

Decision No. 42448

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )	
of GEORGE A. BAKER, doing business )	
as BAKER & STANTON TRANSFER AND )	Application No. 29661
STORAGE CO., to increase certain )	
rates and charges. )	

O P I N I O N

George A. Baker, doing business as Baker & Stanton Transfer and Storage Co., is a highway common carrier of used household goods and related commodities between San Francisco Bay points and the California-Oregon State Line via U.S. Highway 101.<sup>1</sup> He seeks authority to establish, on less than statutory notice, increased hourly rates for local moving and for packing and unpacking.<sup>2</sup>

A public hearing was had before Examiner Edwin Lake at Eureka on December 21, 1948.

For the service of local moving, applicant's tariff provides two scales of rates, one applicable for equipment having a loading area of 70 square feet or less, and the other for equipment exceeding 70 square feet. For the services of packing, unpacking, crating and uncrating, applicant maintains rates which vary according to the territory in which the service is performed.

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<sup>1</sup> Applicant also engages in the businesses of transporting property as a permitted carrier and of selling new furniture at retail.

<sup>2</sup> Local moving is defined in applicant's Tariff Cal. P.U.C. No. 1 as the transportation of a shipment for a distance not in excess of 30 constructive miles.

In lieu of the present rates, applicant seeks to establish the following single scale of local moving rates:<sup>3</sup>

Vehicle and driver	\$5.00 per hour
Vehicle, driver and helper	7.75 per hour
Additional helpers, per man	2.75 per hour

For packing, unpacking, crating and uncrating, applicant proposes a rate of \$2.75 per man per hour in all territories.<sup>4</sup>

Applicant alleges that the present rates are below the cost of performing the service. He further alleges that the proposed rates are substantially those assessed by competing radial highway common and highway contract carriers. In support of the request for cancellation of rates limited to equipment having a loading area of 70 square feet or less, the application stated that equipment of this size was not operated. At the hearing, however, it was determined that applicant has such equipment available, and receives about six calls a month for shipments on which the smaller equipment can be used.

<sup>3</sup> Local moving rates in dollars per hour, presently named in applicant's tariff, are as follows:

	Carrier's equipment having a loading area of:	
	<u>70 sq. ft. or less</u>	<u>Over 70 sq. ft.</u>
Vehicle and driver	\$ 3.00	\$ 3.50
Vehicle, driver and helper	4.50	5.00
Additional helpers, per man	2.00	2.00

<sup>4</sup> Applicant's present rate in dollars per man per hour, for packing, unpacking, crating and uncrating, are as follows:

Territory "A"	\$ 2.65
Territory "B"	2.25
Territory "C"	2.05

The various territories are described in applicant's tariff as follows:

Territory "A" consisting of the City and County of San Francisco, the City of Richmond and points in the Counties of Alameda and San Mateo served by applicant.

Territory "B" consisting of points in Marin County served by applicant.

Territory "C" consisting of all territory served by applicant not described in Territory "A" or Territory "B".

In support of the sought increases, a traffic consultant employed by applicant submitted cost studies for the particular services, based on his analysis of applicant's operations. The costs so determined, without provision for income taxes, are \$4.67 per hour for vehicle and driver, \$7.24 per hour for vehicle, driver and helper, and \$2.57 per man per hour for additional helpers.

Hourly cost for packing, unpacking, crating and uncrating, it was alleged, is the same as for additional helpers because wages and other expenses are the same. The helper costs are based on wage rates prevailing in Territory "C". Such costs assertedly are as great or greater in Territories "A" and "B" where the wage scale is higher.

A profit and loss statement, submitted in evidence, covering all of applicant's transportation operations for the period January 1 to August 31, 1943, shows revenues of \$50,291.94, and expenses of \$64,056.85, leaving a deficit for the eight months' period of \$13,764.91, or an operating ratio of 127.4.

The applicant testified that local moving and packing and unpacking services comprise only a part of his transportation activities. He alleged that revenues under the proposed rates would offset only a small portion of the losses experienced in the over-all operations. He explained that rates for other transportation of household goods were being studied, that the competitive situation in connection with these rates differed from that of local moving and that a proposed adjustment of other household goods rates was being deferred waiting completion of these studies.

No one appeared in opposition to the granting of this application.

The record is convincing that applicant's present rates for local moving, packing and unpacking do not return the full costs of performing the service. According to the record, the ratio of costs

for providing the service to the revenues to be obtained from the proposed rates amounts to 93.4 per cent.

The proposal to eliminate rates applicable to equipment having a loading area of 70 square feet or less will be denied. Applicant asked that in the event the request to cancel the present rates applicable for equipment of 70 square feet or less was not granted, that he be authorized to maintain the same differentials as now exist between the two scales of rates. This request appears reasonable and will be granted. With this modification, the operating ratio that will result will be somewhat higher.

Upon careful consideration of all of the facts and circumstances of record, we conclude and find as a fact that the increased rates and charges as set forth in the order which follows are justified. To this extent the application, as amended, will be granted. In all other respects it will be denied.

O R D E R

A public hearing having been had in the above-entitled amended application, 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 George A. Baker, doing business as Baker & Stanton Transfer and Storage Co., be, and he is hereby authorized to amend, on not less than five (5) days' notice to the Commission and to the public, his Local Freight Tariff Cal. P.U.C. No. 1, as follows:

1. To establish rates and minimum charges for local moving in lieu of the present rates and minimum charges, as follows:

Carrier's equipment having a loading area of 70 square feet or less:

Vehicle and driver	\$4.50 per hour
Vehicle, driver and helper	7.25 per hour
Additional helpers, per man	2.75 per hour

Carrier's equipment having a loading area of over 70 square feet:

Vehicle and driver	\$5.00 per hour
Vehicle, driver and helper	7.75 per hour
Additional helpers, per man	2.75 per hour

Minimum charge to be the charge for one hour.

2. To establish a rate and minimum charge for packing, unpacking, crating and uncrating in lieu of the present rates and minimum charge of \$2.75 per man per hour, minimum charge to be the charge for one hour.

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

IT IS HEREBY FURTHER ORDERED that in all other respects the above-entitled application be and it is hereby denied.

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

Dated at San Francisco, California, this 25<sup>th</sup> day of January, 1949.

A. J. [Signature]  
[Signature]  
[Signature]  
[Signature]  
 Commissioners