

ORIGINALDecision No. 53892

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN FRANCISCO WAREHOUSE CO., a cor-)
 poration, for authorization to trans-)
 port rice for C. E. GROSJEAN RICE) Application No. 38287
 MILLING CO., within San Francisco at)
 rate below minimum rate prescribed by)
 City Carriers' Tariff No. 1-A.)

Vaughan, Paul & Lyons, by John G. Lyons,
 for applicant.
Russell Bevans, for Draymen's Association
 of San Francisco; A. J. Mateik and
 Arlo D. Poe, for California Trucking
 Associations, Inc.; interested parties.
A. R. Day and B. A. Peeters, for the
 Commission's staff.

O P I N I O N

San Francisco Warehouse Co., a corporation, operates as a city carrier in the transportation of property within San Francisco. In this application, as amended, it seeks authority to transport rice, in sacks, for C. E. Grosjean Rice Milling Co., at a rate less than that established as minimum.

A public hearing of the application was held before Examiner Carter R. Bishop at San Francisco on August 22, 1956.

The record discloses that the movement of the rice involves transportation from the Grosjean plant in San Francisco to certain piers, at which it is loaded into steamers for export or intercoastal shipment. The flow of traffic is, of course, dependent upon ship arrivals. However, there is a more or less regular movement throughout the year.^{1/} When a ship is being loaded with rice, the drayage operation here in issue continues

^{1/} The record discloses that applicant has been hauling rice for Grosjean to the docks for the past eleven years.

without interruption for several days. Two truck-and-trailer units are regularly assigned to the service in question when the rice is being transported, and occasionally three units are so employed. Each unit makes approximately four trips per day, handling 360 sacks per load, the sacks weighing 100 pounds each.

The established minimum rate for this transportation is 9-1/2 cents per 100 pounds, minimum weight 20,000 pounds. In this application authority is sought to apply a rate of 8 cents per 100 pounds, minimum weight 20,000 pounds, and subject to the condition that the rice will be palletized by the shipper on the shipper's pallets and that applicant will not be required to remove the rice from the pallets. It is proposed also that the weight of the shipments shall not include the weight of the pallets and that the empty pallets shall be returned to the shipper without charge.

Evidence in support of the application was presented by two of applicant's officials. The record shows that the movement of rice from the Grosjean plant is a highly efficient one. The sacks of rice are palletized during the entire time that they are in applicant's possession. At the plant they are loaded onto the pallets by the shipper's employees and the sacks remain on the pallets until after the property is delivered to the ocean carrier at the dock. The pallets are loaded into applicant's equipment at the Grosjean plant by fork-lift truck operated by the shipper's employees. Unloading of the palletized rice at the pier is also accomplished by means of a fork-lift truck. Customarily it is operated by an employee of applicant who is stationed at the dock while the movement of rice is in progress. At other times it is operated by the driver. The loading and unloading operations are further accelerated by the use of

strips of rollers which are permanently fastened to the beds of the trailers. The rollers facilitate the movement of the loaded pallets along the trailer floor.

The empty pallets, according to the record, are periodically collected from the docks and accumulated at Pier 20 by the Board of Harbor Commissioners, as a service which it performs for all the users of the public wharves. From Pier 20 applicant returns the empty pallets in truckload quantities to the Grosjean plant.

A study of the cost of performing the services involved herein was introduced by one of the witnesses, who is applicant's vice president. According to the study, as amended at the hearing, the full cost before provision for income taxes is 6.2 cents per 100 pounds. This is to be compared with the sought rate of 8 cents per 100 pounds. The above cost figure was predicated upon the expenses incurred in the movement of a total of nearly 7,500,000 pounds of rice which applicant transported from the Grosjean plants to the docks, including the return movement of empty pallets, during the four-month period of April--July, 1956.

According to the testimony of applicant's witnesses, Grosjean 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.

While the application geographically embraces the entire city of San Francisco the actual movement of rice involved herein is solely from the Grosjean plant to the docks. At the hearing counsel stated that applicant would have no objection if the Commission were to limit its authorization to the latter specific movement.

The evidence is convincing that applicant will be able to perform the transportation 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, as amended, will be granted, subject to the condition that the sought rate shall apply only from the Grosjean plant to the piers. Because the conditions under which service is performed may change at any time, the authority will be made to expire at the 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 San Francisco Warehouse Co., a corporation operating as a city carrier, be and it is hereby authorized to transport rice, in sacks, for C. E. Grosjean Rice Milling Co. from the latter company's plant in San Francisco to piers on the San Francisco waterfront, at a rate less than the established minimum rate but not less than 8 cents per 100 pounds, minimum weight 20,000 pounds, subject to the following conditions:

- (a) The rice shall be palletized by the shipper on the shipper's pallets and loaded onto applicant's vehicles by the shipper.
- (b) Applicant shall not be required to remove the rice from the pallets.
- (c) The weight on which charges are assessed shall not include the weight of the pallets.

- (d) The empty pallets shall be returned from the piers to the rice company's plant without charge.
- (e) The shipper shall tender to applicant for the transportation involved herein a minimum of 1,000 tons of rice per calendar year.

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.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 38287, as amended, be and it is hereby denied.

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

Dated at San Francisco, California, this 9th day of October, 1956.

[Signature]
President
[Signature]
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Commissioners