

ORIGINAL

Decision No. 59085

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)	Case No. 5441
of property in the City and County of)	(Petition for
San Francisco, and the Counties of)	Modification No. 38)
Alameda, Contra Costa, Marin, Monterey,)	
Napa, Santa Clara, Santa Cruz, San)	
Benito, San Mateo, Solano, and Sonoma.)	

Berol & Silver by Edward M. Berol, Russell Bevans
of Draymen's Association of San Francisco, L. B.
Raymond of Gibraltar Warehouses, and R. I. Prosser
of C. A. Worth & Co., for petitioner.

Arlo D. Poe, J. C. Kaspar and James Quintrall for
California Trucking Associations, Inc., Charles C.
Miller for the San Francisco Chamber of Commerce,
Gordon Larsen for American Can Co., Jack Clodfelter
for McCormick & Co., Schilling Division, Thomas B.
Kircher for Spreckels Sugar Co., and Milton A.
Walker for Fibreboard Paper Products Corporation,
interested parties.

G. L. Malquist and John F. Specht for the Commission's
staff.

O P I N I O N

By petition filed September 4, 1959, the Draymen's Association of San Francisco seeks a general twelve percent increase in the minimum rates, rules and regulations heretofore established for the transportation of property by city carriers within the City of San Francisco.^{1/}

The minimum rates, rules and regulations in question are contained in City Carriers' Tariff No. 1-A. The last general adjustment of the rates named therein became effective November 24, 1958, pursuant to Decision No. 57544, dated November 3, 1958.

^{1/} At the hearing petitioner modified its request with respect to the rates for the handling of pool car shipments and the package rate named in Item No. 425. These modifications will be discussed later.

Public hearing of the petition was held before Examiner William E. Turpen at San Francisco on September 14, 1959. Evidence was presented on behalf of petitioner by its secretary-manager and by an accountant. Evidence was also presented by an engineer from the Commission's staff.

Petitioner's secretary-manager testified at length as to labor negotiations conducted beginning the early part of June, culminating in a strike by the teamsters which started on August 7, 1959, and which was finally settled on August 30, 1959. According to the witness, settlement of the strike required the granting of a \$2.40 per day wage increase, effective retroactively to July 1, 1959, plus increased vacation, holiday and sick leave benefits with additional wage increases provided for the second year of the contract commencing on July 1, 1960. He also testified that new labor contracts required wage increases to the automotive machinists and to clerical help. The witness said that other employees would receive comparable increases in wages. The secretary-manager stated that the sought increase is necessary to offset the wage increases and other increased costs which have not been measured as to individual effect.

An accountant employed by petitioner offered in evidence studies of the operating results of 20 carriers engaged in transporting property within San Francisco. The studies showed that for the first six months of 1959, six of these carriers operated at a loss and that the combined operating ratio for the 20 carriers was 98.02 percent. A further study adjusted the operating expenses to show the effect of the recent wage increases and adjusted the operating revenues on the assumption of 12 percent increase in all revenues. Such adjustments provided an operating ratio of 94.47 percent.

An engineer from the Commission's Transportation Division introduced as an exhibit a supplement to the cost study prepared in 1955 showing the cost of the transportation of property in San Francisco. This supplement reflected only increases in wages and related items incurred since the previous revision prepared a year ago. The study supports the proposed increase.

Item No. 425 of the tariff names a rate of 16 cents per package, plus 2½ cents per pound, for shipments of packages weighing 70 pounds or less from manufacturers, wholesalers, jobbers, distributors and warehouses. Petitioner's secretary-manager stated that United Parcel Company is the predominant carrier of property under this item, and that due to the mechanized nature of that company's billing practice, a surcharge would be difficult to apply. He proposed, instead, that the 2½ cents a pound be increased to 3 cents. An examination of United Parcel's tariff on file with the Commission shows that it was recently authorized to increase its corresponding intercity rate to the level here proposed. For the purpose of uniformity, petitioner's modification appears reasonable.

In respect to the rates, rules and regulations applicable to pool car shipments, petitioner requests an increase of 10 percent instead of 12 percent. Counsel for petitioner explained that these charges are uniform in the San Francisco drayage tariff, the East Bay drayage tariff, and in Minimum Rate Tariff No. 2. He stated that a 10 percent increase is being sought in the other tariffs in different proceedings before the Commission.

The record is clear that operations under the existing minimum rates, even before the increased labor costs, do not provide a sufficient margin between revenues and expenses. The evidence further shows that the proposed 12 percent increase in the minimum

rates will not result in excessive earnings. No one opposed the sought increase. The minimum rates, rules and regulations will be increased as proposed in the petition, with the modifications suggested by petitioner, as noted above. The increases will be established in the form of a surcharge supplement.

Upon careful consideration of all the facts and circumstances of record, the Commission is of the opinion and finds that the minimum rates, rules and regulations established by the order which follows will be just, reasonable and nondiscriminatory minimum rates for the transportation of property within the City of San Francisco and that modifications in the minimum rates have been justified to the extent provided in the order that follows.

O R D E R


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


IT IS 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 November 1, 1959, Supplement No. 10 and Fourteenth Revised Page 40, which supplement and revised page are attached hereto and by this reference are made a part hereof.

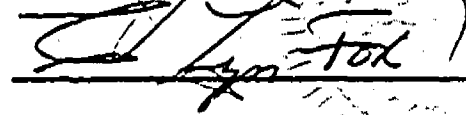
IT IS FURTHER ORDERED that in all other respects the aforesaid Decision No. 41363, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 29th day of September, 1959.



President




Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT NO. 10
(Cancels Supplement No. 9)

(Supplement No. 10 Contains All Changes)

TO

CITY CARRIERS' TARIFF NO. 1-A

NAMING

MINIMUM RATES, RULES AND REGULATIONS

FOR THE

TRANSPORTATION OF PROPERTY OVER

THE PUBLIC HIGHWAYS

OF THE

CITY AND COUNTY OF SAN FRANCISCO

BY

CITY CARRIERS

◊ APPLICATION OF SURCHARGE

(a) Except as provided in paragraph (b) below, compute the amount of charges in accordance with the rates, rules and regulations of the tariff. Increase the amount so computed by twelve (12) percent, except as to rates and charges provided in Items Nos. 220 and 222 series. Increase the amount computed under Items Nos. 220 and 222 series by ten (10) percent. Fractions will be disposed of as provided in paragraph (c) below.

(b) The provisions of paragraph (a) will not apply to rates and charges computed in accordance with Items Nos. 425 and 580 series.

(c) Fractions of less than one-half cent shall be dropped; fractions of one-half cent or greater shall be increased to the next whole cent.

◊ Increase, Decision No. 59085

EFFECTIVE NOVEMBER 1, 1959

Issued by the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
State Building, Civic Center
San Francisco, California

59085-38

* Change)
◊ Increase) Decision No. 59085

EFFECTIVE NOVEMBER 1, 1959

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 305