

ORIGINAL

Decision No. 41946

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
into the rates, rules, regulations,)
charges, allowances and practices)
of all common carriers, highway car-)
riers and city carriers relating to)
the transportation of property.)

Case No. 4808

Appearances

Douglas Brookman, John G. Lyons, E. H.
Hart, Ward Walkup, Jr., and Reginald
Vaughan, for petitioners.

William Meinhold, J. M. Souby, George
Hurst, Larry Fites, T. J. Champion,
Walter J. Westman, John Southerland,
William J. Keane, Walter A. Rhode,
E. A. Reed, C. W. MacLeod and Russell
Bevans, for interested parties.

INTERIM OPINION

By petition, the Draymen's Association of Alameda County,
Draymen's Association of San Francisco and Pacific Motor Tariff Bureau
seek establishment of minimum rates for the transportation of property
between points in the San Francisco Bay area. The rates sought are to
supersede lower minimum rates contained in Highway Carriers' Tariff
No. 2 (Appendix "D" to Decision No. 31606, as amended).

At a hearing had before Examiner Edwin Lake on July 28, 1948,
at San Francisco, evidence was introduced in support of an interim
increase in the minimum rates subject to minimum weights of less than
20,000 pounds, applicable to the transportation of property between
San Francisco and South San Francisco on the one hand, and Richmond,
Stege, Albany, El Cerrito, Berkeley, Emeryville, Oakland, Piedmont,
San Leandro and Alameda on the other. Petitioners contend that the
area involved embraces what is essentially a single metropolitan com-
munity which is divided into separate cities only by the mere circum-
stances of political boundaries and that the transportation problems

of carriers performing transbay and local drayage operations within this area are inextricably interwoven.

It is alleged that approximately 99 per cent of the traffic involved is handled by 13 highway carriers. In addition to transbay operations, these carriers engage in so-called over-the-road and East Bay drayage operations, and in related transportation activities not subject to minimum rates. Transbay operations are shown to account for 30.73 per cent of the carriers' aggregate revenues; East Bay drayage, over-the-road and other activities for 17.56 per cent, 36.03 per cent and 15.68 per cent, respectively. For drayage operations an increase of 15 per cent in the minimum rates was authorized by Decisions Nos. 41594 of May 18, 1948, and 41834 of July 13, 1948, in Cases Nos. 4108 and 4109. An increase effective August 1, 1948, of 5 per cent in the state-wide minimum rates on general commodities was authorized by Decision No. 41768 of June 8, 1948, in another phase of this proceeding. This 5 per cent increase is applicable to the services here involved. Petitioners asserted that they either had taken or were taking the necessary steps to make adjustments in charges for service not subject to minimum rates.

Except for showing the results of the operations of 2 carriers who do not engage in transbay traffic, the cost evidence submitted is substantially the same as that introduced in the East Bay drayage increase proceeding.¹ It shows that petitioners are urgently in need of additional revenue. The operating ratio before providing for income taxes is shown to be 104.63 for the over-all services performed during the period October, 1947, through April, 1948. The increases granted in the other proceedings reduce this ratio to 98.78.

The Transbay Motor Express supported the proposal. Although the operations of this company are not included in the studies

¹ Decisions Nos. 41594 and 41834, supra.

referred to above, it was contended similar increased costs were being experienced.

The Southern Pacific Company and the Pacific Motor Trucking Company likewise joined in petitioners' request. They seek like increases in their transbay less-than-carload pickup and delivery rates and joint rates presently maintained with certain transbay operators. A witness for these carriers testified that, due to the competitive situation, the transbay rates of highway carriers are closely connected with the maintenance of appropriate rail rates. He alleged that unless minimum rates are maintained on a uniform basis disruption in the distribution of tonnage now enjoyed by carriers would result.

A representative of the Oakland Chamber of Commerce stated that he was not opposed to any increase in the transbay rates which would permit carriers to continue efficient operations, but that he did object to an adjustment in rates between the points involved without a similar adjustment in the rates to more distant points. He alleged that to make such an adjustment as here sought would discriminate against East Bay merchants in competition with shippers in adjacent communities located beyond the area affected by the proposed changes.

The record shows that the need for increased revenue in the transbay operations is similar to that encountered in the East Bay. Like increases are here justified. They appear necessary to insure continued efficient operation and in order that the burden of maintaining the services may be equitably distributed.

These increases together with those heretofore authorized are expected to produce an operating ratio of 96 before provision for income taxes during the period covered by petitioners' study. The adjustment may best be effected by authorizing a 10 per cent surcharge in the present rates and charges.

Petitioners are engaged in a further study which they expect to present to the Commission in the near future. The Commission's staff is likewise engaged in a review of rates on a state-wide basis. When these studies are concluded the rates to points within and beyond the territory here involved will have further study.

Upon consideration of all the facts of record, we are of the opinion and hereby find that an increase of 10 per cent has been justified in the minimum rates for the transportation of property in quantities of 20,000 pounds and less between San Francisco and South San Francisco on the one hand and Richmond, Stege, Albany, El Cerrito, Berkeley, Emeryville, Oakland, Piedmont, San Leandro and Alameda on the other.

INTERIM ORDER

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

IT IS HEREBY ORDERED that pending further order of this Commission, Decision No. 31606, as amended, in Case No. 4246 and in this proceeding, be and it is hereby further amended by substituting in Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended) Supplement No. 8 attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that except as hereinafter specified, all common carriers subject to the Public Utilities Act, engaged in transportation of property between San Francisco and South San Francisco on the one hand and Richmond, Stege, Albany, El Cerrito, Berkeley, Emeryville, Oakland, Piedmont, San Leandro and Alameda on the other, for which rates are provided in Highway Carriers' Tariff No. 2, be and they are, and each of them is hereby authorized, but not required, to establish increases in their tariff rates and charges for the transportation of commodities in quantities of 20,000 pounds and less for which minimum rates have not been established by the Commission, no greater in volume and effect than those herein authorized.

IT IS HEREBY FURTHER ORDERED that tariff publications required or authorized to be made by common carriers as a result of the order herein shall be made effective on or before September 1, 1948, on not less than five (5) days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that common carriers subject to the Public Utilities Act, will never urge before this Commission in any proceeding under Section 71 of the Public Utilities Act, or in any other proceeding that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

IT IS HEREBY ORDERED that common carriers, in publishing the increases herein granted, be and they are, and each of them is,

SUPPLEMENT NO. 8

Supplements Nos. 7 and 8 contain all changes.

TO

HIGHWAY CARRIERS' TARIFF NO. 2

NAMING

MINIMUM RATES, RULES AND REGULATIONS

FOR THE

TRANSPORTATION OF PROPERTY OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

As Defined In Highway Carriers' Act
(Chapter 223, Statutes of 1935)

APPLICATION OF SURCHARGE

Applies only for transportation BETWEEN San Francisco or South San Francisco on the one hand AND Alameda, Albany, Berkeley, El Cerrito, Emeryville, Oakland, Piedmont, Richmond, San Leandro or Stege on the other hand.

Compute the amount of the charges in accordance with the rates, rules and regulations of the tariff, as amended by Supplement No. 7. Increase the amount so computed by ten (10) per cent, dropping fractions of less than one-half cent and increasing fractions of one-half cent or greater to one cent.

EFFECTIVE SEPTEMBER 1, 1948

Authorized by Decision No. 41946 dated August 10, 1948, in Case No. 4808

Issued by the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
State Building, Civic Center
San Francisco, California