

ORIGINAL

Decision No. 47534

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JOHN T. LANE for an order granting )  
permission to charge less than the )  
minimum rates on shipments transported )  
for The Coca-Cola Company. )

Application No. 28709  
(Third Supplemental)

Appearances

Aaron Glickman, for applicant  
Frank Loughran and Frank Chandler, for  
Truck Owners Association of  
California, protestant.

FOURTH SUPPLEMENTAL OPINION

Applicant, a highway contract carrier, has been authorized to transport syrup and empty syrup containers for The Coca-Cola Company between San Francisco and points in northern California at rates less than those established as minima.<sup>1</sup> The authority is scheduled to expire February 2, 1950.<sup>2</sup> Permission thereafter to deviate from the established minimum rates and to observe the present rates until December 2, 1950, is now sought.

Public hearings were held at San Francisco on November 14 and 22, 1949, before Examiner Edwin Lake.

Witnesses for applicant testified that present operating conditions were substantially the same as those experienced in the past. Exhibits were submitted showing that for the period January to and including September, 1949, applicant experienced an operating ratio

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<sup>1</sup>In addition to the service here in issue, applicant performs other highway transportation service and conducts some city carrier operations. They comprise about 23 per cent of his entire operations.

<sup>2</sup>The authority was first granted applicant for a one-year period by Decision No. 40914 of November 12, 1947. By subsequent decisions in this application the authority was extended to include additional points and for additional periods.

of 87.92. For the year 1948 the operating ratio was shown to be 88.13. Applicant anticipated that future operations, in view of the large margin between revenues and costs, would continue to be profitable. The Regional Traffic Manager of The Coca-Cola Company reiterated that it was the policy of his concern to maintain the price of its product and that if this application is denied consideration would be given to conducting the operation with proprietary equipment.

Granting of the application was opposed by the Truck Owners Association of California. A representative of this Association introduced exhibits purporting to show estimated costs of conducting applicant's operations. According to these exhibits, present rates on straight shipments to principal points of destination would result in operating ratios ranging from 90.6 to 154.0. Admittedly such costs were developed from information gleaned from applicant through cross-examination, upon assumptions and estimates involving among other things the running time, loading and unloading time, and the number of miles traveled.<sup>3</sup> They were based upon only a partial knowledge of the operations and were not supported by sufficient factual data to establish that the services here in issue were conducted under the estimated operating ratios calculated by protestant's witness.

The record is clear that applicant's operations have been conducted on a profitable basis. It has also been shown that the authorized rates may reasonably be expected to be compensatory during the ensuing year.

Upon careful consideration of all the facts and circumstances of record, the Commission finds as a fact that applicant's present rates have been shown to be reasonable. The application will be granted.

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<sup>3</sup>Through cross-examination and rebuttal evidence, errors were shown to have been made in the mileages between some of the points, in the running time between such points, and in the distribution of certain of the indirect costs.

O R D E R

The above-entitled application having been 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 the expiration date of the authority granted by Decision No. 40914 of November 12, 1947, as amended, in this proceeding, be and it is hereby extended to December 2, 1950, unless sooner changed or further extended by order of the Commission.

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

Dated at San Francisco, California, this 20<sup>th</sup> day of December, 1949.

R. Z. Anderson  
Justice J. Callahan  
Joseph H. Lowell  
Harold P. Hill  
Genevieve Patten  
Commissioners