

ORIGINAL

Decision No. 42422

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
J. A. Clark Draying Co., Ltd., a)	
corporation, for an Order authorizing)	Application No. 30583
departure from rates, rules and regu-)	
lations of Highway Carriers' Tariff)	
No. 2 under the provisions of Section)	
No. 11 of Highway Carriers' Act.)	

Appearances

Reginald L. Vaughan, James A. Clark, Jr. and
 C. G. Anthony, for applicant.
 Edward M. Berol, for the Truck Owners
 Association of California, interested
 party.
 Lloyd W. Cragg for Kaiser Steel Corp.,
 interested party.
 Dan Gallagher for Daniel Gallagher Teaming,
 Mercantile and Realty Company, interested
 party.

O P I N I O N

J. A. Clark Draying Co., Ltd., a corporation, seeks author-
 ity under Section 11 of the Highway Carriers' Act to assess other
 than the established minimum rates for certain transportation per-
 formed for the United States Steel Supply Company.¹

Public hearing was had before Examiner Lake at San Francisco
 on September 28, 1949.

The commodities involved are: Aluminum or iron or steel
 bars, plates, sheets, strips, structural shapes, tubing; iron or
 steel wire and wire rope; and aluminum roofing accessories. They are
 to be transported within San Francisco and from San Francisco to
 Alameda, Contra Costa, Marin, Napa, Sacramento, San Joaquin, San Mateo,

¹ The United States Steel Supply Company is engaged in the business
 of selling and distributing aluminum and iron and steel articles to
 wholesale and retail hardware dealers.

Santa Clara, Solano, Sonoma, Stanislaus and Yolo County points. Rejected shipments are to be returned to the shipper's San Francisco warehouse.

Applicant at present is transporting shipments for the steel company within the San Francisco drayage area. For this transportation minimum rates are provided on a vehicle unit basis. They are stated in dollars per month and vary with the capacity of the equipment. Additional charges are applicable when equipment is operated for excess mileage or during other than regular working hours. From San Francisco to points located in the counties here involved, minimum rates are stated in cents per 100 pounds. They vary with the weight of the shipment, the classification of the article and the length of haul.² Applicant proposes to assess the San Francisco vehicle unit rates for both the drayage and line-haul operations.

A witness for the shipper testified that competitive conditions encountered in the sale of its products require expedited delivery service. The consignments must be delivered the same day the order is received; they must be handled in accordance with the urgency of each transaction; and they must be accorded service unlike that provided by ordinary for-hire transportation. The character of the service is such that it requires the shipper to exercise complete control over the loading, routing and dispatching of the equipment without regard to economical operation of the vehicle.³ The witness

2

These rates are set forth in City Carriers' Tariff No. 1-A and Highway Carriers' Tariff No. 2, respectively.

3

The witness stated that every effort would be made to load and route shipments for maximum economy but that such practices would not always be possible because of the unusual conditions under which the business is conducted.

asserted that the majority of its competitors maintain control of their shipments and afford expedited service through the operation of proprietary equipment and that unless the sought authority is granted his company will be forced to resort to the same type of operation.

Applicant's vice president and its transportation consultant testified that operations conducted under vehicle unit rates within San Francisco had been compensatory. The application of the same rates to the territory involved in this application, they claimed, would produce net revenues as great as, or greater than, those accruing from the San Francisco operations. Fixed costs for overhead, insurance and license fees for operations in the extended territory, they alleged, would be the same. However, they would be distributed over a greater mileage. Variable costs for fuel, tires and maintenance would be somewhat less per mile because of more favorable operating conditions prevailing in the larger territory.

Counsel for the Truck Owners Association of California pointed out that a petition is pending before the Commission seeking increases in the San Francisco drayage minimum rates. He requested that any authority granted herein be subject to the same increases as those which may be established in the drayage rates. Applicant agreed to take such action voluntarily. No one opposed the granting of the application.

Under the circumstances peculiar to this operation the proposed rates appear to be reasonable. Authority similar to that here sought has been granted applicant under almost identical circumstances

in connection with transportation within southern California for the same shipper.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact that the rates and charges proposed in this proceeding have been shown to be reasonable within the meaning of Section 11 of the Highway Carriers' Act. The application will be granted. Due to the fact that the conditions which justify authorization of the sought rates may change at any time, the authority will be limited in duration to a period of one year.

O R D E R

This application having been duly heard and submitted, full consideration of the matters and things involved having been had, and based upon the conclusions and findings in the preceding opinion,

IT IS HEREBY ORDERED that:

1. J. A. Clark Draying Co., Ltd., be and it is hereby authorized to transport, for United States Steel Supply Company, aluminum, iron or steel articles, viz.: Bars, plates, sheets, strips, structural shapes, tubing; iron or steel wire and wire rope; and aluminum roofing accessories at rates and charges which differ from those heretofore established as minimum, but no lower than those set

4 Decision No. 43241 of August 23, 1949, in Application No. 30451.

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forth or specifically referred to in Appendix "A", which is attached hereto and by this reference made a part hereof.

2. The authority herein granted shall expire one (1) year after the effective date of this order, unless sooner canceled, changed or extended by order of the Commission.

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

Dated at San Francisco, California, this 18th day of October, 1949.

R. J. [Signature]
Justus F. [Signature]
[Signature]
[Signature]
[Signature]
Commissioner

APPENDIX "A"
TO DECISION NO. _____

RATES, RULES AND REGULATIONS

The rates authorized by this decision are subject to the following rules, regulations, conditions and restrictions:

1. Rates apply only for the transportation of aluminum, iron or steel articles, viz.: Bars, plates, sheets, strips, structural shapes, tubing; iron or steel wire and wire rope; and aluminum roofing accessories; for United States Steel Supply Company within San Francisco and from San Francisco to points within the Counties of Alameda, Contra Costa, Marin, Napa, Sacramento, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus and Yolo, and for the return movement of rejected shipments.

2. Rates are subject to Items Nos. 10(d), 100, 110, 120, 130, 190 and 550(d) (Appendix "A" to Decision No. 41363, of March 23, 1948, as amended, in Case No. 4084). C.O.D. charges will not apply when collection is remitted to shipper by driver without other handling by or recourse to carrier.

3. J. A. Clark Draying Co., Ltd. shall issue, for each vehicle furnished, a shipping document containing a certification that during the period covered by the document the vehicle was operated only in transportation service for which rates are provided by this decision (or full explanation of other operations, with reference to shipping documents covering), showing rates and charges assessed and containing all such information respecting each of the factors entering into the computation of the charges as may be necessary to verify the lawfulness of the charges assessed. J. A. Clark Draying Co., Ltd. shall retain and preserve a copy of such shipping document, subject to the Commission's inspection, for a period of not less than three (3) years from the date of its issuance.

(Continued)

APPENDIX "A"
TO DECISION NO. _____ (Concluded)

RATES, RULES AND REGULATIONS

Capacity of Carrier's Equipment in Pounds				Column 1	Column 2	Column 3
	2,500	or less	423	498	8
Over	2,500	but not over	4,500	478	566	11
"	4,500	"	" " " 6,500	533	620	12
"	6,500	"	" " " 15,500	576	675	14
"	15,500	"	" " " 20,500	662	767	16
"	20,500		753	865	19

COLUMN 1 - Rates per month in dollars per unit of carrier's equipment for service exclusive of service on Saturdays, Sundays and Holidays. When equipment is operated in excess of 1,050 miles per month, add rates shown in Column 3.

COLUMN 2 - Rates per month in dollars per unit of carrier's equipment for service including service on Saturdays, Sundays or Holidays, subject to the additional charges provided for by Item No. 100 series. When equipment is operated in excess of 1,250 miles per month, add rates shown in Column 3.

COLUMN 3 - Rates in cents per mile to be added to the Columns 1 and 2 rates when the unit of carrier's equipment is operated in excess of the maximum mileage allowed thereunder.

Note - Bridge or Ferry tolls shall be added to the transportation charge when such facilities are used by the carrier.

(End of Appendix "A")