

Decision No. 23423

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Suspension by the Commission on its own motion of reduced rates on hardware, paint and paint materials, roofing and building materials and articles grouped therewith, named in The Atchison, Topeka and Santa Fe Railway Company's Tariff Cal. C.R.C. No. CL 1359, and Items 759 and 759-A of Pacific Motor Transport Company's Local Express Tariff No. 9, C.R.C. No. 13.

Case No. 3830.

ORIGINAL

In the Matter of the Investigation by the Commission on its own motion into the rates on hardware, paint and paint materials, roofing and building materials and articles grouped therewith.

Case No. 3870.

ADDITIONAL APPEARANCES

- T. G. Differding, Oakland Chamber of Commerce.
- E. C. Wilcox, San Francisco Chamber of Commerce.
- J. E. Lyons, Pacific Motor Transport Company.
- R. E. Crandall, R. S. Sawyer, Associated Jobbers.
- B. F. Bowling, Pioneer Flintco Co.

BY THE COMMISSION:

OPINION ON FURTHER HEARING

Upon protest of a competing common carrier the Commission suspended, pending an investigation, reduced rates filed by The Atchison, Topeka and Santa Fe Railway Company and Pacific Motor Transport Company for the transportation of hardware, paint and paint materials, roofing and building materials and articles grouped therewith from Los Angeles to various points in Southern California.¹

At a public hearing had at Los Angeles, it developed that the suspended rates were published in response to a request from the Los Angeles Chamber of Commerce for the purpose of placing shippers.

¹ The reduced rates are contained in The Atchison, Topeka and Santa Fe Railway Company Tariff Cal. R.C. No. CL 1359, filed to become effective May 10, 1934, and in Items 759 and 759-A of Pacific Motor Transport Company's Local Express Tariff No. 9, C.R.C. No. 13, effective May 10 and 19, 1934, respectively.

at Los Angeles on a parity with those located at San Francisco. It appeared to be the opinion of all interested parties that under the rates then in effect shippers in San Francisco enjoyed a substantial advantage over shippers at Los Angeles. It was the position, however, of protestants that the rates involved were already on a subnormal basis and that whatever advantage there was in favor of shippers located in the San Francisco Bay area should be removed by increasing those rates rather than by further reducing the rates from Los Angeles.

In order that the rates from the San Francisco Bay area might be properly before it the Commission instituted a further investigation on its own motion, (Case No. 3870). The two proceedings were consolidated, further hearing was had and an order issued requiring respondents in the investigation proceeding to establish rates from the San Francisco Bay area calculated to remove the alleged preference and prejudices.² Respondents in the suspension proceeding were directed to cancel their suspended rates.

Thereafter, respondents The Atchison, Topeka & Santa Fe Railway Company and the Pacific Motor Transport Company advised that they proposed in cooperation with respondents in Case No. 3870 and with interested shippers to work out a description of items covering these commodities and to submit to the Commission in satisfaction of its order in Decision No. 27388, rates consistently aligned and related as between Los Angeles on the one hand and the San Francisco Bay area on the other. They sought permission to withdraw the suspended rates and asked further time within which to comply with the remainder of the order. These requests were granted; informal negotiations were had, and after numerous delays proposals with which most of the carriers were said to be in substantial accord were submitted to the Commission.

A further hearing was had before Examiner Freas at Los Angeles

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Decision No. 27388 of September 24, 1934.

for the purpose of considering the carriers' proposals. At this hearing, certain of the respondents offered an exhibit (No. 16) setting forth rates and commodity descriptions with which, so far as this record shows, all interested parties are in accord. The proposed rates are said to be constructed so as to put Los Angeles and the San Francisco Bay area on an equal basis mile for mile after allowing forty additional miles for the haul over the Tehachapi Mountains. The proposed commodity description is the same for both areas and is somewhat narrower than that now contained in certain of the effective tariffs. During the interim between the informal negotiations and the time of the last hearing, numerous articles, a list of which is contained in Exhibit No. 17, were added to the commodity description contained in Pacific Motor Transport Company's Tariff No. 9, C.R.C. No. 13, which articles the Transport company proposed to add to the commodity description contained in Exhibit No. 16 for application from both the San Francisco and Los Angeles areas.

Pacific Freight Lines was not opposed to the volume of the proposed rates but strongly opposed the addition to the proposed group of any articles on the ground that the items were already unduly broad. Later however, it advised it had no objection to the inclusion of articles shown in the hardware lists rated third and fourth class.

A witness for The Atchison, Topeka & Santa Fe Railway Company stated that his company was fully in accord with the rates and description contained in Exhibit No. 16 (excepting that he suggested adding Corcoran to the rates shown to apply to and from Tulare), and was agreeable to whatever conclusions the Commission might reach respecting the additional articles contained in Exhibit No. 17. He pointed out that the proceedings involve rates from the jobbing areas to the points involved only and do not include such carriers as the Western

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It later agreed to exclude from the articles shown in Exhibit No. 17, cable racks; pipe caps; slugs, anchor, wooden; glass ware other than cut; solvents; paint; lacquer, varnish and wax.

Pacific, Sacramento Northern, Tidewater Southern and Sacramento Motor Transport Company and expressed apprehension that unless the rates of these and other carriers applying to or from intermediate or related points were adjusted at the same time further complications would result. He believed that these proceedings should be disposed of concurrently with Case No. 4070, the so-called "grouping case" now awaiting decision.

Shippers and shippers' organizations apparently are much more concerned with seeing the same rates established from Los Angeles as from the San Francisco Bay area than with the addition or elimination of certain of the items in controversy.

Upon consideration of all the facts of record we are of the opinion and find that the proposal of the carriers as modified and set forth in Appendix "A" hereto should be approved and established for the transportation of the articles and commodities listed under the caption of "Hardware, Paints And Paint Materials, Roofing and Building Materials And Miscellaneous Articles" from and to the points shown in said appendix. This finding is made for the purpose of granting relief to the Los Angeles shippers who have endeavored over a long period of time to secure the removal of the alleged discriminations and is without prejudice to any other or different finding that the Commission may make in Case No. 4070 or in any other proceedings in which these rates are brought into issue. It may be, as pointed out by respondent Atchison, Topeka & Santa Fe Railway Company, that this adjustment will result in certain maladjustments insofar as other portions of the State are concerned. However, to delay this proceeding further would obviously be unfair to shippers located at Los Angeles. If maladjustments which cannot be disposed of by the carriers appear they should be brought to the attention of the Commission.

O R D E R

These matters having been duly heard and submitted,

IT IS HEREBY ORDERED that the respondents, The Atchison, Topeka & Santa Fe Railway Company, J. Hills Wythe, Rudolph E. Hoerler and William G. Wahl, copartners (formerly Gilroy Express), Hall Consolidating Company, Highway Transport, Inc., Holmes Express, Intercity Transport Lines, Inc., Pacific Motor Trucking Company (formerly Oakland-San Jose Transportation Company, Inc.), Pacific Motor Transport Company, Pioneer Express Company, J. W. Silva, Valley and Coast Transit Company, Inc., Valley Express Co., and Valley Motor Lines, Inc. be and they are hereby required insofar as they participate in the transportation to establish within thirty (30) days from the effective date of this order on not less than five (5) days' notice to the Commission and the public the rates and commodity descriptions set forth in Appendix "A" attached hereto and hereby made a part hereof.

IT IS HEREBY FURTHER ORDERED that concurrently with the establishing of the rates referred to in the preceding paragraph all rates inconsistent therewith be cancelled.

Dated at San Francisco, California, this 28th day of December, 1936.

W. B. Davis
Ernest A. Whelan
Walter J. ...
James R. ...
Commissioners.

APPENDIX "A"

HARDWARE, PAINT AND PAINT MATERIALS, ROOFING AND BUILDING MATERIALS AND MISCELLANEOUS ARTICLES, viz.:

HARDWARE

Angles, iron or steel,	Wire Rope Clips,
Anvils,	Wire Roper Sockets,
Band, iron,	Rails, iron or steel,
Bands, stubbing, iron or steel,	Railway Track Material, iron or
Bars, iron or steel,	steel, viz.:
Beams, iron or steel,	Angle Bars or Plates,
Bolts,	Base Plates,
Cable, copper,	Rail Braces, Chairs, Guards, Joints
Castings, iron or steel,	or Yolks,
Chains, iron or steel,	Steel Cross Ties, Fastenings or Tie
Channels, iron or steel,	Bolts,
Clamps,	Tie Plates,
Clevises, in bags, barrels, boxes	Tie Rods,
or crates,	Track Bolts,
Columns, iron or steel,	Nut Locks,
Cotters,	Nuts or Washers or Track Spikes,
Forgings, iron or steel, in the	Reinforcement, concrete or plaster,
rough, loose when each weighs 25	iron or steel as described under
lbs. or over, or in packages,	that heading in current W/C,
Grindstones, with or without	Rivets,
frames K.D., or folded flat,	Rods, iron or steel,
Horseshoes,	Screws,
Hub Plates,	Shade Rollers, Shade Sticks and Shade
Hoops, iron or steel,	Roller Fixtures, rollers or sticks
Lead,	in packages, fixtures in boxes,
Nails or Spikes,	Sheet, iron or steel,
Nuts, metal,	Steel Strip,
Pipe, iron or steel	Staples,
Pipe Fittings, iron or steel,	Stubs, wooden, not exceeding 4 feet in
Plates, iron or steel,	length,
Pole Line Construction Material, viz.	Tacks,
Anchor Rods,	Tees, iron or steel,
Anchors, ground,	Ties, baling or binding and band
Bands, stubbing, iron or steel,	wire,
galvanized or ungalvined,	Washers,
Brackets (insulator, pole, pot-	Window Shades, except bamboo or paper
head or wall),	or Venetian Blinds,
Cross Arms,	Wire, iron or steel, brass, copper
Cross Arm Braces,	or bronze insulated or bare, in
Ground Rods,	coils or on reels,
Guy Anchors,	Wire Rope, iron or steel,
Guy Wire Protectors,	Wire Strand, iron or steel,
Insulator Bracket Plate,	Wires, guy,
Pipe Caps,	Zinc, slab,
Pole Steps,	Zees, iron or steel.
Staples,	
Strain Plates,	<u>Miscellaneous</u>
Thimbles,	
Turnbuckles,	Compounds,
Weights, vibrator eliminating,	Cleaning,

HARDWARE - continued

Miscellaneous - continued

Compounds - continued

Scouring,
Sweeping,
Washing,
Insecticides, fungicides,
Insect repellent, vermin
Exterminators, agricultural
also other than agricultural
having a petroleum base,

Paper, viz.:

Boxboard,
Pulpboard,
Paper Articles, viz.:
Bags,
Cartons, K.D.F.
Shoe Polishes, blacking or dressing,
Soap.

PAINTS AND PAINT MATERIALS

Asphaltum or Coal Tar,
Blue Lead,
Compounds (Paint), boiler,
waterproof or lacquer,
dry, liquid or paste,
Driers, paint or varnish,
Kalsomine,
Lacquer,
Lead Compound,
Linseed Oil,
Lithopone,
Paint,
Paint Oil Compound,
Putty,
Red Lead,
Shellac,
Sizing, dry, liquid or paste,
Stains,
Sublimed Lead,

Thinner,
Titanium Dioxide,
Titanium Pigments, N.O.S.
Turpentine,
Varnish,
White Lead,
Wood Preservative, Liquid,
Zinc Compound,
Zinc Dust,
Zinc Lead White,
Zinc Oxide,

Miscellaneous

Cement, pipe fitting,
Compounds, cleaning, dry,
Paste, dry,
Polishes, Floor, Furniture, Stove
or Vehicle.

ROOFING AND BUILDING MATERIAL

Asphalt, in barrels,
Brick, in packages,
Cement, in packages,
Coating, roof,
Doors, unglazed,
Felt, building or roofing,
Lath, metal or wooden,
Lime,
Lumber,
Paper, building, roofing or
sheathing,
Pipe, clay, including Chimney
Pipe and Flue Lining,
Pitch, roofing,

Plaster,
Roofing, Composition or prepared,
Sash Weights,
Sheathing, fibreboard,
Shingles,
Tar, in barrels,
Tile.

Miscellaneous

Expansion or Paving Joints,
Fence Material,
Shocks, box.

RATES IN CENTS PER 100 POUNDS

<u>FROM</u>					<u>FROM</u>				
San Francisco									
Oakland									
Alameda									
Emeryville	Any	Min.	Min.	Min.		Any	Min.	Min.	Min.
Berkeley	Quan	4000	8000	20000		Quan	4000	8000	20000
Richmond	tity	lbs.	lbs.	lbs.	Los Angeles	tity	lbs.	lbs.	lbs.
TO:					TO:				
Fresno	47½	44½	30	25	Fresno	70	63	52½	47½
Hanford	58½	55½	41	36	Hanford	70	63	52½	47½
Clovis	53	50	35½	30½	Clovis	76	73	58½	53½
Friant	63	60	45½	40½	Friant	86	83	68½	63½
Sanger	53	50	35½	30½	Sanger	70	63	52½	47½
Exeter	58½	55½	41	36	Exeter	67	63	49½	44½
Porterville	67	64	49½	44½	Porterville	67	63	49½	44½
Springville	67	64	49½	44½	Springville	67	64	49½	44½
Ducor	67	64	49½	44½	Ducor	64	61	46½	41½
Fowler	52	49	34½	29½	Fowler	69½	63	52	47
Selma	54	51	36½	31½	Selma	69½	63	52	47
Kingsburg	54½	51½	37	32	Kingsburg	69	63	51½	46½
Visalia	58½	55½	41	36	Visalia	69	63	51½	46½
Tulare)	58½	55½	41	36	Tulare)	67	63	49½	44½
Corcoran)					Corcoran)				
Tipton	65	62	47½	42½	Tipton	67	63	49½	44½
McFarland	67	64	49½	44½	McFarland	58½	55½	41	36
Famoso	67	64	49½	44½	Famoso	58½	55½	41	36
Seguro					Seguro				
Maltha	70	67	52½	47½	Maltha	58½	55½	41	36
Oil City					Oil City				
Bakersfield	70	67	52½	47½	Bakersfield	53	50	35½	30½
McKittrick	90	87	72½	67½	McKittrick	68	64	50½	45½
Morganhill	28	25	-	-	Morganhill	75	-	-	-
Gilroy					Gilroy	75	-	-	-
San Juan	28	25	-	-					
Hollister									
Tres Pinos	30	27	24½	-					
Sargent									
Aromas	32	29	26½	-	Aromas	75	-	-	-
Watsonville					Watsonville	75	-	-	-
Jct.									
Watsonville	32	29	26½	-					
Aptos									

RATES IN CENTS PER 100 POUNDS

<u>FROM</u>					<u>FROM</u>				
San Francisco									
Oakland									
Alameda									
Emeryville									
Berkeley									
Richmond					Los Angeles				
	Any	Min.	Min.	Min.	Any	Min.	Min.	Min.	
	Quan	4000	8000	20000	Quan	4000	8000	20000	
	tity	lbs.	lbs.	lbs.	tity	lbs.	lbs.	lbs.	
<u>TO:</u>					<u>TO:</u>				
Castroville	37	34	29	-	Castroville	75	-	-	
Monterey									
Pacific Grove	40	37	32	-					
Asilimar									
Salinas					Salinas	75	-	-	
Spreckels	38	35	30	-					
Gonzales	47	-	-	-	Gonzales	75	-	-	
Soledad	50	-	-	-	Soledad	75	-	-	
Metz	53	-	50	-	Metz	75	-	-	
King City	55	52	50	-	King City	75	-	-	
Bradley	58	55	50	-	Bradley	75	-	-	
Paso Robles	58	55	50	-	Paso Robles	75	-	-	
San Luis					San Luis				
Obispo	58	55	50	-	Obispo)	57	-	-	
Guadalupe	58	-	-	-	Oceano)				
Santa Maria	67	-	-	-	Guadalupe	53	-	-	
Lompoc					Santa Maria	57	-	-	
White Hills	68	-	-	-	Lompoc				
Concepcion	68	-	-	-	White Hills	53	-	-	
Gaviota	68	-	-	-	Concepcion	53	-	-	
Goleta	68	-	-	-	Gaviota	50	-	-	
Santa Barbara	68	-	-	-	Goleta	46	-	-	
Oxnard					Santa Barbara	40	-	-	