

N.M.

Decision No. 20629.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of J.A.Clark Draying Co., a corporation, A.D.Paxton (Paxton Truck Co.) and M.E.DeLair & R.B.Rennick (DeLair Truck Co.) for relief from observance of minimum rates established by Decision No. 28761 as supplemented by Decision No. 28831.

Application No. 20629

**ORIGINAL**

Arlo D. Poe for all applicants  
A.D.Paxton for Paxton Truck Co.

BY THE COMMISSION:

**OPINION**

Applicants herein, under Section 11 of the Highway Carriers' Act (Chapter 223, Statutes of 1935) seek authority to charge less than the minimum rates heretofore established by this Commission for the transportation of iron and steel articles.

1. The term "iron and steel articles" as used herein embraces the following commodities:

Iron and Steel, Articles of, viz:-

- |   |          |   |
|---|----------|---|
| Bands;                                    | Hoops;   | Pipe;   |
| Bars, plain, corrugated, twisted or bent; | Ingots;  | Pipe Fittings;                                  |
|   | Nuts;    | Bale ties;                                      |
| Billets;                                  | Nails;   | Thinplate;                                      |
| Bolts;                                    | Washers; | Rivets;   |
| Castings, rough;                          | Wire;    | Rods;   |
| Forgings, rough;                          | Fencing; | Sheets, Black, Galvanized, Corrugated or plain; |

Also Structural Iron or Steel, Fabricated or Unfabricated, Consisting of:

- |                   |                                   |                                |
|-------------------|-----------------------------------|--------------------------------|
| Angles;           | Girders;                          | Railings, bridge;              |
| Bars, truss;      | Guides, Elevator;                 | Rails;                         |
| Bases, post;      | Hangers, joist;                   | Shoes, riveted or cast;        |
| Beams;            | Ladder Assemblies, Tank or Tower; | Tees;                          |
| Braces;           | Piling;                           | Trusses;                       |
| Caps, post;       | Plates;                           | Tubing, pier;                  |
| Channels;         | Plates, Fish;                     | Turnbuckles;                   |
| Columns;          | Palley, tank or reservoir         | Weights (not inc. sash weight) |
| Frames, circular; |                                   | Zees;                          |

Rates on these articles were established by Decision No. 28761 of April 27, 1936 and Decision No. 28831 of May 22, 1936, in re-Establishment of . . . rates etc. of all radial highway common carriers and highway contract carriers. (Case 4088 A)

A public hearing was had before Examiner Freas at Los Angeles on August 18, 1936.

Each of the applicants is engaged in the transportation of iron and steel articles under contract and holds a highway contract carrier's permit as required under Section 3 of the Highway Carriers' Act. The contract of applicant J.A.Clark Draying Company Ltd. is with the Columbia Steel Company whose plant is located at Slauson Avenue and Alameda Street and is partly in Los Angeles, partly in Vernon and partly in Huntington Park; that of A.D.Paxton (Paxton Truck Company) and that of M.E.DeLair and R.B.Rennick (DeLair Truck Company) is with the Bethlehem Steel Company which maintains a mill and warehouse at Slauson Avenue and Downey Road in the city of Vernon and fabricating plants at 11100 So. Central Avenue and 6900 Stanford Avenue in the city of Los Angeles. The transportation from the mill and warehouse is performed by the Paxton Truck Company and that from the fabricating plants by the DeLair Truck Company. The points of origin although within three different cities, are only a mile or two apart.

In the main the shipments are unfabricated and are destined to manufacturing concerns using such articles located in Los Angeles, Vernon, Huntington Park, Maywood, Lynwood, Bell and unincorporated sections of Los Angeles County. Approximately 95% of the shipments are said to be delivered within a radius of 6 miles and a very substantial portion within a distance of not more than one mile.

Applicants in all instances furnish the exclusive means of transportation for the commodities here involved and have done so for eight, seven and eighteen years respectively. They perform the service with special trucks equipped with bolster plates, chains and binders to secure the load. Dollies are used for the transportation of long articles. Heavy articles are loaded and in practically all instances unloaded by

crane facilities. The size of individual shipments varies from 100 pounds to 50 tons. A substantial portion thereof weighs less than 9000 pounds.<sup>2</sup> The total tonnage is great and is such as to result in a high equipment use factor. Delays to equipment are said to be very unusual.

Applicants testified that since Decisions Nos. 28761 and 28831 had become effective, they had charged the rates prescribed therein but that this had resulted in very substantial increases over the rates previously in effect. The minimum rates established for these carriers are the lowest common carrier rates and are in this instance 15 cents per 100 pounds on shipments weighing less than 2000 pounds and 13½ cents per 100 pounds on shipments of from 2000 to 4000 pounds. Applicants contend that these rates are not designed to cover the service they perform and that they are excessive. In support of this contention they point out that they apply over a large area and include pick-up and delivery within a territory larger than the area within which 95% of applicants' shipments move. Applicants also contend that no common carrier has handled any of the commodities under the conditions here involved and that the common carrier rates which under the existing order are to be observed as minima are merely "paper" rates. The rates which applicants have proposed are set forth in Exhibit "A" attached to the application. They are practically the same as the

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<sup>2</sup> Decision No. 28761 supra prescribed rates on shipments weighing less than 18000 pounds. The order has, however, been stayed in part by the filing of petitions for rehearing. At present it is effective only in so far as it involves shipments weighing less than 4000 pounds excepting that no radial highway common carrier or highway contract carrier shall transport any shipment weighing 4000 pounds or over at a lesser total charge than the highest charge prescribed in Decision No. 28761 for a shipment weighing less than 4000 pounds (Decision No. 28831).

<sup>3</sup> The territory involved is divided into three zones having radii of 6, 12 and 18 miles from Slauson Avenue and Alameda Street, Los Angeles. Pursuant to an understanding had at the hearing, however, applicants by Exhibit No. 8 submitted an alternative proposal wherein the zone boundaries are specifically defined. The territory covered by Exhibit No. 8 is substantially the same as that covered by the original application. Exhibit 8, however, has the advantage of being more definite and certain.

rates charged before the Commission's order became effective under which applicants contend they made a reasonable profit. Exhibits introduced to show the cost of performing the service indicate that the proposed rates are fully compensatory and are necessary if the traffic is to be retained by for-hire carriers. The proposed rates are said to be satisfactory to the interested shippers.

Upon consideration of all the facts of record we are of the opinion and find that rates of the volume of those here proposed are reasonable. Insofar as it involves rates for the future the application should be granted.

Applicants ask, however, that the authority sought be granted as of June 1, 1936 or, in the event the Commission is of the opinion that it is without authority to grant such relief, that it be made effective from the time the application was filed. Under what provision of law this relief is sought, the record does not show. This Commission is authorized to award reparation in cases where the applicable charges of carriers subject to the Public Utilities Act are found to be unreasonable, excessive or discriminatory by virtue of Section 71 of that act. No such provision is contained, however, in the Highway Carriers' Act under which this proceeding is brought. The request for retroactive relief will be denied.

#### O R D E R

This matter having been duly heard and submitted,

IT IS HEREBY ORDERED that applicants J.A.Clark Draying Company, Ltd. a corporation, A.D.Paxton, doing business as Paxton Truck Company and M.E.DeLair and R.B.Rennick doing business as DeLair Truck Company be and they are hereby authorized to assess and collect rates less than those established by the Commission in Decision No. 28761 and as amended in Case No. 4088 but not less than the rates

set forth in Appendix A attached hereto and made a part hereof for the transportation on and after the effective date of this order for the Columbia Steel Company and Bethlehem Steel Company of the property involved in this proceeding.

IT IS HEREBY FURTHER ORDERED that in all other respects the application be and it is hereby denied.

This order shall become effective five (5) days from the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of September, 1936.

M. B. Davis  
Leon Whalley  
W. A. Cunn  
W. H. ...  
George R. Kelly

Commissioners.

A P P E N D I X "A"

Except as otherwise noted, rates are in Dollars per shipment.

| <u>Weight of Shipment</u>               | <u>Zone 1</u> | <u>Zone 2.</u> | <u>Zone 3.</u> |
|---|---------------|----------------|----------------|
| Not over 250 lbs.                       | .50           | .75            | 1.00           |
| Over 250 lbs. and not over 500 lbs.     | .75           | 1.00           | 1.25           |
| Over 500 lbs. and not over 1000 lbs.    | 1.00          | 1.25           | 1.75           |
| Over 1000 lbs. and not over 1500 lbs.   | 1.25          | 1.75           | 2.25           |
| Over 1500 lbs. and not over 2000 lbs.   | 1.50          | 2.00           | 2.50           |
| Over 2000 lbs. and not over 6000 lbs.   | .07*          | .10*           | .12*           |
| Minimum Charge                          | 1.50          | 2.00           | 2.50           |
| Over 6000 lbs. and not over 10,000 lbs. | .06*          | .09*           | .11*           |
| Minimum Charge.                         | 4.20          | 6.00           | 7.20           |
| Over 10,000 lbs. and under 18,000 lbs.  | .05*          | .08*           | .10*           |
| Minimum Charge                          | 6.00          | 9.00           | 11.00          |

\*Per 100 pounds.

Zone 1

All the territory bounded as follows:

Beginning at the intersection of Alameda Boulevard and Compton Boulevard in the city of Compton, west along Compton Boulevard to Vermont Avenue, north along Vermont Avenue to Imperial Highway, west along Imperial Highway to Cypress Avenue, north along Cypress Avenue, to Manchester Avenue, west along Manchester Avenue to Crenshaw Boulevard, north along Crenshaw Boulevard to Wilshire Boulevard, east along Wilshire Boulevard to Alvarado Street, north along Alvarado Street to Sunset Boulevard, southeast along Sunset Boulevard to Figueroa Street, north along Figueroa Street to San Fernando Boulevard, south along San Fernando Boulevard and Avenue 20 to Main Street, east along Main Street and Valley Boulevard to Indiana Street, south along Indiana Street to Brooklyn Avenue, east along Brooklyn Avenue to Atlantic Avenue, south along Atlantic Avenue to Whittier Boulevard, east along Whittier Boulevard to Churchvail Avenue, south along Churchvail Avenue to Anaheim-Telegraph Road, southeast along Anaheim-Telegraph Road to Paramount Road, southwest along Paramount Road to Compton Boulevard, west along Compton Boulevard to the point of beginning.

Zone 2

All the territory, exclusive of that lying within Zone 1, bounded as follows:

Beginning at the intersection of Cherry Avenue and Willow Street in Signal Hill, west along Willow Street and Sepulveda Boulevard (Long Beach-Redondo Road) to the shore of the Pacific Ocean in Redondo Beach, northwest along the shore line to Culver Boulevard at Playa del Rey, northeast along Culver Boulevard to Overland Avenue, northwest along Overland Avenue to Pico Boulevard, northeast along Pico Boulevard to the westerly city limits of Beverly Hills, northwest along the westerly city limits of Beverly Hills to Sunset Boulevard, east along Sunset Boulevard to Laurel Canyon Road, north along Laurel Canyon Road to Hollywood Boulevard, east along Hollywood Boulevard to Cahuenga Boulevard, north along Cahuenga Boulevard and Lankershim Boulevard to Riverside Drive, east along Riverside Drive to Sonora Avenue, northeast along Sonora Avenue to Kenneth Road, east along Kenneth Road to the end thereof, east along a straight line from the end of Kenneth Road to the intersection of La Canada Boulevard and Verdugo Road, south along Verdugo Road to Colorado Street, east along Colorado Street to San Gabriel Boulevard, south along San Gabriel Boulevard to Mission Drive, southeast along Mission Drive to Valley Boulevard, east along Valley Boulevard to Lexington-Gallatin Road (Eoyt Street), south along Lexington-Gallatin Road to Durfee Avenue, southwest along Durfee Avenue to Beverly Boulevard, east along Beverly Boulevard to its intersection with the city limits of Whittier, east and south along the northerly and easterly city limits of Whittier to Whittier Boulevard, northwest along Whittier Boulevard to Painter Avenue, southwest along Painter Avenue to Los Nietos Road, southeast along Los Nietos Road to Carmenita Road, south on Carmenita Road to

Orangethorpe Street, west along Orangethorpe Street to Pioneer Boulevard, south along Pioneer Boulevard and Norwalk Road to Carson Street, west on Carson Street to Cherry Avenue, south along Cherry Avenue to the point of beginning.

### Zone 3

All territory, exclusive of that lying within Zones 1 and 2, bounded as follows:

Beginning at the end of Los Alamitos Road on the shore of the Pacific Ocean at Seal Beach, northwest along the shore line to Beverly Boulevard, east along Beverly Boulevard to Sepulveda Boulevard, north along Sepulveda Boulevard to Sherman Way, east along Sherman Way to Lankershim Boulevard, north on Lankershim Boulevard to San Fernando Boulevard, southeast along San Fernando Boulevard to Sunland Boulevard, north and east along Sunland Boulevard to Foothill Boulevard, southeast along Foothill Boulevard to its intersection with New York Avenue, east along a straight line from said intersection to the north city limits of Sierra Madre, east along the north city limits of Sierra Madre to the city limits of Monrovia, north, east and south along the west, north and east city limits of Monrovia to Foothill Boulevard, east along Foothill Boulevard to Irwindale Avenue, south along Irwindale Avenue to Holt Avenue, east along Holt Avenue to Glendora Avenue, southwest along Glendora Avenue to Vine Avenue, east along Vine Avenue to Pass and Covina Road (Covina Avenue), south along Pass and Covina Road to Pomona Boulevard, west along Pomona Boulevard to Anaheim-Puente Road (Grazide Road), south along Anaheim-Puente Road to Fullerton Road (U.S. 101), south on Fullerton Road to the northerly city limits of Fullerton, west and south along the northerly and westerly city limits of Fullerton to Orangethorpe Avenue, east along Orangethorpe Avenue to Brookhurst Street, south along Brookhurst Street to Lincoln Avenue, west along Lincoln Avenue to Stanton Avenue, south along Stanton Avenue to Katella Avenue, west along Katella Avenue to Hansen Street, south along Hansen Street to Ocean Avenue, west along Ocean Avenue to Los Alamitos Road,



south along Los Alamitos Road to the point of beginning.

Note: Business houses and industrial plants fronting on both sides of streets or highways serving as exterior boundaries in the zone descriptions, shall be deemed to be within the zone so bounded by such streets or highways.