

Decision No. 29595.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment  
of rates, rules, classifications and  
regulations for the transportation  
of property, exclusive of property  
transported in dump trucks, for com-  
pensation or hire over the public  
highways of the City and County of  
San Francisco. }

Case No. 4084.

ORIGINAL

APPEARANCES

In addition to the appearances shown in Decision No. 28632 (39 C.R.C. 636), Decision No. 28731 (39 C.R.C. 682) and Decision No. 29277 (unreported), the following appearances have been entered in this proceeding:

J. Richard Townsend, for R. Shannon, Jr. and  
David R. Shannon, copartnership.  
F. M. Mott, for Walkup Drayage and Warehouse Co.  
Walter A. Rohde and E. G. Wilcox, for San Fran-  
cisco Chamber of Commerce.

DEVLIN, Commissioner:

FOURTH SUPPLEMENTAL OPINION

At a public hearing had in San Francisco on January 7, 1937, the San Francisco Draymen's Association, hereinafter referred to as the Association, the Walkup Drayage and Warehouse Company and the California State Brewers Institute proposed various changes in the rates, rules and regulations heretofore established by this Commission and now in effect for the transportation of property within the limits of the City and County of San Francisco.<sup>1</sup>

<sup>1</sup> A tabulation of these proposals showing by whom they were made and indicating the comparable provisions now in effect is contained in Appendix "B" hereof. The rates, rules and regulations now in effect were established in Decision No. 28632 of March 16, 1936 (39 C.R.C. 636), Decision No. 28731 of April 20, 1936 (39 C.R.C. 682), Decision No. 28753 of April 20, 1936 (unreported) and Decision No. 29277 of November 16, 1936 (unreported).

The representations made by the Association may be summarized as follows; that:

(1) Reduced ratings on canned fish, canned meats, molasses and wool, and increased rating on paper towels should be established. Those proposed are in harmony with the general classification structure, whereas the ratings now in effect are at variance with ratings applicable to commodities having similar transportation characteristics. A new rating for empty returned steel cylinders is necessary. It is justified by reason of the fact that in contrast with other shipping containers, there is little difference between the filled and empty weight of steel cylinders.

(2) Yerba Buena Island should be included in Zone No. 3 by specific description. It is now believed to be within this zone but the completion of the San Francisco-Oakland Bay bridge, by which the island may be served by carriers operating motor vehicles, makes it essential that any existing doubt be removed.

(3) Rates applicable to the sorting and distribution of pool cars should be amended to provide:

(a) That the existing pool car rates shall apply on all pool car shipments regardless of whether they are consigned to or in care of a city carrier. This is proper for the reason that the service rendered in either instance is the same.

(b) That no additional charges be assessed against property weighing 20,000 pounds or more, distributed from a pool car and delivered to a single sub-consignee. Lots of this size entitle shippers to a lower rate than that applicable on smaller quantities because of economies inherent in the handling and distribution of such larger lots.

(4) Rates should be prescribed for the transportation of fresh fruits and vegetables, which commodities are now exempt from the established rates. The rates now applicable to fruit and vegetable shipping containers should be revised. The handling of fruits and vegetables is a specialized transportation service requiring a rate basis designed to cover the operations of carriers engaged primarily in the handling of these commodities. The proposed rates are substantially the same in volume as those now charged and have by experience been found to be proper. They are endorsed by two witnesses representing shippers of these commodities.

(5) A monthly truck rental schedule contemplating operations on a five-day week basis should be prescribed to supplement the monthly rental schedule now in effect. This is necessary because of the trend towards a five-day week in various industries. Furthermore, an appropriate schedule of rates on this basis will permit city carriers to compete with existing and potential shipper-owned truck operations.

(6) The exemption from the established rates of property transported in dump trucks should be limited to those commodities on which rates have been prescribed by the Commission in Case No. 4087.<sup>2</sup>

Walkup Drayage and Warehouse Company seeks the cancellation of a rate of 60 cents per ton now in effect for the transportation of sugar in quantities of 500 tons or more, consigned to one dock to be forwarded on one steamer. This rate, it contends, was originally proposed to cover the transportation by Walkup Drayage and Warehouse Company of sugar for Western Sugar Refinery and Spreckels Sugar Company, which are the only shippers involved. Subsequent to its establishment the Commission upon application of Walkup Drayage and Warehouse Company,

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<sup>2</sup>

Decision No. 28836 of May 25, 1936 (40 C.R.C. 21).

granted that carrier authority to assess different rates for this transportation.<sup>3</sup> In view of this readjustment it is urged that this particular rate is no longer needed and that it should be eliminated. R. F. Walker, representing the interested sugar companies, supported the request.

California State Brewers Institute seeks a modification of the classification rating applicable to beer. It contrasted the rates on this commodity with rates on other commodities said to have similar transportation characteristics. The proposal was endorsed by a representative of Farnsworth and Ruggles, a city carrier engaged in the transportation of this commodity.

Because of many problems said to be presented by differences between the distribution of telephone directories and the usual drayage operations, counsel for R. Shannon Jr. and David R. Shannon requested additional time to prepare a showing<sup>4</sup> to be used in support of a rate schedule for this class of service.

J. W. Mulgrew, Assistant Rate Expert for the Commission, recommended the adoption of a uniform shipping order and freight bill to be preserved for a period of three years. He introduced a form which he believes should be followed in substance though not necessarily in minute detail.

There was no opposition to the proposals affecting the classification of canned meats and fish, empty cylinders returned, molasses, paper towels and wool nor to the suggested revisions with respect to pool car distribution and the elimination of the rate of 60 cents per ton on sugar. These adjustments, with appropriate modifications

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Decision No. 29104 of September 14, 1936 (40 C.R.C. 91).

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In Decision No. 29277 in this proceeding the Commission said, "It will be expected that at the next hearing in this matter, interested parties will appear and offer evidence to the end that a proper basis of minimum rates may be established."

where necessary, appear justified on this record.

Although no one opposed the revised rating suggested for beer, the clarification of the description of Zone No. 3, or the establishment of a schedule of monthly truck unit rates for a five-day week operation the record shows that these proposals should be modified if they are to accomplish the end sought and result in a satisfactory rate adjustment.

The existing ratings on ale, porter and stout appear to be out of harmony with the general classification structure and at variance with ratings applicable to commodities having similar transportation characteristics to the same extent as the ratings on beer. The reduced rating proposed for the transportation of beer therefore should be prescribed for the transportation of malt liquors, viz., ale, beer, porter and stout.

Under the zoning arrangement now in effect the transportation of property from a Zone 3 point on the mainland to a Zone 3 point on Yerba Buena Island would be subject to rates applicable to movements between points in the same zone. This basis is lower than that applicable to movements from a Zone 1 point to Zone 3 points on Yerba Buena Island, despite the fact that the property would be transported through Zone 1. Clearly it is not intended that such a rate situation should be perpetuated by the proposed clarification of the Zone 3 description. A new zone should be created to embrace all points not located on the mainland.

Evidence of record fails to disclose why monthly truck rental rates on a five-day week basis should be established to the exclusion of rentals at equal rates for an equivalent number of days distributed throughout a month under different arrangements. In fact, it seems evident that the number of days the truck unit is employed during the month, rather than the number of days per week, should be the controlling factor. On such a basis a reduced monthly truck rental rate schedule limited to 23 days per month appears to be desirable and necessary.

A further extension of time to prepare data relative to operations conducted in the distribution of telephone directories for submission to the Commission should be granted as requested.

For record and administrative purposes, the necessity of requiring the use and preservation of a shipping order or freight bill is apparent. Carriers should be required to preserve an adequate record of their operations.

The proposed rates for the transportation of fresh fruits and vegetables, according to the record, transpose the prevailing container basis rates to rates of substantially the same volume on a weight basis. Such a change perpetuates the inconsistencies inherent in a rate basis predicated upon rates on a container plan. The suggested rates also vary according to the commodity shipped, apparently with little if any consideration being given to the grouping of commodities having similar transportation characteristics. Moreover, the proposed rate schedule contains less than carload rates and carload rates at 10,000, 20,000 and 30,000 pound minima, although the established rates for other commodities are, in general, based upon a "grasshopper scale" on shipments weighing not more than 6000 pounds and upon specified rates in cents per 100 pounds for each class on shipments weighing in excess of 6000 pounds. Obviously, the Commission cannot consistently prescribe a schedule of rates so greatly at variance with those established for other commodities without a convincing showing that the circumstances and conditions surrounding the transportation of these particular commodities justify such extensive deviations from the general minimum rate plan. In this connection it must be observed that although it was

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Illustrative of these inconsistencies are the following proposed rates for Zone 1 movements:

Corn, fresh, in sacks (regardless of weight),.....	12¢ cwt.
Peas, fresh, less carload, in sacks (regardless of weight).....	10¢ cwt.
Potatoes, less carload:	
100 lb. sacks .....	7½¢ "
50 lb. " .....	10¢ "
25 lb. " .....	12½¢ "

strongly urged that the transportation of fresh fruits and vegetables is a specialized service, little evidence of any probative value was introduced in support of this contention. The proposed rates are not justified on this record.

The order instituting investigation in this matter specifically excludes property transported in dump trucks. It follows therefore that the exclusion of property transported in dump trucks cannot be restricted to those commodities for which rates have been prescribed in Case No. 4087, *supra*.

Upon careful consideration of all the facts of record, I am of the opinion and find that the minimum rates heretofore established in this proceeding should be modified to the extent indicated in the order herein. Proposed changes not covered by the order herein are found not justified on this record.

The following form of order is recommended:

#### O R D E R

A public hearing having been held in the above entitled proceeding,

IT IS HEREBY ORDERED that Exhibit "A" of Decision No. 28632, dated March 16, 1936, in the above entitled proceeding and as amended, be and it is hereby further amended as follows:

Original Page 6:

Rule 10: Substitute the following for description of Zone No. 1: "From San Francisco Bay and Van Ness Avenue, SOUTH to Broadway Street, WEST to Fillmore Street, SOUTH to Duboce Avenue, EAST to Church Street, SOUTH to 16th Street, EAST to Valencia Street, SOUTH to Army Street, EAST to Evans Avenue, SOUTH to Toland Street, SOUTH to Hudson Avenue, EAST to Keith Street, NORTH to San Francisco Bay, thence along the shore line of San Francisco Bay to place of Beginning."

Rule 10: Substitute the following for description of Zone No. 2: "From San Francisco Bay and Van Ness Avenue along the shore line of San Francisco Bay and the Pacific Ocean to the point of intersection with the westerly boundary of the U. S. Military Reserve (The Presidio), thence along this boundary to its intersection with 24th Avenue in the Park-Presidio District, SOUTH to 19th Avenue in the Parkside District; SOUTH to Ocean Avenue, EAST to Mission Street, NORTHEAST to Silver Avenue, EAST to San Bruno Avenue, SOUTH to Bayshore Boulevard, SOUTH to County Line, EAST to San Francisco Bay, thence along the shore line of San Francisco Bay to point of intersection with Zone 1, thence along the Westerly boundary of Zone 1 to place of beginning."

Original Page 7:

Rule 10: Substitute the following for description of Zone No. 3: "From the Westerly boundary of Zone 2 and the Pacific Ocean, along the Westerly boundary of Zone 2 to its point of intersection with the San Francisco-San Mateo County Line, WEST to Pacific Ocean, thence Northerly along the Pacific Ocean shore line to place of beginning."

Rule 10: Add a new zone:

Zone No. 4: Yerba Buena Island and all other portions of the City and County of San Francisco beyond the above boundaries.

Original Page 11:

Eliminate entries "Beer, in cases or bbls. 3," "Beer, empties, pkgs. returning 3," and "Canned Goods, viz., Fruit .... 4, Meat .... 3, Milk .... 4, Vegetables .... 4."

Original Page 12:

Add entries "Carriers, empty, returning, viz.: Ale, Beer, Porter or Stout .... 3," "Cylinders, steel, empty, returned, when returned on a truck delivering a shipment of full cylinders .... 5," and "Fish, Canned: In packages weighing less than 30 pounds each .... 3, In packages weighing 30 pounds and over, each 4."

Original Page 14:

Add entry "Liquors, Malt, viz.: Ale, Beer, Porter or Stout: In packages weighing less than 30 pounds each .... 3, In packages weighing 30 pounds and over each .... 4." Change rating of Molasses from "3" to "4." Add entry "Paper Towels .... 2."

Original Page 17:

Change descriptions: "Wool, in compressed bales, In grease," to read "Wool, In grease"; and "Wool, in compressed bales, Scoured or Combed," to read "Wool, Scoured or Combed."

Original Page 21:

Substitute the following application of Scale 3 CLASS RATES:  
"BETWEEN POINTS IN ZONE 1 and POINTS IN ZONE 3, AND BETWEEN POINTS  
IN ZONES 1, 2 and 3 ON THE ONE HAND AND ZONE 4 ON THE OTHER HAND."

Original Page 24:

Item 115: Eliminate the following rate: "Sugar in quantities of 500 tons or more destined to one dock, to be forwarded on one steamer . . . . \$.60 per ton."

Original Page 25:

Substitute the following item for "Handling and Distribution of Pool Cars":

Rates for handling and distributing pool car shipments shall be computed as follows:

(1) When sorting and other accessorial services are performed in connection with "Pool Car" shipments as defined in Note 1 below, charges shall be assessed as follows:

(a) When property other than new furniture is transported by the carrier performing the sorting and other accessorial services, charges shall be assessed at ratings one class higher than the ratings otherwise applicable. (See Exception)

EXCEPTION: When the lot delivered to a sub-consignee at one delivery address is 20,000 pounds or more, the rates provided elsewhere in this exhibit shall apply. In the event a lower charge would accrue by increasing the weight of a lot of less than 20,000 pounds delivered to a sub-consignee at one delivery address to a minimum of 20,000 pounds and assessing charges in accordance with the foregoing, such lower charge shall apply.

(b) For the transportation of new furniture the rate shall be 35 cents per 100 pounds, subject to a minimum charge of 75 cents.

(c) When property is transported by a carrier other than the one performing the sorting and other accessorial services, a charge for such sorting and accessorial services amounting to 50% of the charge for transportation and pool car distribution provided in paragraph (a) shall be assessed.

Note 1. The term "Pool Car" as used herein means a lot of property consigned to:

(a) A carrier with instructions for ultimate delivery to two or more sub-consignees or to one sub-consignee at more than one delivery address, or,

(b) A consignee (other than a carrier) on which a carrier has instructions to make ultimate delivery to two or more delivery addresses of the consignee, or to one or more sub-consignees or to a sub-consignee at more than one delivery address.

Item 130: Substitute the following item:

RATES FOR TRANSPORTATION ON MONTHLY  
TRUCK UNIT BASIS

(Including Driver and all other operating expenses)  
See Note

Capacity					Limited to 50 miles per day		Rates in cents per mile for Distances in ex- cess of 50 miles per day (To be added to charge per month)
					Column 1*	Column 2**	
Not over 2500 pounds					\$230	\$260	5
Over 2500 lbs. and not over 4500 lbs.					\$265	\$300	7
Over 4500 " " " " 6500 "					\$295	\$335	9
Over 6500 " " " " 8500 "					\$325	\$370	13
Over 8500 " " " " 10500 "					\$340	\$385	17
Over 10500 " " " " 15500 "					\$350	\$400	20
15500 " and over					\$370	\$425	23

NOTE: Rates named in this item apply during regular working hours. See Rule 35

Subject to Rule 50 when labor in addition to the driver is required.

\* Column 1 rates apply when the truck unit is used on not more than 23 days per month.

\*\* Column 2 rates apply when the truck unit is used on more than 23 days per month.

IT IS HEREBY FURTHER ORDERED that every carrier shall issue, for each shipment received for transportation, a freight bill in substantially the form set forth in Appendix "A" attached hereto and by this reference made a part hereof, but may include in said freight bill, in addition to the provisions appearing in said form, such other reasonable and lawful provisions as may be deemed proper, and shall retain and preserve a copy of said freight bill for a period of not less than three (3) years from the date of its issuance.

IT IS HEREBY FURTHER ORDERED that in all other respects

Decision No. 28632 in the above entitled proceeding, as amended by Decisions Nos. 28731, 28753 and 29277, shall remain in full force and effect.

This order shall become effective April 15, 1937.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this <sup>15</sup>15 day of March, 1937.

Walter W. Ware  
Leon Whittell  
James P. Keene  
Rafael W. Keene  
Ray L. Bailey  
Commissioners

APPENDIX "A"

SHIPPING ORDER AND FREIGHT BILL				
Name of Carrier _____ (Name of Carrier must be same as shown on Permit)			Bill No. _____ Permit No. _____	
City _____		Date _____, 193 _____		
Shipper _____		Consignee _____		
Street Address _____		Street Address _____		
Packages:	Kind:	Description of Commodities	**Weight:	Rate:
Shipper _____		C.O.D. _____		
By _____ (Show name in full)		C.O.D. Fee _____		
Received by Carrier in good condition except* Advances _____ as noted:				
			*Other Charges _____	
By _____ Driver (Show name in full)		Prepaid _____		
Received by Consignee in good condition except _____ as noted:				
			Total to collect _____	
By _____ (Show name in full)				

\*Show each charge separately and what it represents.

\*\*If other unit of charges, show per hour, box, crate, bundle, bag, head, etc.

# APPENDIX "B"

## STATEMENT SHOWING COMPARISON OF EXISTING CLASSIFICATIONS, RATES, RULES AND REGULATIONS WITH PROPOSED CHANGES

### CLASSIFICATION

Existing		Proposed		Pro-	Effect
Articles	Rates	Articles	Rates	posed	of
				ment	Proposal
Beer, in cases or bbls.	3	Beer; In packages 30 lbs. and under In packages over 30 lbs.	3 4	C	R
Canned Goods: viz. Fish, In crates (a)3 In barrels or boxes (a)4 Meat 3 Meats, canned: In packages weigh- ing less than 30 lbs. each 3 In packages weigh- ing 30 lbs. and over, each 4		Canned Goods: viz. Canned meats or fish, In packages weighing less than 30 lbs. In packages weighing each 30 lbs. or over	3 4	A	IR
Cylinders, steel, old (a)4		Cylinders, empty, return- ed; when returned on truck delivering full cylinders	5	A	R
Molasses 3		Molasses	4	A	R
Paper Towels (a)3		Paper Towels	2	A	I
Wool, in compressed bales: In grease 4 Scoured or combed 2		Wool: In grease Scoured or combed	4 2	A	R

# RULES AND REGULATIONS

Existing	Proposed	Pro- po- nent	Effect of Proposal
Description of Zones: Zone No. 3 - All portions of the City and County of San Francisco beyond the above boundaries	Description of Zones: Include Yerba Buena in Zone No. 3	A	W
Application of Rates NOTE: the minimum rates named in this tariff do not apply to the transportation of 2. Property trans- ported in dump trucks.	Application of Rates NOTE: the minimum rates named in this tariff do not apply to the transporta- tion of 2. Asphaltic con- crete, decomposed granite, excavat- ed material, gravel, road building material, rock, sand and stabiliz- ing materials transported in dump trucks.	A	N

# COMMODITY RATES

Sugar: In quantities of 500 tons or more destin- ed to one dock, to be forwarded on one steamer \$.60 per ton	Eliminate	B	I
Handling and Distribu- tion of Pool Cars For the transporta- tion of property, other than new furniture, one class higher than the ratings otherwise applicable.	Handling and Distribu- tion of Pool Cars For transportation of property other than new furniture, when in lots of less than 20,000 pounds, one class higher than the ratings otherwise appli- cable.	A	IR

COMMODITY RATES - continued

Existing	Proposed	Pro- po- nent	Effect of Proposal
The term "pool car" as used herein means a carload or quantity shipment consigned to or in care of a city carrier for distribution to two or more subconsignees.	Pool Car as used herein means a carload or quantity shipment consigned to or in care of a <u>consignee</u> for distribution to two or more subconsignees.	A	I
Empty fruit and vegetable containers Boxes, old (a)4 Crates, old (a)4	Empty fruit and vegetable containers L.A.Lugs, loose ... 1¢ per box: Apple Boxes, loose .. 1½¢ per box: Artichoke Crates .... 5¢ per crate NOTE: Because of the extent of the proposal only certain representative containers are shown.	A	IR
Fruits and Vegetables, fresh, Exempt from minimum rates.	Fruits and Vegetables, fresh. NOTE: Because of the extent of the proposal only certain representative commodities are shown below.	A	N
Articles	Zone 1	Zone 2	Zone 3
Grapefruit: Carloads, min. 30,000lbs. Less carloads	7½¢ Cwt. 8½¢ "	9¢ Cwt. 10¢ "	----- 12½¢ Cwt.
Pears: Carloads, Min. 20,000 lbs. Less carloads Wharf Transfer Storage Transfer	8¢ Cwt. 10¢ " 6½¢ " 6½¢ "	10¢ Cwt. 12½¢ " 10¢ " 10¢ "	----- 15¢ Cwt. ----- -----
Fruits (various) Not named in tariff Less Carloads 30 lbs. container 30 lbs. container 40 lbs. container 50 lbs. container	----- ----- 15¢ " 12½¢ " 11¢ " 10¢ "	----- ----- ----- ----- ----- -----	----- ----- ----- ----- ----- -----

COMMODITY RATES - continued

Articles	Zone 1	Zone 2	Zone 3
Corn (fresh)			
Baskets, Hampers and Sacks			
Carloads, Min. 20,000 pounds	10¢ Cwt.	-----	-----
Less carloads	12¢ "	15¢ Cwt.	20¢ Cwt.
Peas (fresh)			
Sacks			
Carloads, Min. 20,000 pounds	8¢ Cwt.	-----	-----
Less carloads	10¢ "	12½¢ Cwt.	15¢ Cwt.
Crates and Hampers			
Carloads, min. 20,000 pounds	16¢ Cwt.	-----	-----
Less carloads	17½¢ "	20¢ Cwt.	25¢ Cwt.
Potatoes			
Carloads, min. 10,000 pounds			
100 lb. Crates and Sacks	6¢ Cwt.	8¢ Cwt.	-----
50 lb. " "	8¢ "	10¢ "	-----
25 lb. " "	10¢ "	15¢ "	-----
Less carloads			
100 lb. Crates and Sacks	7½¢ "	10¢ "	15¢ Cwt.
50 lb. " " "	10¢ "	15¢ "	20¢ "
25 lb. " " "	12½¢ "	25¢ "	30¢ "
<u>Minimum</u>			
Shipping or Deliveries - - - -	50¢		
In Haul - - - - -	50¢		
Deliveries and Pick-up			
Restaurants and Hotels			
Assess additional charge - -	4¢ Cwt.		

RATES FOR TRANSPORTATION ON MONTHLY  
TRUCK UNIT BASIS

Existing	Proposed	Pro- po- nent	Effect of Proposal
Rates for transporta- tion on monthly truck unit basis.	Rates for transporta- tion on monthly truck unit basis based on a five-day week. The volume of the rates not suggested by pro- ponent.	A	R

EXPLANATION OF REFERENCE MARKS

(a) Western Classification No. 66, C.R.C. 611  
of M. A. Cummings, Agent.

A The Association.

B Walkup Drayage and Warehouse Company.

C California State Brewers Institute.

I Increase.

R Reduction.

W Change in wording.

N No rates established by Decision No. 28632 in this pro-  
ceeding and as amended.