

Decision No. 39614**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of )  
 rates, rules and regulations for the )  
 transportation of property by common ) Case No. 4246  
 carriers as defined in the Public )  
 Utilities Act and highway carriers as )  
 defined in the Highway Carriers' Act. )

In the Matter of the Establishment of )  
 rates, rules and regulations for the ) Case No. 4434  
 transportation of property by carriers )  
 as defined in the City Carriers' Act. )

Appearances

J. W. Barker and Wyman C. Knapp, for petitioners.  
 Russell Bevans, Harold J. Blaine, Daniel P. Bryant,  
 and E. H. Hart, for carrier associations and  
 individual carriers supporting petitioners.

SUPPLEMENTAL OPINION

California Van & Storage Association and United Van & Storage Association, Inc. propose that the minimum rates established by prior orders in these proceedings for the transportation of used household goods and related articles (Decision No. 32629 of December 7, 1939, as amended) be raised to generally higher rate levels.

Public hearing was had at San Francisco before Examiner Mulgrew.

Petitioners' showing of operating results was confined to profit and loss statements of Lyons Van Lines, Inc. and Bekins Van Lines, two of the highway common carriers of the property involved. These statements show that, "as reflected by the books of the company unmodified", Lyons' net profit for the period October 1, 1944 to September 30, 1945, was \$4,095.39 before taxes and \$1,588.39 after taxes; and that in the same period Bekins sustained an operating loss of \$18,643.86.

Bekins and Lyons are two of the carriers engaged in the so-called "dual operations" referred to in Decision No. 39613 in these proceedings and in Case No. 4730. (In re, Investigation of Rates and Practices of Carriers of Household Goods.) The operating results of these carriers without corresponding figures for their affiliates are of dubious probative value. In Decision No. 39613 we concluded, moreover, that various practices of carriers such as the Bekins and Lyons affiliates, including their methods of keeping records and allocating revenues and expenses, should be revised so as to portray more accurately the financial results of the individual carriers. In the circumstances petitioners' representations with respect to the increased costs experienced since the establishment of the present minimum rate levels and their cost studies of the higher expenses said to be now necessarily incurred lose much of their force.

The "going" or actual rates of the highway common carriers are published in their tariffs on file with the Commission pursuant to requirements of the Public Utilities Act. Radial highway common, highway contract and city carriers operating under the Highway and City Carriers' Acts are not required to file tariffs and may observe higher rates than those prescribed as minima. Although we are not fully informed in regard to their current or "going" rate levels, the record indicates that they are generally observing higher rates than the minimum rates. Thus, while the showing made is sufficient to illustrate that costs have increased since the present rate levels were prescribed, it does not establish the revenue needs of the carriers or otherwise satisfactorily demonstrate the propriety of the proposed increases under the circumstances here.

There remain for discussion the proposed additional charges for pianos and refrigerators in "local moving" operations and various revisions in rules and regulations. Petitioners urge that the hourly local moving rates do not reflect the added risk and expense of handling pianos and refrigerators. They claim that it has been customary to make additional flat charges per unit for handling these articles for many years. Outstanding rate orders require, however, that pianos and refrigerators be charged for in the same manner as other articles. No estimates of the added expense or of the losses from the risks said to be involved in the handling of pianos and refrigerators were submitted. The proposed charges have not been justified.

The changes in the rules, in general, were designed to complement the adjustments in the minimum rate structure sought by petitioners. In view of our conclusions with respect to the rate proposals, the recommended revisions of the rules are not timely.

Upon consideration of all the facts and circumstances of record we are of the opinion and find that petitioners' proposals have not been justified.

#### O R D E R

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

IT IS HEREBY ORDERED that the petition of California Van & Storage Association and United Van & Storage Association, Inc., filed May 10, 1946, in these proceedings, be and it is hereby denied.

The effective date of this order shall be thirty (30) days from the date hereof.

Dated at San Francisco, California, this 4<sup>th</sup> day of November, 1946.

Harold Kule

Justus F. Gassen

Francis J. Rose

Leah Powell

A. J. Zimmerman

Commissioners