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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WALKUP DRAYAGE AND WAREHOUSE COMPANY,)
 a corporation, for authority to charge)
 less than minimum rates under the pro-)
 visions of the City Carriers' Act.)

Application No. 34980

Douglas Brookman, for applicant.
Russell Bevans, for Draymen's Association
 of San Francisco, Inc., interested party.
Scott D. Flegal, for Barclay Traffic Service,
 interested party.
Grant L. Malquist and John W. Mallory,
 for the Commission staff.

O P I N I O N

Walkup Drayage and Warehouse Company, a corporation, operates as a city carrier in the transportation of property within San Francisco. In this application it seeks authority to transport green coffee for Hills Brothers Coffee, Inc., at a rate less than that established as minimum.

A public hearing of the application was held at San Francisco on February 1, 1954, before Examiner Jacopi.

The record shows that the movement of the coffee involves so-called "inhaul" transportation from piers in San Francisco to the Hills plant situated adjacent to the waterfront. Although the flow

(1) "Inhaul," as the term is used herein, is defined in part in City Carriers' Tariff No. 1-4, the governing minimum rate tariff, as "transportation of property received from another carrier at a depot, dock, wharf, pier, landing or other point at which facilities are maintained for the loading of property into or upon, or the unloading of property from rail cars or vessels, or received from another carrier at truck loading facilities of plants or industries located at such rail or vessel loading or unloading point, when originating beyond the limits of the City and County of San Francisco; ***."

of the traffic is dependent upon ship arrivals there is some movement every calendar month in the year. At times applicant's trucks are engaged in these operations without interruption for periods of as long as three weeks. Four two-axle trucks are employed exclusively in the service in question during the periods when the coffee is being transported. ⁽²⁾ Each truck carries eight or nine loads per day, handling 98 sacks per load. The sacks weigh from 134 to 150 pounds each.

The established minimum rate for this transportation is eight cents per 100 pounds, subject to a surcharge of 21 per cent and subject to a minimum weight of 1,000 tons per month averaged over 12 calendar months, commencing with the month in which the property is first transported. In this application Walkup seeks authority to apply a rate of eight cents per 100 pounds without any surcharge, but proposes to retain the present minimum quantity requirements.

Evidence in support of the application was presented by two of applicant's officials. The record shows that the movement of green coffee from the docks to the Hills plant is an unusually efficient one. At certain of the docks, the sacks of coffee are loaded on skids or pallets, which in turn are loaded into trucks by mechanical means. At other docks the loading of applicant's vehicles is accomplished by the use of hand trucks in conjunction with the power tail gates on the motor trucks. On arrival of applicant's trucks at the Hills plant the sacks of coffee are unloaded into a chute leading into the building. The sacks pass from the chute onto an endless belt, from which they are taken by Hills employees. This method of unloading, the witnesses stated, eliminates any delays at the plant, either before unloading starts or during the

(2) At other times, the vehicles are employed in regular drayage services.

process, and facilitates a continuous movement between the docks and the Hills plant.

Studies of the costs of performing the service involved herein were introduced by the witnesses. They show that the full cost before provision for income taxes amounted to 6.1 cents per 100 pounds as compared with the sought rate of eight cents per 100 pounds. Most of the unit costs used in the studies were developed from applicant's book records and operating data for a three months' test period, embracing July, August and September, 1953. A few other factors employed in the cost calculations reflected the experience of the carrier for the entire year 1953.⁽³⁾ In the development of the costs, provision was made for wages of drivers, helpers and foremen, vehicle operating and maintenance expenses, depreciation, insurance, taxes other than income taxes and overhead expenses, with appropriate adjustments for current cost levels.

According to the testimony of applicant's witnesses, Hills intends to perform the transportation in question with its own equipment unless the sought reduced rate is authorized.

No one appeared in opposition to the granting of the application.

The evidence is convincing that applicant will be able to perform the green coffee haul involved herein under the sought rate on a compensatory basis and that the rate is necessary to retain the traffic for for-hire carriage.

The Commission is of the opinion and hereby finds that the proposed reduced rate is reasonable and consistent with the public interest. The application will be granted. Since the circumstances may change, however, the authority will be made to expire at the

(3) These included the use factor, the running cost per mile and indirect expenses.

end of one year, unless sooner canceled, changed or extended by order of the Commission.

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 Walkup Drayage and Warehouse Company, a corporation operating as a city carrier, be and it is hereby authorized to transport green coffee for Hills Brothers Coffee, Inc., from piers on the San Francisco waterfront to the coffee company's plant in San Francisco, at a rate less than the established minimum rate but not less than eight cents per 100 pounds, minimum weight 1,000 tons per calendar month, the monthly tonnage to be averaged over twelve calendar months commencing with the month in which the property is first transported.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one 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 days after the date hereof.

Dated at San Francisco, California, this 2nd day of March, 1954.

[Signature]
President
Justice J. Caswell
Kenneth Potter
John L. Hill
Verne Higgins
Commissioners