

ORIGINAL

Decision No. 45826

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of )	
rates, rules, classifications and )	
regulations for the transportation of )	Case No. 4084
property within the City and County )	
of San Francisco. )	

Appearances

Clair W. MacLeod, for petitioner.  
 Russell Bevans, for Draymen's Association  
 of San Francisco, protestant.

SUPPLEMENTAL OPINION

Minimum rates, rules and regulations established for San Francisco drayage operations are promulgated in City Carriers' Tariff No. 1-A (Appendix "A" to Decision No. 41363, as amended). The tariff contains a rate of 28 cents per shipment of 25 pounds or less for freight, regardless of classification. This rate applies only on deliveries from jobbers, wholesalers, industries or public warehouses to jobbers, wholesalers, industries, public warehouses or retail stores.

By petition filed April 15, 1951, V. Fred Jakobsen, doing business as Transbay Motor Express Company, proposes that a multiple shipment scale of rates which vary with the number of shipments tendered during a one-week period be substituted for the present rate. The proposed rates are as follows:

<u>Number of Shipments per Week</u>	<u>Rate in Cents per Shipment</u>
1 - 10	60
11 - 20	50
21 - 30	40
Over 30	35

Public hearing was held at San Francisco on May 28, 1951, before Examiner Lake.

Petitioner alleges that the present rate of 28 cents per shipment is unreasonably low in view of the cost of the transportation service performed. He introduced exhibits showing an analysis of revenues and expenses of shipments handled in city carrier operations by his company for the year 1950, and the percentage relation of shipments weighing 25 pounds and less to shipments weighing over 25 pounds. In addition he submitted profit and loss statements and a summary of revenues and expenses for his combined for-hire carrier operations for the year 1950 and the first 4 months of 1951.<sup>1</sup>

For his combined operations the exhibits show, for the year 1950, revenues of \$179,277, expenses of \$170,845 and a profit of \$8,432, before provision for management salary for petitioner or for income taxes. The operating ratio is 95.3 percent. The revenues and expenses for city drayage operations during the same period are indicated as \$45,368 and \$51,511, respectively, resulting in a loss of \$6,143 and an operating ratio of 113.5 percent. For operations during the first 4 months of 1951, the operating ratios as calculated from the exhibits are 93.7 percent and 114.3 percent for the combined operations and city operations, respectively.

In determining the expenses of the drayage operations petitioner stated that he had allocated to this operation a percentage of the total expense equal to the ratio of payroll expenses for city

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<sup>1</sup> Petitioner specializes in the transportation of lightweight shipments. In addition to city carrier operations within San Francisco he conducts a common carrier operation of small shipments between San Francisco and the East Bay cities. During 1950, he also conducted certain highway carrier operations under a contract carrier permit.

operations to the total payroll expenses. He stated that studies he had made indicated that 85.8 percent of his parcel deliveries weighed 25 pounds or less per shipment. For such shipments he calculated that the loss per shipment was approximately  $7\frac{1}{2}$  cents based on his cost allocations to city drayage. On other shipments handled in drayage operations he estimated that the loss was 6 cents per shipment.

The granting of the petition was opposed by the Draymen's Association of San Francisco. The association's secretary-manager stated that it was the position of his association that the evidence submitted by petitioner was limited to an individual operation and for that reason did not necessarily reflect the general conditions in city drayage.

Petitioner relies principally upon estimated losses claimed to be experienced in the handling of city carrier shipments. As hereinbefore indicated he calculated the expense of handling city shipments by using a percentage of over-all costs based upon payroll expenses. It was not established, however, that in the transportation of shipments in city drayage all of the expenses incurred therefor were on the same ratio as the payroll expenses or that the service rendered incurred similar expenses as those incurred in other drayage and highway operations. Thus the losses claimed to have been experienced were not supported by probative evidence. In addition, petitioner did not show what effect the proposed charges would have upon his revenues. Moreover, the record does not show that the proposed rates are justified for San Francisco city carriers generally. In short, the showing made is insufficient. The petition will be denied.

O R D E R

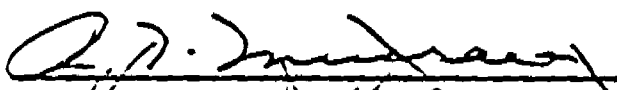

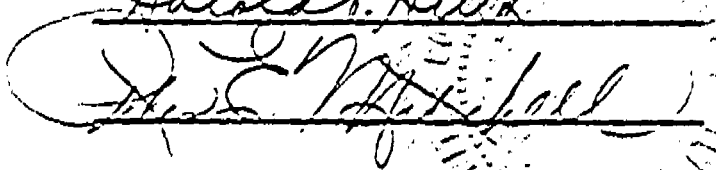
Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that the petition filed by V. Fred Jakobsen on April 15, 1951, be and it is hereby denied.

In all other respects the aforesaid Decision No. 41363, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 12<sup>th</sup> day of June, 1951.

  
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Commissioners