

ORIGINAL

Decision No. 57961

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
Walter E. Mendenhall and Wilbur N.
Mendenhall, partners doing business
as MENDENHALL TRANSPORTATION CO., for
authority to increase minimum charges
between certain points.

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) Application No. 40383
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In the matter of the investigation
into the rates, rules and regulations,
charges, allowances and practices of
all common carriers, highway carriers
and city carriers relating to the trans-
portation of any and all commodities
between and within all points and places
in the State of California (including,
but not limited to, transportation for
which rates are provided in Minimum
Rate Tariff No. 2).

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) Case No. 5432
) Petition for Modification
) No. 121
)
)

J. Richard Townsend and Bernard C. Kearns by
J. Richard Townsend for Mendenhall Transportation
Co., applicant and petitioner.

Armand Karp for Callison Truck Lines; J. C. Kaspar,
Arlo D. Poe and J. X. Quintrall for California
Trucking Associations, Inc., interested parties.

A. R. Day for the Commission's staff.

O P I N I O N

Walter E. Mendenhall and Wilbur N. Mendenhall, partners
doing business as Mendenhall Transportation Co., are engaged in the
business of transporting passengers and property as common carriers
over the public highways within and in the area about Humboldt
County. Their highway common carrier operating rights were acquired
by purchase from several former operators over the past twelve years.
An exact description of the operating right would be lengthy. In
general, they have authority to conduct highway common carrier
operations on and along U. S. Highway 299 from its junction with
U. S. Highway 101 to Willow Creek; thence along State Highway 96 to

Somesbar; and thence along unnumbered highway to Forks of Salmon, which route we shall for convenience designate as the northern route; on and along State Highway 36 and unnumbered highways from Fortuna to Alderpoint, Fort Seward, Zenia and Ruth, which we shall call the southern route; and between points on the northern route and on the southern route on the one hand and points on and along U. S. Highway 101 from Scotia to Trinidad on the other hand. Applicants do not operate as highway common carriers between any two points on U. S. Highway 101.

Applicants maintain lower minimum charges than those prescribed in Minimum Rate Tariff No. 2 for the transportation of property from or to points on the northern route. Applicants' predecessor in interest in the northern route, Humboldt Motor Stages, maintained a schedule of minimum charges in May, 1946, which was at the level prescribed by the Commission as minimum. In November, 1946, the Commission ordered that the minimum charges to be assessed by highway carriers be increased. On April 1, 1957, in Decision No. 40125 in Cases Nos. 4246 and 4808 and Applications Nos. 28240 and 28293, the Commission authorized Humboldt Motor Stages to continue to publish and assess the charges established in May, 1946. Said charges have not been increased by applicants or their predecessor.

Neither applicants nor their predecessors in the southern route had authority to maintain rates or charges lower than the minimum rates and charges established by the Commission. At all times they have been required to maintain the minimum charges for the southern route at levels no less than those established from time to time by the Commission as minimum.^{1/}

^{1/} It is noted that as recently as November 3, 1958, the Commission in its Decision No. 57545 increased the rates and charges, including minimum charges in Minimum Rate Tariff No. 2.

By this application and petition, the Mendenhalls seek authority to establish uniform minimum charges on all of their highway common carrier operations at a level between those presently effective on the two routes. Applicants do not propose changing the minimum charges applicable on shipments of fresh fruits and vegetables.

Public hearing was held in the matters before Examiner J. E. Thompson at San Francisco on December 29, 1958.

The following is a summary of the presently effective minimum charges and those proposed.^{2/}

For Distances Not Exceeding 150 Miles:

Weight of Shipment in Pounds		Minimum Charge in Cents		
		Present		Proposed
Over	but Not Over	North	South	All Points
0	25	49	160	100
25	50	62	160	125
50	75	75	185	150
75	100	88	215	175
100	150	94	270	200
150	200	94	320	250
200	250	94	375	300
250	-	94	430	350

For Distances of 150 Miles or Greater:

0	100	Class Rate for 100 lbs.	Class Rate for 100 lbs. but not less than 215	((((Same (as (South ((
100	150	None	270	
150	200	None	320	
200	250	None	375	
250	-	None	430	

The minimum charges tabulated under the caption "South" are the minimum charges prescribed by the Commission in Minimum Rate Tariff No. 2.

The highway common carrier service performed by applicants is principally the transportation of less-than-truckload shipments
^{2/} The summary does not give effect to the limitations and conditions of said minimum charges as set forth in Items 185 and 190 of applicants' Local Freight Tariff No. 3.

from points on and along U. S. Highway 101, mainly Eureka, to points and places on the northern and southern routes. There is very little movement in the reverse directions. The points served on both the northern and southern routes are places on the highways or roads in unincorporated communities of very small size. In general terms, the nature of the applicants' operations on both routes can be described as a delivery service to extremely rural areas. There is evidence showing that the levels of the minimum charges maintained on the southern route approach, and in some instances, exceed, the value of the service to the shipper. On the other hand, the minimum charges maintained for transportation on the northern route appear to be well below out-of-pocket costs. A study of the minimum charge shipments transported by applicants during the period April 1, 1958 to June 30, 1958 was received in evidence as Exhibit No. 9. It compares the revenues actually earned during that period on the northern and southern routes with the revenues which would have been earned under the proposed minimum charges. The following is a summary of that study:

	<u>Actual</u>	<u>Proposed</u>
Northern Route	\$ 798.34	\$1,249.25
Southern Route	<u>1,798.25</u>	<u>1,471.75</u>
Total	<u>\$2,596.59</u>	<u>\$2,721.00</u>

On December 8, 1958, the minimum charges for the southern route were increased by about five percent. There is no evidence which would indicate the extent to which the increase may have resulted in a diminution of traffic. It appears, however, that the proposed changes in the minimum charges would neither increase nor reduce the applicants' earnings significantly.

There is no highway common carrier competition encountered by applicants between the points they serve. The Northwestern

Pacific Railroad Company operates between Eureka, Scotia, and Fortuna on the one hand and Alderpoint and Fort Seward on the other. This is the only common carrier competition encountered by applicants. The minimum charges maintained by the railroad exceed those proposed by applicants.

No one opposed the application or the petition.

The operating conditions and problems of applicants differ markedly from those of highway common carriers operating between cities or along routes having centers of population. Upon consideration of all the facts and circumstances of record, we are of the opinion and find that the proposed minimum charges are reasonable for the transportation service performed by applicants. We further find that the increases resulting from the establishment of the proposed charges are justified, and that other than in the cases of transportation to and from Alderpoint and Fort Seward, the proposed minimum charges are not below the charges of competing carriers or the cost of transportation which might be incurred through other means of transportation. We further find that the establishment by applicants of the proposed minimum charges for transportation of property to or from Alderpoint and Fort Seward is justified by transportation conditions. The application and the petition will be granted.

O R D E R

Based on the evidence of record and on the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that Walter E. Mendenhall and Wilbur N. Mendenhall, partners doing business as Mendenhall Transportation Co., are authorized to increase the minimum charges contained in Rule

No. 190 of applicants' Local Freight Tariff No. 3 and to reduce the minimum charges contained in Rule No. 185 of said tariff by establishing, on not less than five days' notice to the Commission and to the public, the minimum charges proposed in their application filed August 27, 1958.

IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 3rd day of February, 1959.

[Signature]
President
[Signature]
[Signature]
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Commissioners