

ORIGINAL

Decision No. 59532

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
 into the rates, rules, regulations,)
 charges, allowances and practices of)
 all common carriers, highway carriers)
 and city carriers relating to the)
 transportation of property in the)
 City and County of San Francisco and)
 the Counties of Alameda, Contra Costa,)
 Marin, Monterey, Napa, Santa Clara,)
 San Mateo, Santa Cruz, San Benito,)
 Solano and Sonoma.)

Case No. 5441

A. G. Harris, for Walkup Drayage & Warehouse
 Company, respondent.
Russell Bevans, for Draymen's Association of
 San Francisco; C. G. Woodward, for Pacific
 Coffee Association and J. A. Folger & Co.;
Jack Clodfelter, for A. Schilling & Company;
 and L. E. Binsacca, for M. J. B. Co.;
 interested parties.
A. R. Day and J. A. McCunniff, for the
 Commission's staff.

O P I N I O N

The minimum rates, rules and regulations applicable to the transportation of property within San Francisco by city carriers are set forth in City Carriers' Tariff No. 1-A. By Decision No. 49886, dated April 6, 1954, in Case No. 4084, extensive adjustments were made in the rates and charges named in that tariff.¹

The adjustments in question were based upon cost and rate studies made by the Commission's staff. Among the staff recommendations was a proposal to increase the commodity rate applicable to the transportation of green coffee, in quantities of not less than 1,000

¹ By Decision No. 49998, dated May 4, 1954, Case No. 4084 was discontinued. It has been superseded by Case No. 5441.

tons per month averaged over 12 calendar months, in so-called "inhaul" movement.² The proposal to increase this rate to 10½ cents per 100 pounds was opposed by representatives of three coffee shippers, who contended that the costs upon which the proposed rate was predicated did not reflect current shipping practices.³ They testified that since the costs had been developed by the staff changed conditions had materially reduced the costs of the carriers.

In view of the shipper representations the Commission in Decision No. 49886 did not adopt the staff proposals. Instead, the staff was directed to make a further and more comprehensive study of the movement of green coffee in San Francisco inhaul drayage. On completion of these studies the Commission ordered that the matter be scheduled for an adjourned hearing. Such hearing was held at San Francisco on June 17, 1954, before Examiner Carter R. Bishop.

An engineer of the Commission's staff introduced the results of the study which he had made of current costs of transporting green coffee in San Francisco inhaul drayage. Besides transportation under the rate of 9½ cents the study developed the cost of service under a second inhaul commodity rate on green coffee, viz., 11 cents per 100

2

"Inhaul" is defined in part in City Carriers' Tariff No. 1-A 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; ***."

3

The rate in question was published in Item No. 400-D of City Carriers' Tariff No. 1-A as 8 cents per 100 pounds, subject to a surcharge of 21 per cent, making a total of 9.68 cents. Effective June 1, 1954, by Decision No. 49886, supra, the surcharge was merged with the rate, which was rounded off to 9½ cents. This rate is now published in Item No. 400-E of the tariff.

pounds, subject to minimum quantities of 5,000 tons per calendar year and 10,000 pounds per shipment.⁴ This rate applies also on spices of various kinds.

In this study the engineer developed performance factors from data relating to coffee drayage operations of a representative number of days during the month of February 1954. The data reflected the operations of four carriers, and included deliveries at the facilities of six different coffee roasters. The transportation and handling of nearly 4,000,000 pounds of coffee were involved in the study. The engineer ascertained full costs, exclusive of any provision for profit, for the services here under consideration as follows: 7.9 cents and 9.3 cents per 100 pounds for the services performed under Items Nos. 400 and 410 series, respectively.

A transportation rate expert of the Commission's staff submitted an exhibit in which he reviewed the history of the rate items in question and compared the present inhaul rates on green coffee and spices with the costs developed by the Commission engineer. The exhibit also included proposed revised rates which, in the opinion of the rate expert, would give appropriate effect to those costs. His recommendation was that the present rate of 9½ cents per 100 pounds, minimum weight 1,000 tons per month, on green coffee, be reduced to

⁴ The rate of 9½ cents per 100 pounds is published in Item No. 400 series, and that of 11 cents per 100 pounds in Item No. 410 series, of City Carriers' Tariff No. 1-A. This rate applies also on allspice, cloves, cumin seed, ginger, ground mustard, nutmeg, pepper and turmeric. According to the engineer a small amount of spice was also included in the movement studied. He stated that the spice bags differ slightly in size and weight from those in which green coffee is shipped. Spices, however, are not involved in the adjustment herein considered.

8-3/4 cents, and that the present rate of 11 cents per 100 pounds, minimum weight 5,000 tons per year, on green coffee and spices be reduced to 10 cents. These rates reflect operating ratios of 90.3 per cent and 93.0 per cent respectively.⁵

The secretary-manager of the San Francisco Draymen's Association testified concerning the position of that association relative to the rates here in issue. He said that any proposed changes in the green coffee rates should be held in abeyance for a period of 90 days. The purpose of this requested delay, the witness testified, was to give the Association an opportunity to ascertain the over-all revenue effect of the general adjustment in San Francisco drayage rates which went into effect on June 1, 1954, pursuant to Decision No. 49886, supra. He explained that the Association was then engaged in a survey of its members for that purpose. He also stated that the draymen were then engaged in making their own cost study, involving all transportation subject to City Carriers' Tariff No. 1-A. According to the witness, it is the intention of the Association on completion of its study to offer in evidence at public hearing the conclusions to be derived therefrom.⁶

The traffic manager of A. Schilling & Company testified that his company uses the rate of 11 cents named in Item No. 410 series, that a study which had been made indicated that Schilling could save money by performing its own trucking of green coffee and

⁵ The witness indicated that the difference in operating ratios which is reflected in the two recommended rates is the result of rounding off the rates to one quarter of one cent.

⁶ According to the record, the Association made a cost study of drayage operations several years ago but did not introduce it in evidence. Assertedly, the current study, which was begun after June 1, 1954, is intended to bring the earlier study up to date.

spices under lease arrangement, but that the company would continue to use for-hire carriage pending the outcome of this proceeding. He indicated that if the rate of 11 cents is not changed Schilling will make another study of the cost of operating leased trucks.

The traffic managers of M.J.B. Co. and J. A. Folger & Co. testified in support of the staff rate proposals.⁷

As indicated above, the Draymen's Association of San Francisco urges that no adjustments be made in the rates here in issue pending the completion of their own cost study and appraisal of the revenue effect of the recent general adjustment in drayage rates. The record herein discloses that the Commission's staff has made a comprehensive study of the cost of the transportation and handling of green coffee in San Francisco inhaul drayage. The record shows also that the Association had ample opportunity to initiate and complete its own cost study prior to the hearing in this matter. Moreover, the cost figures developed by the Commission's staff were not shown to be unreliable or improper. In view of the foregoing considerations we believe that no useful purpose will be served by delaying the disposition of the matter here in issue.

Upon careful consideration of all the evidence of record, we are of the opinion and find that the proposed modifications, insofar as they relate to the transportation of green coffee, have been justified.

⁷ The traffic manager of M.J.B. Co. also testified that this company had improved the efficiency of coffee unloading operations at its plant by the removal of a rice receiving platform, which had hindered the coffee movement.

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. 1-A (Appendix A of Decision No. 41363 as amended) be and it is hereby further amended by incorporating therein to become effective October 15, 1954, Tenth Revised Page 39 cancels Ninth Revised Page 39.

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

Dated at San Francisco, California, this 14th day of September, 1954.

John E. Mitchell
President
Justin J. Caswell
Samuel Pottel
Gene Higgins

Commissioners

SECTION NO. 4 - COMMODITY RATES (Continued)
In cents per 100 lbs. except as noted

Item No.	COMMODITY	RATES	Minimum Weight
*400-F Cancels 400-E	COFFEE, GREEN Inhaul only (1) Monthly tonnage is to be averaged over twelve (12) calendar months commencing with month in which property is first transported.	¢ 8-3/4	(1) 1000 tons per Calendar Month
*410-H Cancels 410-G	COFFEE, GREEN, in sacks Inhaul only SPICES, viz.: Allspice, in sacks Cloves, in sacks Cumin seed, in sacks Ginger, in sacks Mustard, ground, in sacks or barrels Nutmeg, in sacks Pepper, in sacks Turmeric, in sacks — Inhaul only	¢ 10 11	5000 tons per Calendar Year, and 10,000 pounds per shipment

* Change } Decision No. 50532
 & Reduction }

EFFECTIVE OCTOBER 15, 1954

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 219