

Decision No. 40812**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of Bekins Van Lines, Inc. to) Application No. 28337
increase certain rates and charges.) (1st Amended)

Appearances

Jackson W. Kendall and Berol and Handler, by
Marvin Handler, for applicant.
Russell Bevans and Frank Loughran, for San
Francisco Movers, Inc.
E. H. Hart, for Draymen's Association of Alameda
County.
Irving M. Liner, James Cummins, James M. Nevil,
Hugh McGlynn, John Currie, Charlie
Ludolph, Robert S. Reis and E. Conrad
Connell, for various carriers.

FIRST SUPPLEMENTAL OPINION

Applicant is a highway common carrier of household goods and related articles. Its local moving and accessorial service rates were increased, effective July 18, 1947, pursuant to Decision No. 40489 of June 28, 1947, in this proceeding. It seeks further increases in these rates.

A public hearing was had at San Francisco on August 5, 1947, before Examiner Mulgrew.

In the San Francisco Bay area, applicant's local moving rate which was \$5.00 per hour is now \$7.00.¹ A rate of \$7.60 is now proposed. These rates are for service provided with a vehicle, driver and one helper. For additional helpers and for

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San Francisco Bay area is used herein to describe an area consisting of the counties of San Francisco, Alameda and San Mateo and the cities of Palo Alto and Richmond.

men employed in packing, unpacking and other accessorial services not included in applicant's transportation rates, its former rates of \$1.59 per man per hour for service provided in the San Francisco Bay area and \$1.33 for service provided at other points are now \$2.50 and \$2.25, respectively. Applicant requests authority to increase the \$2.50 rate to \$3.00 and the \$2.25 rate to \$2.50.

The proposed further increases are based largely on the higher wage costs applicant has experienced since the prior hearing had in this matter on April 18, 1947. In San Francisco and San Mateo Counties, the wages of drivers and packers have been raised from \$1.37 $\frac{1}{2}$ to \$1.56 $\frac{1}{2}$ per hour and the wages of helpers from \$1.25 to \$1.43- $\frac{3}{4}$. These increases were made effective July 1, 1947. Provision for vacations and overtime and nonproductive time amounting to 18 per cent of the basic wages, and for workmen's compensation insurance and payroll taxes amounting to 6.85 per cent, raises the wage costs to \$1.97 and \$1.82 per hour, respectively. Under the former wage rates, the corresponding figures were \$1.75 and \$1.58. The increases in labor expenses thus amount to 22 cents in the case of drivers and packers and 24 cents in the case of helpers. The same or somewhat greater wages are paid at other points in the San Francisco Bay area.² Applied to local moving service involving the employment of a driver and helper, the increased wage cost amounts to 46 cents per hour. The price of gasoline which was 19 cents per gallon at the time of the prior hearing is now 20 $\frac{1}{2}$ cents. On a revenue-hour basis the gasoline increase amounts to

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In Alameda County, drivers and packers are on the same wage scale as in San Francisco, but helpers are paid \$1.50 per hour, 6 $\frac{1}{2}$ cents higher than the San Francisco wages. Increases in Alameda County were the same as in San Francisco, 18- $\frac{3}{4}$ cents per man per hour. They became effective June 5, 1947. Richmond wages assertedly are on the Alameda County basis and Palo Alto wages on a basis in excess of the San Francisco-San Mateo scale.

1.8 cents. The aggregate increase in local moving costs thus amounts to 47.8 cents per revenue hour.

A witness for applicant said that on Saturdays it is now required to pay its men employed in the San Francisco Bay area 8 hours wages for 6 hours' work (equivalent to time and one-third) and time and one half for work after 3:00 p.m. He stated that applicant had considered whether or not it would be advisable to charge higher local moving rates on Saturdays based on these additional costs but had concluded that this would probably result in its equipment ordinarily being used only five days per week. As an alternative to this, the witness said, it had been decided to ask for a uniform \$7.60 local moving rate rather than a \$7.50 rate for Monday-through-Friday service and a higher rate for Saturday work. The 10 cents per hour additional, the witness stated, would spread the extra Saturday costs throughout the week. He claimed that it is fairer to the public to have service available at the same rate on any weekday and that from an operating standpoint a six-day week is more efficient and economical.

East Bay city and radial carriers not operating under the Public Utilities Act, and hence not required to obtain authority from the Commission before increasing their rates, applicant's rate witness said, had raised their rates from \$7.00 to \$7.50 to offset the wage adjustments. The competitive situation, according to this witness and the secretary of the Draymen's Association of Alameda County, required reinstatement of the \$7.00 rate. They claimed that the city and radial carriers reverted to the \$7.00 rate notwithstanding its insufficiency under current costs, because they could not maintain a higher rate than applicant. Similarly, the secretary of San Francisco Movers, representing San Francisco

city carriers, said that these carriers could not adjust their rates in keeping with the wage increases until a like adjustment is made by applicant. The competing carriers represented by the associations urge, therefore, that the amended application be granted.

Los Angeles wages, which are the basis of applicant's cost determinations in connection with its rate proposals for other than the San Francisco Bay area, have increased from \$1.25 to \$1.30 for drivers and packers and from \$1.05 to \$1.20 for helpers. On the expanded basis described in connection with the San Francisco rates, the increase remains at 5 cents for drivers and packers and the 15-cent wage adjustment for helpers is raised to 21 cents. Additional wages for Saturday work are not paid under the Los Angeles scale. The higher gasoline cost is not a factor in determining costs and proposed rates for packers and additional helpers. No further change is sought in the local moving rate of \$6.50 per hour established under authority of Decision No. 40489, supra, for service outside the San Francisco Bay area.

The amended application was not opposed.

The record clearly demonstrates that an increase of 50 cents per hour in the local moving rate for the San Francisco Bay area is necessary to offset increased wage and gasoline costs experienced since this rate was last considered. It is equally clear that in that area an increase of 25 cents in the additional helper and accessorial service rates is required to meet the greater labor expense now incurred. At other points an increase of 15 cents is sufficient to adjust the additional helper and accessorial service rates in keeping with the average wage increase for the men involved. We are of the opinion and find that these increases have been justified. They will, therefore, be granted. In other respects the application will be denied.

The action here taken is, of course, without prejudice to the conclusions that may be reached in the general household goods rate proceeding in which hearings have recently been had or to further consideration of applicant's rates in any other proceeding which may arise.

O R D E R

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

IT IS HEREBY ORDERED that Bekins Van Lines, Inc. be and it is hereby authorized, within sixty (60) days from the effective date of this order and on not less than five (5) days' notice to the Commission and to the public, to increase the hourly local moving rates published in Item 395-B of its Local Freight Tariff Cal. P.U.C. (C.R.C.) No. 8 to not to exceed \$7.50 per hour for equipment with driver and not more than one helper in Territory "A" and to not to exceed \$2.75 and \$2.40 per man per hour for additional helpers in Territories "A" and "B", respectively, subject to the territorial descriptions contained in Item No. 115 of the tariff; to increase the accessorial service rates published in Item No. 400-C of that tariff to not to exceed \$2.75 and \$2.40 per man per hour for services performed in said Territories "A" and "B", respectively; and to increase the accessorial service minimum charges published in Item No. 400-C of the tariff to not

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to exceed \$2.75 and \$2.40 for services performed in said Territories "A" and "B", respectively.

In all other respects the above entitled amended application be and it is hereby denied.

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

Dated at San Francisco, California, this 10th day of October, 1947.

Harold P. Hule
Justin F. Casner
Frank Powell
A. E. ...

Commissioners