

ORIGINALDecision No. 46544

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of
 rates, rules and regulations for the
 transportation of property by radial
 highway common carriers and highway
 contract carriers between, and by city
 carriers within, the Cities of Oakland,
 Alameda, Albany, Berkeley, Emeryville
 and Piedmont.

Case No. 4108

In the Matter of the Investigation and
 Establishment of rates, charges, classi-
 fication, rules, regulations, contracts
 and practices of East Bay Drayage and
 Warehouse Co. et al., between the
 Cities of Oakland, Alameda, Albany,
 Berkeley, Emeryville and Piedmont.

Case No. 4109

Appearances

Clifton E. Brooks and Philip A.
 Winter, for petitioner.
 Daniel W. Baker, for Draymens'
 Association of Alameda County.

O P I N I O N

This decision deals with a petition filed October 29,
 1951, by C. R. Becker, doing business as Delivery Service Company,
 seeking increases approximating 12½ percent in the minimum rates
 established for the transportation of small shipments within and
 between East Bay cities.

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Petitioner specializes in the transportation of small shipments
 as a highway common carrier between, and as a city carrier within,
 the East Bay cities of Alameda, Albany, Berkeley, El Cerrito,
 Emeryville, Oakland and Piedmont. For convenience, this operation
 will herein be referred to as the "common carrier operation." In
 addition, he conducts another highway carrier operation under a con-
 tract carrier permit between the East Bay cities mentioned and San
 Leandro, Hayward, Niles, Pleasanton, Walnut Creek, Martinez,
 Pittsburg, Antioch, Richmond, Vallejo and intermediate points.

The proposed increases would apply to the "common carrier opera-
 tion." Petitioner does not request an increase in, nor does he
 propose to raise, the minimum rates established for the transporta-
 tion of small shipments handled under his contract carrier permit.

Public hearing was held at San Francisco on November 29, 1951, before Examiner Lake.

The minimum rates here in issue are set forth in Items 950, 960 and 990 series of City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A.² Certain of these rates apply for retail parcel deliveries. Others apply to small shipments transported for jobbers, wholesalers and industries. The volume of the rates varies with the number of shipments transported per month and the number of daily deliveries furnished. A higher basis is provided for special delivery service.

This matter was last considered by the Commission in Decision No. 46207 dated September 18, 1951, in these proceedings. In that decision a need for additional revenues for petitioner's combined operations was indicated. However, the showing made with respect to the financial results of the "common carrier operation" was found to be deficient, particularly in that it was not established that the allocation of the expenses to each operation was proper.³ Petitioner's request was denied.

In the instant proceeding petitioner testified that since 1948 substantial increases had occurred in the costs of performing the services which he renders. Increased operating expenses due to higher labor rates and increased cost of material and supplies equaled 22 percent of the current total expenses. An increase in labor rates of 7½ percent, he said, had been granted his operating employees as recently as November 1, 1951.

² The proposed rates are specifically set forth in the petition.

³ See Decision No. 46207, supra.

The witness stated that rates for the contract carrier services had been kept abreast of the increased costs but that no change had been made since 1948 in the established minimum rates for the "common carrier operation." The former operation, he asserted, was profitable but the "common carrier operation" was being conducted at an operating ratio in excess of 100 percent.

The financial results of petitioner's operations for the period January 1, 1951 to September 7, 1951, under present and proposed rates are set forth in the following Tables:

TABLE NO. 1

Revenues and Expenses under Present Rates

	<u>Common Carrier</u>	<u>Contract Carrier</u>	<u>Combined Operations</u>
Revenues	\$74,346.15	\$33,543.66	\$107,889.81
Expenses	74,354.20	30,461.44	104,815.64
Net Income	(8.05)	3,082.22	3,074.17
Operating Ratio			
After Taxes (1)	100.01%	93.11%	97.86%

(1) Taxes were determined at corporation rates

() Indicates Loss

TABLE NO. 2

Revenues and Expenses under Proposed Rates

	<u>Common Carrier</u>	<u>Contract Carrier</u>	<u>Combined Operations</u>
Revenues	\$83,639.42	\$33,543.66	\$117,183.08
Expenses(1)	76,989.37	31,365.77	108,355.14
Net Income	6,650.05	2,177.89	8,827.94
Operating Ratio			
After Taxes(2)	94.04%	95.13%	94.35%

(1) Includes, for the entire period, wage increases which became effective November 1, 1951.

(2) Taxes were determined at corporation rates.

Petitioner's auditor testified that in determining the financial results of the separate operations he had allocated the direct operating expenses, except with respect to the wages for the dispatcher, to the particular operation in which these expenses were incurred.⁴ The dispatcher's wages were allocated on the basis of the number of packages handled in each operation. The general overhead and administrative expenses were allocated to each operation on the basis of the percentage ratio which the direct operating expenses bear to the total expenses. This treatment of expenses cures the deficiencies found in petitioner's prior proceeding.

No one opposed the granting of the relief sought. The executive secretary of the draymen's association testified that his association had considered petitioner's request and was in favor of its being granted. He said that an investigation of the East Bay carriers affected by the rates in issue disclosed that petitioner was the only carrier operating wholly in this field. He said further, that other carriers handled this class of traffic only to a limited extent and then only as a convenience to their patrons.

The record is convincing that the minimum rates here in issue for the transportation of small shipments are insufficient. It has been shown, and we hereby find on this further record, that the proposed rates are reasonable. The petition will be granted.

⁴ Running expenses were calculated on mileage. Drivers' wages were computed upon man hours. Insurance, licenses and depreciation expenses for the automotive equipment were assigned on a vehicle unit basis.

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 City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A (Appendix "A" of Decision No. 41362 as amended) be and it is hereby further amended by incorporating therein, to become effective January 20, 1952, Second Revised Page 39 cancels First Revised Page 39 and Second Revised Page 40 cancels First Revised Page 40, attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that tariff publications required to be made by common carriers as a result of the order herein may be made effective on not less than five (5) days' notice to the Commission and to the public.

In all other respects said Decision No. 41362, 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 18th day of December, 1951.

R. T. [Signature]
President
Justice F. [Signature]
Harold P. [Signature]
Frederick D. [Signature]
John L. [Signature]
Commissioners

SECTION 3 — COMMODITY RATES (Continued)		
In cents per Unit		
Item No.	COMMODITY	RATE
0950-B Cancels 950-A	PARCEL CITY DELIVERY (RETAIL) as defined in Item No. 940 series. SCHEDULE A SERVICE—(Applicable only when shipper request and carrier furnishes no more than two daily deliveries) (Subject to Note 1).	
	Monthly Volume	
	Over 10 units or less-----	52
	Over 10 but not over 20 units-----	45
	" 20 " " " 40 "-----	36
	" 40 " " " 400 "-----	27
	" 400 " " " 1,200 "-----	25
	" 1,200 " " " 4,000 "-----	23
	" 4,000 " " " 8,000 "-----	20
	" 8,000 " " " 10,000 "-----	19
	" 10,000 " " " 12,000 "-----	18
	" 12,000 " " " 14,000 "-----	17
	" 14,000 units-----	16
	SCHEDULE B SERVICE—(Applicable only when shipper requests and carrier furnishes three or more daily deliveries) (Subject to Note 1).	
	Monthly Volume	
	Over 49 units or less-----	68
	Over 49 but not over 100 units-----	39
	" 100 " " " 600 "-----	33
	" 600 units-----	28
	*NOTE 1.—Rates will not apply for immediate special deliveries. Item No. 960 series applies.	
0960-B Cancels 960-A	PARCEL CITY DELIVERY (RETAIL) as defined in Item No. 940 series. IMMEDIATE SPECIAL DELIVERY—(Applicable only when shipper requests and carrier, on call, furnishes an immediate delivery direct from consignor to consignee)-----	78
970-A Cancels 970	PARCEL CITY DELIVERY (RETAIL) as defined in Item No. 940 series. GROCERY DELIVERY RATES—(Applicable on Groceries and Grocers' Supplies in packages as described in Item No. 1020 series when shipper requests and carrier furnishes three or more daily deliveries), (Subject to Note 1). Rates include return of empty containers. Service Charge—per week— \$5.14 Delivery Charges (To be added to Service Charge): Unit rates shown below apply for a delivery to one consignee at one destination of not more than two shipping containers with a total weight of contents not over 40 pounds. Shipments weighing more than 40 pounds or consisting of more than two shipping containers shall be charged one unit rate for each 40 pounds or each two shipping containers, or fraction thereof, whichever results in the higher charge. Weekly Volume First 100 units----- Second 100 units----- Third 100 units----- Fourth 100 units----- Fifth 100 units----- Over 500 units-----	24 22 20 18 17 16
NOTE 1.—Rates will not apply for immediate special deliveries. Item No. 960 series applies.		
* Change) Increase) Decision No. 46544		
EFFECTIVE JANUARY 20, 1952		
Issued by the Public Utilities Commission of the State of California, San Francisco, California.		
Correction No. 64		

SECTION 3 - COMMODITY RATES (Continued)

In cents per 100 pounds, except as noted

Item No.	COMMODITY	RATE
*980-B Cancels 980-A	PARCEL CITY DELIVERY (RETAIL) as defined in Item No. 940 Series.	In Cents
	MEAT DELIVERY RATES—(Applicable to meat, fish and poultry and the edible by-products thereof, fresh, dried, smoked, pickled or canned, when shipper requests and carrier furnishes three or more daily deliveries). (Subject to Note 1.)	Per Unit
	Service Charge—per week-----	\$5.14
	Delivery Charges (To be added to Service Charge): Unit rates shown below apply on parcels or packages weighing each 15 pounds or less. Parcels or packages weighing more than 15 pounds will be charged one unit rate for each 15 pounds or fraction thereof.	
	Weekly Volume	
	First 100 units-----	16
	Second " "-----	14
	Third " "-----	12
	Fourth " "-----	12
	Over 400 units-----	10
	*NOTE 1.—Rates will not apply for immediate special deliveries. Item No. 960 series applies.	
*990-B Cancels 990-A	PARCEL CITY DELIVERY (Wholesale Only)	In Cents
	Within and between all zones, and applies on packages containing property, weighing not to exceed (1) 40 pounds per package, and only on deliveries from jobbers, wholesalers, industries and retail stores to other jobbers, wholesalers, industries and retail stores.	Per Package
	1 to and including 50 packages per month-----	52
	Over 50 " " " 100 " " "-----	45
	" 100 " " " 400 " " "-----	36
	" 400 packages per month-----	27
	(1) On all packages exceeding 40 pounds each in weight, each additional 25 pounds or fraction thereof shall be considered an additional package and charge will be at the rates applicable for a 40 pound package.	
1000-A Cancels 1000	PILENG, WOODEN, treated or untreated.	
	Minimum 40,000 pounds per shipment-----	8
1010-A Cancels 1010	PIPE, CONCRETE, over 3 feet in length and under 9 feet in length. Rates apply within and between all Zones and include distribution at place of delivery, but do not include use of Derrick.	
	Minimum 50 tons per job, subject to Item No. 180 series-----	8
	Minimum 500 tons per job, subject to Item No. 180 series-----	6 1/2
* Change) Decision No. 46544 Increase)		
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Correction No. 65		