

**ORIGINAL**

Decision No. 47802

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of FARNSWORTH AND RUGGLES, a corporation, for authority to depart from the rates, rules and regulations of Highway Carriers' Tariff No. 2 under the provisions of the Highway Carriers' Act.	) ) ) ) ) ) )	Application No. 33329
--	---------------------------------	-----------------------

Appearances

Edward M. Berol, for applicant.  
 Russell Bevans, for Draymen's Association  
 of San Francisco, interested party.  
 J. L. Pearson and William E. Turpen, for  
 the Commission's staff.

O P I N I O N

Farnsworth and Ruggles, a corporation, transports iron and steel materials and related articles for the Gilmore Steel and Supply Co., Inc., and its affiliates, the Monarch Steel Products, Inc., and Gilmore Fabricators, Inc., within and between San Francisco and points located within 150 miles of San Francisco. Within San Francisco and within the East Bay drayage area this transportation is performed under monthly unit rates named in City Carriers' Tariff No. 1-A and City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A, respectively. For transportation between other points situated within 150 miles of San Francisco minimum rates stated in cents per 100 pounds apply. These rates are set forth in Highway Carriers' Tariff No. 2.

By this application, as amended, authority is sought to assess monthly unit rates for transportation within and between all points located within a radius of 150 miles of San Francisco.

Public hearing was held at San Francisco, on August 19, 1952, before Examiner Lake. Evidence was submitted by witnesses for

applicant and for the shipper. No one opposed the granting of the relief here sought.

The rates named in Highway Carriers' Tariff No. 2 are, as heretofore indicated, stated in cents per 100 pounds. They vary with the classification of the article, the weight of the shipment and the length of the haul. The rates herein sought to be applied are in dollars per month and vary with the capacity of the equipment. When the equipment is operated in excess of 1,050 miles per month or when it is operated at other than regular working hours or on Saturdays, Sundays or holidays, additional charges would be applied.<sup>1</sup>

In the event an increase or a decrease occurs in the wage rates of applicant, the proposed rates would be adjusted by an amount equal to such wage adjustments. This provision would also apply with respect to increases in wages of 50 cents per employee per day which became effective February 1, 1952.

According to the evidence offered by the shipper witness, the authority herein sought is necessary so that his company can meet the demands of its customers and the competition of other dealers. The shipper witness testified that the nature of their business required expedited service, and that their products must be delivered on a certain date. He stated that the character of the transportation service necessary to conduct efficient operations required that the shipper have complete control of the loading, dispatching and routing of the shipments. He also stated that competing dealers now effect such service either through proprietary operations or by carriers who possess similar authority to that here sought.

According to the witness, his company until recently had performed its own transportation service either with its own equipment or through a lease arrangement with the applicant and unless

---

<sup>1</sup> The proposed rates, rules and regulations are specifically set forth in Appendix "A" hereof.

the relief here sought was granted they would again undertake to perform their own hauling.

A certified public accountant retained by applicant testified that during the period applicant performed the services for the shipper under a lease arrangement studies had been conducted of the operations and of the nature of the service required.<sup>2</sup>

The witness further testified that the studies disclosed that the operations could be conducted profitably and the handling of this traffic would be advantageous to the carrier. The results of a study of operations for a 21-day period show operations being conducted at an operating ratio of 95.77 percent before provision for income taxes.

The record here shows that the revenues from this traffic will account for approximately one-sixth of applicant's estimated annual gross revenues; that the operation would be profitable; and that the proposed rates would return revenues which would approximate the revenues which would result from the application of the present rates. In addition, the authority sought will accord the shipper the service it desires and retain the traffic for for-hire carriage. Authority to assess monthly unit rates have been granted other carriers under almost similar circumstances. The application, as amended, will be granted.

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 3666 of the Public Utilities Code.

---

<sup>2</sup> The period under which the service was performed by the carrier under a lease arrangement was from October 1, 1951, to April 1, 1952. Since the latter date applicant has performed the service under the applicable minimum rates.

O R D E R

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

IT IS HEREBY ORDERED that Farnsworth and Ruggles, a corporation, be and it is hereby authorized to transport, within a radius of 150 miles of San Francisco, for Gilmore Steel & Supply Co., Monarch Steel Products Co., and Gilmore Fabricators, Inc., iron and steel materials and related articles at rates and charges which differ from those heretofore established as minimum, but no lower than those set forth or specifically referred to in Appendix "A", which is attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that 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.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of October, 1952.

*A. J. ...*  
 President  
*James J. ...*  
*... Patten*  
*... Mitchell*  
 Commissioners

APPENDIX "A" TO DECISION NO. 47802

IN APPLICATION NO. 33329

<u>Capacity of Carrier's Equipment in Pounds</u>	<u>Column 1</u>	<u>Column 2</u>
2,500 and under	523	9½
Over 2,500 but not over 4,500	577	13
Over 4,500 but not over 6,500	641	14
Over 6,500 but not over 15,500	741	17
Over 15,500 but not over 20,500	700	19
Over 20,500	895	22
Tractors and Semi-Trailer	895	22

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 2.

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

Holidays mean New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Admission Day, Thanksgiving Day and Christmas Day.

For services performed at other than during the hours 8:15 a.m. to 5:15 p.m., a charge equivalent to the additional wages plus 10 percent shall be assessed.

Rates include service of driver only and do not include bridge or ferry tolls.

(End of Appendix "A")