

ORIGINALDecision No. 58028

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALLISON TRUCK LINES, INC.,)
 EAST BAY DRAYAGE & WAREHOUSE CO.)
 and MERCHANTS EXPRESS OF CALIFORNIA)
 for authority to increase commodity)
 rates on exempted articles between)
 San Francisco Bay area and points)
 in Del Norte and Humboldt Counties.)

Application No. 40346

Aaron H. Glickman for Callison Truck
 Lines, Inc., East Bay Drayage & Warehouse
 Co., and Merchants Express of California,
Ward G. Walkup, Jr., for Merchants
 Express of California; applicants.
Robert Hopping for Poultry Producers of
 Central California; protestant.
Ralph Hubbard for California Farm Bureau
 Federation; E. R. Chapman for Foremost
 Dairies, Inc.; Matt Clarke for
 The Borden Co., J. C. Kaspar, A. D. Poe
 and J. X. Quintrall, for the California
 Trucking Associations, Inc.; interested
 parties.
A. R. Day for the Commission staff.

O P I N I O N

By this application Callison Truck Lines, Inc., East Bay
 Drayage & Warehouse Co., and Merchants Express of California,
 operating as highway common carriers, seek authority to increase
 certain rates applicable on commodities exempted from the
 Commission's minimum rates.¹ The rates involved apply between
 San Francisco Bay Area points and points on the Redwood Highway
 generally between Garberville and Crescent City.

¹The commodities involved, along with the present and proposed
 rates, are set forth in detail in the application.

A public hearing was held before Examiner William E. Turpen at San Francisco on October 28, 1958.

In general, applicants propose to cancel the present specific commodity rates and to establish in lieu thereof exception ratings so that class rates would apply. In a few instances, however, specific commodity rates will be retained but at a higher level than the present rates.

The general traffic manager of Callison Truck Lines testified that shipments under the rates involved here account for only slightly over one per cent of its revenues and that there is little or no movement of many of the commodities. He stated that these rates were established many years ago at the same level as the rail rates at that time and since then have had only one small increase whereas all other rates have experienced a number of increases. According to the witness, the proposed exception ratings are the same as, or in most cases lower than, the class ratings provided for these commodities in the Western Classification. An exhibit introduced by the witness showed an analysis for the month of March, 1958, of shipments of the commodities here involved transported by Callison. Expanded on an annual basis, the exhibit showed revenues under the present rates as \$17,007, and under the rates as proposed as \$40,693. The witness stated that this change in revenue would have changed his company's 1957 operating ratio (before income taxes) from 98.45 per cent to 96.75 per cent.

The president of Merchants Express of California testified on behalf of his company. He stated that only about ten per cent

of his company's total revenues are derived from operations in the territory involved, and that less than one per cent of that traffic consists of the commodities here in question. An exhibit showing a traffic analysis of shipments for six days in October, 1958, projected on an annual basis, shows that Merchants Express of California would experience an increase in revenue under this proposal on the commodities here in question from \$11,648 to \$32,116. The witness stated that this change in revenue would have changed his company's operating ratio from 104.90 per cent to 104.63 per cent.

Various shipper representatives and a transportation engineer from the Commission's staff assisted in developing the record by cross-examining the witnesses.

A representative of the Poultry Producers of Central California protested the granting of the application. His protest went more to the quality of the service rendered by the carriers.

It is clear from the record that the rates here involved are unduly depressed and constitute a burden on other traffic. The resultant increases will help to improve the financial standing of the carriers and due to the small amounts involved will not result in excessive earnings. It appears, and the Commission finds, that the sought tariff changes and increases in rates resulting therefrom are justified. The application will be granted. Applicants also ask authority to make the tariff changes on ten days' notice. This request appears reasonable and will be granted.

ORDER

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

IT IS ORDERED:

(1) That applicants be and they are hereby authorized, on not less than ten days' notice to the Commission and to the public, to publish and file the tariff changes proposed in Application No. 40346.

(2) That this authority shall expire if not exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 17th day of February, 1959.

E. Lynn Fox
President

Ed. E. [unclear]

William [unclear]

Leodore [unclear]

Everett [unclear]
Commissioners