

Decision No. 40784

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment)	
of rates, rules, classifications and)	
regulations for the transportation)	Case No. 4084
of property within the City and)	
County of San Francisco.)	

ORIGINAL

Appearance

Reginald L. Vaughan, for American Stevedore
Company and Consolidated Companies, Inc.

SUPPLEMENTAL OPINION

Consolidated Companies, Inc., doing business as Lumber Terminal Company, and American Stevedore Company are city carriers operating "gantry" trucks in San Francisco for the transportation of lumber and forest products.¹ They seek increases in the minimum rates and charges established for this transportation and for accessorial services rendered in connection therewith.

A public hearing was had at San Francisco before Examiner Mulgrew on July 30, 1947.

The rates proposed to be increased are stated in cents per 1,000 board feet. They alternate with, and are generally lower than, the class rates which are stated in cents per 100 pounds. Board-foot rates were first established by Decision No. 36838 of January 25, 1944. The reduced rates prescribed by that decision reflected the economies shown to result from the use of the so-called "gantry" or

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"Gantry" trucks are trucks which are so designed and constructed that they straddle the load to be transported and mechanically pick it up and support it during transportation.

"straddling" trucks. In 1946 these rates were included in the general 15 per cent increase in drayage rates found necessary to offset the higher expenses experienced by the draymen (Decision No. 38988 of May 21, 1946). The board-foot lumber rates were, however, excluded from the further 10 per cent general drayage rate increase authorized by Decisions Nos. 40666 and 40701 of August 26 and September 10, 1947, in view of the proposals and separate record thereon here under consideration.

A consulting engineer retained by petitioners submitted a study of their operations. He testified that they were the only San Francisco draymen utilizing "gantry" trucks for the transportation of lumber and forest products. Such equipment, he stated, is the most economical and suitable for this transportation largely because the cargo is loaded and unloaded in less time than would be required with other equipment.

The consultant and the vice-president of American Stevedore Company testified that the character of the "gantry" truck transportation has changed from volume movements to scattered hauls as a result of changed conditions in the lumber business. This, they said, has increased supervisory expense, non revenue driving time and the costs incurred in supplying and retrieving the blocks used in connection with loading and unloading. According to the witnesses, these higher costs are in addition to other cost increases experienced by draymen generally. They also said that petitioners are now charging rates somewhat higher than the minimum rates.

The current cost of providing the service as developed in the consultant's study, the existing minimum rates, the "going" rates, and the proposed minimum rates based on costs expanded to provide an operation ratio of 90 before provision for income taxes,

all stated in cents per 1,000 board feet, are shown in the following tabulation:

<u>Miles</u>		<u>Costs</u>	<u>Minimum Rates</u>	<u>Going Rates</u>	<u>Proposed Rates</u>
<u>Over</u>	<u>But Not Over</u>				
0	$\frac{1}{4}$	56	46	50	62
$\frac{1}{4}$	1	77	75	90	86
1	2	101	92	115	112
2	4	128	109	140	143
4	6	167	132	165	185
6	8	202	155	180	225
8	10	233	184	-	259
10	12	268	207	-	298
12	15	294	230	-	326

For transportation from bulkheads, docks, piers or wharves for distances of not over 1,000 feet, the minimum rate is 40 cents per 1,000 board feet. This rate is proposed to be increased to 54 cents, based on the expanded increased costs. The charge of \$1.32 per 1,000 board feet provided for arranging loads on blocks or stands at loading points would be made \$1.70 under petitioners' proposals in order to reflect higher expenses, and the description of this service clarified so that there will be no question that it does not include other accessorial services. An hourly rate of \$6.85 per hour is also proposed to be established for "gantry" truck operation. The vice-president asserted that the proposed hourly rate is necessary in order to prevent use of the lower hourly rates for truck equipment generally which would result in lower charges than the board-foot mileage rates here sought. For "gantry" truck operation, the consultant developed an hourly cost of \$6.17. Expanded to provide an operating ratio of 90, this figure becomes \$6.85.

Petitioners' proposals were unopposed.

From the showing made it is clear that the minimum rates in question are no longer compensatory. The record does not, however, justify increases as great as those proposed. Petitioners have not established that an operating ratio of 90 before provision

for income taxes, standing alone, is a proper measure of petitioners' revenue requirements. Rates somewhat lower than those sought appear to give appropriate recognition to petitioners' costs and their revenue requirements as disclosed by this record. Adoption of the recommended clarification of the description of handling service at loading points appears desirable and necessary.

Upon consideration of the facts of record, we are of the opinion and find that the increased rates and other proposed modifications have been justified to the extent shown in the order herein and that in all other respects petitioners' proposals have not been justified.

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 Exhibit "A" of Decision No. 28632 of March 16, 1936, as amended, in this proceeding, be and it is hereby further amended as follows:

ITEM 130 - RATES FOR TRANSPORTATION ON HOURLY AND MONTHLY TRUCK UNIT BASES

Substitute the following for paragraph (e):

(e) HOURLY VEHICLE UNIT RATES, subject to Notes 1, 2 and 3:

<u>Capacity of Carrier's Equipment in Pounds</u>	<u>Minimum Charge One Hour</u>	<u>Rates in Cents Per Hour</u>
2,500 or less		290
Over 2,500 but not over 4,500		310
Over 4,500 but not over 6,500		340
Over 6,500 but not over 15,500		365
Over 15,500 but not over 20,500		415
Over 20,500		490
Gantry Trucks, regardless of capacity		650

NOTE 1: The total of the loading, unloading and driving time computed from the arrival of carrier's equipment at point of origin, or first point of origin when more than one point of origin is involved, to the time unloading is completed at point of destination, or last point of destination when more than one point of destination is involved, shall be used to compute charges.

NOTE 2: The gantry truck is a motor vehicle so designed and constructed that it straddles the load to be transported and by means of appropriate mechanism picks up the load and supports it during transportation.

NOTE 3: The rates based on the capacity of the carrier's equipment are not applicable to gantry trucks.

IT IS HEREBY FURTHER ORDERED that Appendix "A" of Decision No. 36838 of January 24, 1944, as amended, in this proceeding, be and it is hereby further amended as follows:

RULE 1 - APPLICATION OF APPENDIX

For paragraph (f) substitute the following:

(f) For handling lumber between railroad cars, trucks, carrier blocks or stacks, on the one hand, and railroad cars, trucks, carrier blocks or stacks, on the other hand, a charge of \$1.65 per 1,000 board feet shall be assessed in addition to transportation charges. This handling charge does not include sorting, tallying, grading or other accessorial services.

ITEM NO. 1 - RATES

Substitute the following:

<u>Miles (1)</u>		<u>Rates in Cents per 1,000 Feet Board Measure (2)</u>
<u>Over</u>	<u>But Not Over</u>	
0	$\frac{1}{4}$	60
$\frac{1}{4}$	1	85
1	2	110
2	4	140
4	6	180
6	8	215
8	10	250
10	12	285
12	15	315

- (1) The mileage shall be the actual distance from point of origin to point of destination.
- (2) (a) Minimum 3,000 feet board measure.
(b) In lieu of the rates otherwise provided in this item a rate of 50 cents per 1,000 feet board measure, minimum 3,000 feet board measure, shall be applicable to transportation from bulkheads, docks, piers or wharves for distances of not more than 1,000 feet.

In all other respects Decisions Nos. 25632 and 36838, shall remain in full force and effect.

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

Dated at San Francisco, California, this 6th day of October, 1947.

Harold A. Hill
Justus F. Calver
Irving K. Russell
Chas. J. ...
Commissioners