

# ORIGINAL

Decision No. 39827

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
HIGHWAY TRANSPORT, INC., a Corporation,	)	
and CANTON TRANSBAY EXPRESS, INC., a	)	Application No. 27969
Corporation, for Authority to Increase	)	
their Joint Rates and Charges.	)	

### Appearances

Berol and Handler, by Edward M. Berol, for applicants.  
 Myron D. Alexander and C. O. Burgin, for Office of Price Administration, intervenor.  
 J. J. Deuel and Edson Abel, for California Farm Bureau Federation, interested party.  
 Donn W. Wilson, for Fibreboard Products, Inc.; interested party.

### OPINION

Highway Transport, Inc. and Canton Transbay Express, Inc., highway common carriers, seek a 15 per cent increase in their joint rates for the transportation of property between Alameda, Berkeley, Emeryville and Oakland and intermediate points on the one hand and Santa Cruz, Hollister, Pacific Grove, Soledad and intermediate points on the other hand.<sup>1</sup>

Hearing was had at San Francisco on November 20, 1946, before Examiner Krause.

Highway's comptroller, who also supervises the records of Canton, testified that Highway received a 15 per cent increase in its local rates, effective September 16, 1946 (Decision No. 39389 in Application No. 27763); that the showing relied upon in justification for the increase granted was predicated upon its over-all revenue needs; and that through inadvertence it failed

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<sup>1</sup> These rates were established July 1, 1945, pursuant to Decision No. 39047 of June 5, 1946, in Application No. 27385.

to request that its joint rates be increased by a like amount. He testified further that despite the 15 per cent increase in local rates, Highway has continued to operate at a loss. The loss was said to be \$5,116 for October, the first full month of operations under the 15 per cent increase. He said that had the same increase been in effect on its joint rate traffic, this loss would have been reduced by approximately \$1,000.

With respect to Canton, the comptroller introduced an exhibit showing that it experienced a net operating loss of \$3,439 for the first nine months of 1946. According to his computations the loss would have been \$3,706 had it handled Highway's joint rate traffic during this period.<sup>2</sup> He estimated that with an increase of 15 per cent in joint rates, a net operating income of \$874 would have resulted for the period. In a proceeding decided December 30, 1946, after submission of this application, an increase in Canton's local rates was authorized. Based on the revenue figures before us here this increase in local rates would produce approximately \$135 additional revenue.

In all of the calculations an increase similar to that here sought was applied on its interstate joint rate traffic. It was explained that if authority to increase its intrastate joint rates is granted, it will immediately effect a similar increase in its interstate rates.

No one appeared in opposition to the granting of the application.

Applicants have demonstrated that they are in need of additional revenue. The sought increase will permit Canton to

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Following establishment of joint rates between Highway and Canton on July 1, 1946, the joint rates maintained with the highway common carrier who previously handled this traffic were canceled. Joint rates are also maintained by Highway with Richmond Navigation and Improvement Company. No increase is proposed in these rates because of the carriers' announced intention to cancel them.

operate at a nominal profit and will reduce Highway's net loss. The sought increase will be granted. However, since the increase in local rates published by Highway under authority of Decision No. 39389 are scheduled to expire September 15, 1947, the joint rate authorization will be limited to expire on that date, subject to earlier cancellation, modification or extension.

Upon consideration of all the facts of record, we are of the opinion and find that the increase involved in this application is fully justified for the period hereinbefore stated.

#### O R D E R

A public hearing having been had in the above entitled application and based upon the evidence and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Highway Transport, Inc. and Canton Transbay Express, Inc. be and they are hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, an increase of fifteen (15) per cent in the existing rates and charges set forth in Joint Freight Tariff C.R.C. No. 13 of Highway Transport, Inc. and that the increase in rates and charges herein authorized shall be published and filed to expire September 15, 1947, unless sooner changed, canceled or extended by order of the Commission.

IT IS HEREBY FURTHER ORDERED that in computing the increased rates and charges herein authorized the following will govern in the disposition of fractions:

Where present rates or charges are 10 cents or less:

Fractions of less than  $\frac{1}{4}$  or .25 of a cent omit.  
 Fractions of  $\frac{1}{4}$  or .25 of a cent or greater but less than  $\frac{3}{4}$  or .75 of a cent will be stated as  $\frac{1}{2}$  or .50 of a cent.  
 Fractions of  $\frac{3}{4}$  or .75 of a cent or greater, increase to next whole figure.

Where present rates or charges are over 10 cents:

Fractions of less than  $\frac{1}{2}$  or .50 of a cent omit.  
Fractions of  $\frac{1}{2}$  of .50 of a cent or greater  
increase to next whole figure.

IT IS HEREBY FURTHER ORDERED that applicants be and they are hereby authorized to depart from the provisions of General Order No. 80 to the extent necessary to carry out the effect of the order herein.

The authority herein granted shall be void unless exercised within ninety (90) days from the effective date hereof.

This order shall become effective upon the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of January, 1947.

Harold P. Hull

Justus F. Cooney  
Edward J. ...

Irving H. Powell

A. J. ...  
Commissioners