

Decision No. 42084

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of)  
BEKINS VAN LINES, INC., to Cancel )  
hourly rates for Local Moving or in )  
the Alternate Increase Such Rates. )

Application No. 29557

In the Matter of the Application of)  
LYON VAN LINES, INC., to Cancel )  
hourly Rates for Local Moving or in )  
the Alternate Increase Such Rates. )

Application No. 29560

Appearances

D. P. Bryant, for Bekins Van Lines, Inc., applicant, and for  
Bekins Van and Storage Company,  
interested party.

Harold J. Blaine, for Lyon Van Lines, Inc., applicant.

O P I N I O N

Bekins Van Lines, Inc., and Lyon Van Lines, Inc. are corporations engaged in the business of transporting, as highway common carriers, used household goods and related commodities between points within California. By these applications they seek authority to amend their tariffs on less than statutory notice to cancel hourly rates applicable to local moving, or as an alternative, to increase such rates.

Public hearings of the applications were had upon a consolidated record before Commissioner Potter and Examiner Abernathy at Los Angeles on August 20, 1948.

For the service of local moving applicants provide distance rates which are stated in cents per 100 pounds and the hourly rates which are involved herein. The distance rates are of general application. The hourly rates apply only when the shipper requests, and is given, exclusive use of the van. Applicants allege that they infrequently perform local moving service and that the maintenance of the

hourly rates serves no useful purpose.<sup>1</sup> They allege further that the hourly rates are inadequate and do not return the costs of the transportation. They assert, furthermore, that maintenance of the hourly rates at the present levels tends to restrict their affiliated companies and competing carriers from making necessary adjustments to meet current operating costs, thereby burdening these other carriers. Primarily, authority is herein sought to cancel the hourly rates. As an alternative applicants ask that they be permitted to increase the rates by \$1.00 an hour.<sup>2</sup>

Evidence relating to the costs of local moving service was submitted by a vice president of Bekins Van Lines, Inc., and by the assistant treasurer of Lyon Van Lines, Inc. Taking figures purporting to be prime costs such as vehicle and tire costs, fuel costs, and wage rates, the witnesses developed total direct hourly and mileage costs applicable to local transportation. These costs they expanded to allow for overhead and profit, producing the following figures as representing the full hourly costs of the service:

	<u>San Francisco</u>	<u>Los Angeles</u>
<u>Bekins Van Lines, Inc.</u>		
Tractor and trailer, driver and helper, per hour.....	\$10.16	\$8.83
<u>Lyon Van Lines, Inc.</u>		
Tractor and trailer, driver and helper, per hour.....	\$ 9.57	\$8.46
Truck, driver, and helper, per hour .....	\$ 8.66	\$7.55

<sup>1</sup> Applicants state that they are principally engaged in long-distance moving. Local moving is done by their affiliates, Bekins Van and Storage Co. and Lyon Van & Storage Co., respectively, operating under city, contract, and radial highway common carrier permits issued by this Commission. As defined in applicants' tariffs, "local moving" is generally that within metropolitan areas or for distances not over 30 miles. Other moving is considered as "long distance" moving.

<sup>2</sup> Applicants' present rates for vehicle, driver, and helper are \$7.50 an hour in San Francisco, Oakland, and vicinity, and \$6.50 an hour elsewhere in the state.

The costs of performing local moving in areas other than those covered by applicants' studies assertedly are as much or more than those incurred in the Los Angeles area.

The president of an association of motor carriers specializing in the transportation of used household goods also testified in support of the applications. He said that the local moving rate generally observed in the San Francisco area is now \$7.50 an hour, and that carriers assertedly cannot operate profitably at this rate. He declared that carriers performing local moving within and in the vicinity of San Francisco are of the opinion that they cannot assess higher rates than those maintained by the affiliates of Bekins Van Lines, Inc. and Lyon Van Lines, Inc.

No one appeared in opposition to the granting of the applications, either with respect to the proposed cancellations or with respect to the sought increases.

The cost data submitted by applicants in support of their proposal to increase their hourly rates were in summary form without details to substantiate various items of expense listed.<sup>3</sup> Since applicants themselves have not been actively engaged in providing local moving service, the various data should be authenticated if they are to provide suitable justification for rate increases. Irrespective of the volume of the rates, however, the record is clear that in so far as applicants' operations are concerned, the hourly local moving rates are of no practical use. The rates apply only when shippers request and are given exclusive use of the vans. The

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<sup>3</sup> Wage rates were expanded by 24 to 31 per cent in total to allow for overtime, non-productive time, vacations and compensation insurance. Overhead expenses were calculated on a basis of 35.9 per cent of total costs by Bekins Van Lines, Inc. and 43.7 per cent of direct costs by Lyon Van Lines, Inc. Applicants did not fully establish that the expansions of wage rates or the amounts included for overhead are reasonable and proper.

evidence indicates that shippers rarely make such requests. Should the hourly rates be canceled, the distance rates will still be available to shippers who engage applicants to perform local moving. The cancellation will be authorized.

O R D E R

A public hearing having been had in the above-entitled applications of Bekins Van Lines, Inc. and of Lyon Van Lines, Inc., and based upon the evidence received at the hearing and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Bekins Van Lines, Inc. and Lyon Van Lines, Inc. be and they are hereby authorized to amend, on not less than five (5) days' notice to the Commission and to the public, their local freight tariffs C.R.C. No. 8 (Cal. P.U.C. No. 8) and C.R.C. No. 6 (Cal. P.U.C. No. 6), respectively, as follows:

1. Cancel their hourly rates for local moving as provided in Items Nos. 395 series.
2. Cancel paragraphs (a) and (b) of Items Nos. 25 series.
3. Delete the words "For other local moving" from paragraphs (c) of Items Nos. 25 series.
4. Amend paragraphs (d) of Items Nos. 25 series to make them applicable only to accessorial service rates contained in Items Nos. 400 series.
5. Cancel sub-paragraphs (a) of Items Nos. 00 series.
6. Delete the words "Long Distance Moving" from sub-paragraphs (b) of Items Nos. 00 series.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire ninety (90) days from the effective date of this order.

IT IS HEREBY FURTHER ORDERED that in all other respects the above-entitled applications be and they are hereby denied.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of September, 1948.

R. E. Johnson  
Justice J. Graves  
Lucas F. Rayell  
Harold F. Kula  
Samuel S. Potter

Commissioners