

ORIGINAL

Decision No. 38574

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Walkup Drayage & Warehouse Co., a
 corporation, for permission under Section
 10, City Carriers' Act (Statutes 1935
 Chapter 312) to transport property within
 the City and County of San Francisco at
 rates less than the minimum rates pre-
 scribed for City Carriers by Decision
 No. 28632, as amended, in Case No. 4084.)
)
) Application No. 25595
)
)
)

BY THE COMMISSION:

Appearances

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

THIRD SUPPLEMENTAL OPINION

By previous orders in this proceeding, applicant was authorized to transport property for Butler Brothers until December 31, 1945 at a rate of 11 cents per 100 pounds, subject to a minimum charge of 30 cents per shipment and a minimum quantity of 5,000 tons per calendar year. By supplemental application, authority is sought to observe a 15-cent rate, subject to a 45-cent minimum per shipment charge and a 3,000-ton annual minimum for 1946.

A public hearing was held in San Francisco on December 20, 1945, before Examiner Mulgrew.

Applicant's vice-president testified that during the past year the character of the traffic handled for Butler Brothers had changed, particularly in that a large proportion of the merchandise currently handled was of considerably lower density. Under the circumstances, he said, the shipper could no longer meet the 5,000-ton

annual minimum. A revenue and cost study made by applicant and covering a representative month shows that revenue under the existing authority amounted to \$432.70, that under the proposed basis revenue would have been \$604.30 and that the cost of providing the service was \$526.32. Applicant's witness said that the cost was based on present wage scales for drivers and helpers and that sought increases in these scales were under negotiation. He stated that his firm and the interested shipper had agreed to readjust the proposed rate basis if the wage negotiations lead to increased labor costs and to make such rate increases as may be necessary to reflect higher labor expense. The shipper's traffic manager confirmed this understanding and the correctness of applicant's representations with respect to the necessity for the reduced annual tonnage.

In the light of the foregoing it appears that the proposed rate adjustment is justified. It also appears, however, that it should be limited at this time to a six-month period and the tonnage requirement adjusted accordingly.

O R D E R

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 Butler Brothers between points within the City and County of San Francisco at a rate less than the minimum rates established for such transportation by Decision No. 28632, of March 16, 1936, as amended, in Case No. 4084, but, not less than 15 cents per 100 pounds, minimum

charge 45 cents per shipment, minimum weight 1,500 tons, for the period 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.

David Quinn
Justin F. Caserio
Thomas J. Quinn
W. H. H. H. H.
Harold P. H. H.
 Commissioners.