

ORIGINAL

Decision No. 43219

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
E. B. Haunschild and Chas. E. Samuels	)	
d.b.a. U. C. Express & Storage Co.	)	Application No. 30005
to increase Hourly Moving and	)	
Accessorial Service Rates.	)	

Appearances

A. H. Glickman and Irving M. Liner,  
for applicants.

OPINION ON REHEARING

Applicants operate as a highway common carrier of used household goods and related articles.<sup>1</sup> By this application, as amended, they sought authority to increase certain of their rates and charges. The authority was partially granted by Decision No. 42852 of May 10, 1949, in this proceeding.

Applicants petitioned for a rehearing for the purpose of permitting the introduction of additional evidence in the matter. The petition was granted, rehearing was had before Examiner Jacopi at San Francisco on July 27, 1949, and the matter is ready for decision on the entire record.

The common carrier rates which applicants proposed to adjust in the initial proceeding were those maintained for local moving and for the accessorial services of packing, unpacking, crating and uncrating. By Decision No. 42852, supra, applicants were authorized to adjust the accessorial service rates and to modify the territorial application of the local moving rates as proposed. The other

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<sup>1</sup> Applicants operate the common carrier service in both interstate and intrastate commerce. In addition, they are engaged in intrastate transportation as a permitted carrier and in providing warehouse facilities for the storage of used household goods.

increases sought were denied. Applicants have not established the adjustments that were authorized. The present and proposed rates are shown in the margin below.<sup>2</sup> It was indicated in said Decision No. 42852 that the meager detail of the expenses maintained under applicants' accounting procedures afforded no basis for segregating those incurred in providing the common, permitted, and interstate carrier services, and that to what extent, if at all, the local moving rates contributed to the over-all operating loss of \$2,430 shown for the first eleven months of 1948 could not be determined on the record. At the rehearing, additional evidence in support of the proposed rate increases was introduced by a consulting engineer and by applicants' general manager.

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Local Moving Rates, in Cents per Hour:

	<u>Present Rates</u>			<u>Proposed Rates</u>
	<u>Territory</u>			<u>Territories</u>
	<u>A</u>	<u>B</u>	<u>C</u>	<u>A, B and C</u>
Carrier's equipment having a loading area of 70 square feet or less:				)
Carrier's equipment and driver	400	350	300	)
Carrier's equipment, driver and helper	600	525	500	) CANCEL
Additional helpers, per man	250	225	200	)
Carrier's equipment having a loading area over 70 square feet:				)
Carrier's equipment and driver	450	400	350	) 500
Carrier's equipment, driver and helper	650	575	500	) 800
Additional helpers, per man	250	225	200	) 300

Accessorial Service Rates, in Cents per Hour:

Packing	)			
Unpacking	)	265	225	205
Crating	)			
Uncrating	)			300

Territory A consists of the City and County of San Francisco, the counties of Alameda and San Mateo, and the City of Richmond.

Territory B consists of Sacramento Group, San Jose Group, Marin County, and the cities of Palo Alto and Stockton.

Territory C consists of all territory not embraced by Territories A and B.

The engineer testified that he had compiled basic operating data, including the actual number of hours that men and equipment were in service, for the purpose of determining the estimated hourly cost of providing the intrastate local moving service. The data were developed from trip and other records maintained by applicants. The engineer used the figures in question for computing running costs and for allocating the over-all fixed expenses involved in the intrastate local moving service. Based on such calculations, he submitted studies showing so-called "expanded costs" amounting to \$8.64 per hour for local moving operations involving equipment, driver and helper, and \$5.46 per hour for operations without a helper.<sup>3</sup> For additional helpers, the "expanded cost" was shown as \$3.21 per man per hour. These figures reflect direct and indirect expenses and expansion thereof for an operating ratio of 90.0 before provision for income taxes.

The record also shows the "expanded cost" of providing the men performing the accessorial services of packing, unpacking, crating and uncrating. In these calculations, the basic hourly wage of \$1.6875 per hour was increased to provide for the cost of compensation insurance, pay roll taxes, vacations and paid holidays, and for administrative and general expenses. As so increased, the cost per man per hour was indicated as \$2.77. Expansion of the cost for an operating ratio of 90.0 before provision for income taxes resulted in a final figure of \$3.20 per man per hour.

The general manager pointed out that the proposed rates were lower than the "expanded costs" of record. He asserted that it was deemed necessary for applicants to remain competitive with other

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The engineer's study also showed that applicants no longer operate equipment of less than 70 square feet of loading area. Authority is sought herein to cancel the existing local moving rates based on the use of such equipment.

carriers and that rates higher than those proposed could not be maintained without serious loss of traffic.

With respect to the proposed establishment of uniform rates for all territories, the record shows that applicants maintain headquarters in Oakland; that it has always been the practice to dispatch men and equipment therefrom for all work performed; and that applicants' labor contracts provided for observing the higher wage rates applicable in the Oakland area regardless of the territory in which the service was performed. The costs incurred in other territories under these circumstances were said to be no lower than those obtaining in the Oakland area.

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

The allocations of the operating expenses submitted at the rehearing appear to be reasonable. The evidence now before the Commission establishes that the existing rates are substantially below the estimated cost of providing the local moving and accessorial services. The proposed rates reflect an operating ratio of 96.0 before provision for income taxes. They appear to be necessary to enable applicants to continue to provide the service. The sought rates should be authorized.

The proposals to establish uniform local moving and accessorial rates on the basis of those applicable in the Oakland metropolitan area, and to cancel rates for equipment having a loading area of 70 square feet or less, appear to be reasonable and should also be authorized. The former proposal reflects the labor and other costs involved under applicants' long-standing practice of dispatching men and equipment from Oakland headquarters for all work. As to the latter proposal, applicants do not operate equipment of the size in question in moving service.

Upon careful consideration of all of the facts and circumstances of record, the Commission finds as a fact that the increases in rates and charges proposed by applicants in this proceeding, as set forth in the application as amended, are justified; and that their publication on less than statutory notice should be authorized.

**O R D E R**

Public hearings having been had in the above-entitled proceeding, and based upon the evidence received at the hearings and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that applicants be and they are hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, the increases and changes in rates and charges proposed in the above-entitled application, as amended.

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

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

Dated at San Francisco, California, this 16th day of August, 1949.

R. J. [Signature]

[Signature]

[Signature]

Commissioners