7\frac{3}{4}$ cents per 100 pounds, minimum charge 30 cents per shipment, for a minimum aggregate quantity of 9,000 tons per calendar year. Authority to deviate from this basis as now held by applicant is scheduled to expire December 31, 1945. Extension for one year is sought.

A public hearing was had before Examiner Mulgrew at San Francisco on December 20, 1945.

The record shows that the interested shipper will be unable to meet a 9,000-ton minimum during 1946 because of various factors in the reconversion program, including material shortages and backlogs of unfilled orders, which are retarding the flow of merchandise and

thus tending to hold the shipper's drayage requirements at a sub-normal level. It also shows that drayage from intercoastal vessel piers, which prior to the war accounted for a substantial portion of the total tonnage in the operation in question, will not be resumed on a consequential scale because of the necessity of using faster land transportation in order to fill depleted stocks.

A vice-president of applicant testified that the authorized rate, which is the same as that here sought, has been compensatory. He pointed out that the reduction in the annual minimum tonnage had been accompanied by increases in the rate and the minimum per shipment charge. No material change in the conditions surrounding this transportation, it was represented, had been experienced since this matter was considered a year ago. Applicant's witness said, however, that wages of drivers and helpers were under negotiation and that upward revisions in the wage scales were in prospect. He also said that such increases as might result from wage negotiations would be followed by compensating increases in the rate basis here being considered. The shipper's acting traffic manager testified that it would be willing to pay such higher charges as might be necessitated by applicant's increased labor costs.

The showing made indicates that the authority should be continued until applicant's labor cost situation is clarified. Its extension should be limited at this time to a six-month period and the minimum tonnage requirement reduced accordingly.

ORDER

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

IT IS HEREBY ORDERED that Walkup Drayage and Warehouse Company be and it is hereby authorized to transport property for Baker

and Hamilton between points in the City and County of San Francisco at rates less than the minimum rates established for that transportation by Decision No. 28632 of March 16, 1936, as amended, in Case No. 4084, but not less than $8\frac{1}{2}$ cents per 100 pounds, minimum charge 35 cents per shipment, minimum aggregate quantity 2,000 tons, for the period extending from January 1, 1946, to June 30, 1946.

This order shall become effective January 1, 1946.

Dated at San Francisco, California, this 28th day of December, 1945.

L. Harold Anderson
Matthew J. Cullen
Francis J. ...
Joseph ...
Harold P. ...
 Commissioners