

ORIGINAL

Decision No. 40269

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Appearances

Clair W. MacLeod, for petitioner.
 K. P. Thorpe, for The Drug Shippers
 Association, Inc. of California,
 in support of petitioner.
 Reginald L. Vaughan and E. H. Hart, for
 Pacific Motor Tariff Bureau,
 protestant.

SUPPLEMENTAL OPINION

V. Fred Jakobsen, doing business as Transbay Motor Express, is a highway common carrier of property between San Francisco and designated East Bay points. By petition, filed February 13, 1947, he sought authority to observe per-shipment charges lower than the \$1 minimum charge prescribed by Decision No. 39945 of February 4, 1947, in Case No. 4808, but higher in various instances than the per-shipment charges maintained in his current tariff.

Public hearings were had on March 11 and 20, 1947, at San Francisco before Examiner Mulgrew.

Subsequent to the hearings, Decision No. 40151 of April 8, 1947, reinstated the former level of minimum per-shipment charges for the transportation involved. As the matter now stands, the question at issue is whether or not the proposed increased per-shipment charges are justified by the showing made.

Jakobsen testified that under authority granted by Decision No. 39803 of December 30, 1946, in Application No. 27957, his rates had been increased by 15 per cent, effective January 20, 1947, and that for the month of February, 1947, his revenues and expenses were \$7,034 and \$6,554, respectively, resulting in a net profit of \$480. Based on the traffic handled during the week ending March 8, 1947, he estimated that his revenues would be further increased by approximately 13 per cent under the higher per-shipment charges here proposed. His expenses, he said, would probably be increased some \$100 per week as a result of wage negotiations in progress at the time the hearings were had,

A consulting engineer retained by protestant Pacific Motor Tariff Bureau contended that an operating ratio of 90 before provision for income taxes is necessary in order to provide satisfactory earnings for petitioner. The consultant submitted a study based on petitioner's operating experience for the first nine months of 1946, which purportedly shows that a further increase of 16.55 per cent rather than the 13 per cent sought is required to produce adequate revenues. In this study, actual revenues were expanded to reflect the January, 1947 rate increase. Expenses were adjusted to reflect the prospective \$100 per week increase in wages. February, 1946 revenue as so adjusted amounts to \$5,215. This is substantially lower than the \$7,034 February, 1947 revenue enjoyed by petitioner. The increased revenue, according to Jakobsen, reflects a material increase in the tonnage handled, resulting at least to some extent from

the diversion of traffic to his line subsequent to the establishment of increased rates by Railway Express Agency, Inc. on December 23, 1946.

In view of the substantial difference between petitioner's representations and his actual experience, the need for revenues as great as those which would apparently accrue under the proposed per-shipment charges has not been established on this record. The petition will be denied.

Sequoia and Kings Canyon National Parks Co., a common carrier of passengers and express between Fresno and Visalia, on the one hand, and Sequoia and Kings Canyon National Park, on the other, seeks exemption from the minimum rates established by Decision No. 31606, as amended, in this proceeding. Its verified petition shows that it is engaged primarily in the transportation of passengers; that its express operations are limited to shipments weighing 100 pounds or less and are conducted by using its passenger stages; and that its express traffic is negligible in volume and is not competitive with other for-hire carriers.

Under like circumstances other passenger stage corporations have been granted exemption from the prescribed minimum rates. Similar action is justified here. A public hearing is not necessary.

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 the petition of V. Fred Jakobsen, doing business as Transbay Motor Express Co., filed February 13, 1947, in this proceeding, be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that Decision No. 31606, as amended, in this proceeding, be and it is hereby further amended by adding Sequoia and Kings Canyon National Parks Co. to list of carriers contained in paragraph (c) of Finding No. 14 thereof.

This order shall become effective twenty (20) days from the date hereof.

Dated at Los Angeles, California, this 13th day of May, 1947.

Harold J. Kula
Leah Powell
P. J. Smith
Kenneth Potter
Commissioners