

Decision No. 30025

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of maximum or minimum, or maximum and minimum rates, rules and regulations of all Radial Highway Common Carriers and Highway Contract Carriers operating motor vehicles over the public highways of the State of California, pursuant to Chapter 223, Statutes of 1935, for the transportation for compensation or hire of any and all commodities and accessory services incident to such transportation.

Case No. 4088
Part "R"

In the Matter of the Investigation and Establishment of rates, charges, classifications, rules, regulations, contracts and practices, or any thereof, of Common Carriers of property.

Case No. 4145
Part "B"

A P P E A R A N C E S

R. E. Wedekind, for Southern Pacific Company; Pacific Motor Transport Company; Pacific Motor Trucking Company; San Diego and Arizona Eastern Railroad Company; Pacific Electric Railway Company.
Edward Stern, for Railway Express Agency, Inc.
C. F. Reynolds, for Port of San Diego and San Diego Chamber of Commerce.
Harold S. Dill, for Truck and Warehouse Association of San Diego and Imperial Counties.
H. J. Bischoff, for Southern California Freight Lines and Southern California Freight Forwarders.
L. M. Phillips, for C. E. McCarty.
Wallace K. Downey, for Pacific Freight Lines.
D. Petty, for Hay Truckers' Association of Hynes.
C. H. Smith, for Davies Warehouse.
C. G. Munson, for Los Angeles Warehouse Association.
J. J. Deuel, for California Farm Bureau Federation.
Rex W. Boston, for Hue Follendore, d.b.a. Hue's Transfer, applicant in Application No. 20874.
Louis T. Fletcher, and W. C. Schneider, for Chas. B. Lee, d.b.a. Farmers' Trucking Service.

(The appearances listed above were entered during the hearing in Part "R" of Case No. 4088 and Part "E" of Case No. 4145. For other appearances in these proceedings, see Appendix "A" of Decision No. 28761, dated April 27, 1936, in Part "A" of Case No. 4088; Decision No. 29252, dated November 9, 1936 in Part "P" of Case No. 4088, and Part "C" of Case No. 4145; Decision No. 29480, dated January 25, 1937, in Part "M" of Case No. 4088, and Part "B" of Case No. 4145).

BY THE COMMISSION:

INTERIM OPINION

Case No. 4088 was instituted pursuant to the mandate of the Legislature contained in Section 10 of the Highway Carriers' Act (Chapter 223, Statutes of 1935). A full discussion of its purposes, the procedure to be followed, and other matters of general concern relating to the proceeding are contained in Decision No. 28761 of April 27, 1936, in Part "A" of this case (39 C.R.C. 703). Case No. 4145 was instituted by the Commission for the purpose of determining "whether or not the rates and charges to be charged and collected, and classifications, rules, regulations, contracts, and practices to be observed by common carriers for the transportation of any and all commodities between points in this State are lower than reasonable or sufficient rates, or whether or not they are justified by actual competitive transportation rates of competing radial highway common carriers and highway contract carriers, or the cost of other means of transportation, and for the purpose, if it so finds, of establishing and prescribing such rates as will provide an equality of transportation rates for the transportation of property between points in this State between all such competing agencies of transportation, and also to determine whether or not the preservation of adequate service and the public interest require the establishment of uniform rates and charges to be charged and collected, and classifica-

tions, rules, regulations, and practices to be observed by all competing common carriers."(1)

Each of these proceedings has been divided into different parts. Those with which we are here dealing specifically, "Part "R" of Case No. 4088 and Part "E" of Case No. 4145, have to do with the transportation of property from, to and between points in the Imperial and Coachella Valleys of Southern California. This Interim Opinion and Order is further limited solely to the movement of hay, straw, and related commodities from these valleys to San Diego and adjacent territory, Los Angeles and adjacent territory, and to points intermediate thereto. The matters were consolidated and heard at El Centro and Los Angeles.(2) The public hearings were conducted by Examiner Freas.

The particular phases of these proceedings with which we are directly concerned were entered into at the request of the operators serving that territory and upon representations that the rates of carriers serving the Imperial and Coachella Valleys did not reflect the cost of performing the service.

(1) It will be noted that Section 10 of the Highway Carriers' Act (Chapter 223, Statutes of 1935), provides that in the event the Commission establishes minimum rates for transportation service by highway carriers, such rates shall not exceed the current rates of common carriers for the transportation of the same kind of property between the same points.

(2) Hearings were held in El Centro on December 16, 17, 1936; in Los Angeles on January 26, 27, 1937, and February 23, 24, 1937. Certain of the hearings were further consolidated with the hearing of Applications Nos. 20873, 20874, and 20923, re applications of Chas. B. Lee d.b.a. Farmers' Trucking Service; Hue Follendore, d.b.a. Hue's Transfer, and Stafford & Thacker, d.b.a. Pioneer Truck & Transfer Company, respectively. By stipulation it was agreed that the record in any one of these matters should be considered a part of the record in all.

REVIEW OF THE EVIDENCE

A total of 32 exhibits were introduced, three of which were wholly devoted to the cost of shipping hay by truck. (3) Another exhibit, setting forth a broad economic study of the movement of all agricultural products, devoted space to the hay movement. Two of the cost studies, and the economic study, were introduced by the Transportation Department of the Commission, and were based upon extensive studies in the field.

In addition, many witnesses representing both shippers and truck operators, testified in whole or in part on hay. The evidence in the record discloses the following facts.

Hay, as the term is here used, consists of alfalfa hay and, to a minor degree, grain hay (barley and oats). Approximately 12,000 carloads of alfalfa hay were produced in the Imperial and Coachella Valleys in 1935, Imperial Valley accounting for 97 per cent of this amount. Aside from consumption within the valley itself, the principal markets for hay consist of the dairying districts adjacent to Hynes and San Diego. The former is credited with being the largest central hay market in the United States. The record indicates that about 75 per cent of the hay consumed in this market is supplied by Imperial Valley (4) and that approximately 75 per cent of this movement is by truck. This area embraces points within a radius of 20-25 miles of Hynes and includes at its extremes such points as Santa Ana, Venice, and El Monte. In addition to the Hynes and San Diego movement, there is also some movement to Pomona, Ontario, Riverside, Colton, Hemet Valley, El Cajon, Lakeside, and Escondido. The hay movement direct to Los Angeles is small compared

(3) The Cost Studies were Exhibits RE-14, 15, and 16.

(4) The remaining 25 per cent is supplied by Lancaster, Bakersfield (Southern end of San Joaquin Valley), Tulare, Fresno, Yuma, Blythe, and Phoenix.

with that to the dairying districts.

The hay is cut, baled, and usually stacked at the ranch, although in some cases the bales are left scattered over the field as harvested. This latter is commonly known as "jack rabbit" hay. The hay is customarily sold F.O.B. the ranch, with the buyers arranging their own transportation. The price received by the grower, however, reflects the market price less transportation costs.

The buyers represent either mills, feed companies, dealers, dairies, or truck operators who buy to re-sell. The dealers in the Hynes and El Monte areas in turn re-sell to the dairies.

The price of hay sold on the Hynes market in 1936 fluctuated (over all grades) from a low of \$12.75 per ton to a high of \$23.75 per ton. A representative price for the entire year's movement (weighted for volumes sold of each grade), was \$15.40 per ton. Testimony was further introduced to the effect that in the spring of 1937 prices were about 60 per cent higher than this, but due, however, to a temporary combination of unusual market factors. Growers in the Imperial Valley testified that agricultural prices generally were about 15 per cent higher than in the directly preceding years.

The flow of tonnage out of Imperial Valley, by truck, during 1935, is indicated below. It will be noted that there exists a substantial movement the year round but with the peak from April to August.

TOTAL HAY MOVEMENT BY ALL TRUCKS

: Month :	: Alfalfa Hay :		: Grain Hay :		: Total :		:Proportion:
:	: Trucks :	: Tons :	: Trucks :	: Tons :	: Trucks :	: Tons :	:of tonnage:
:	:	:	:	:	:	:	:by months :
January	379	4,396	12	91	391	4,487	4.0
February	431	5,073	14	81	445	5,154	4.6
March	586	7,008	15	100	601	7,108	6.4
April	744	9,662	113	1,322	857	10,984	9.9
May	810	9,708	139	1,566	949	11,274	10.1
June	1,143	13,506	56	621	1,199	14,127	12.7
July	1,327	15,983	32	331	1,359	16,314	14.6
August	991	11,589	-	-	991	11,589	10.4
September	667	7,475	6	46	673	7,521	6.8
October	705	7,987	1	10	706	7,997	7.2
November	636	7,297	9	97	645	7,394	6.6
December	618	7,147	29	352	647	7,499	6.7
TOTAL	9,037	106,831	426	4,617	9,463	111,448	100.0
Average Haul							
Tons		11.8		10.8			

The record indicates that at the present time over half of the above hay tonnage is moved by truck operators who buy at the ranch and re-sell at the market, or by dealers who operate their own equipment. The former take their transportation costs out of the difference between the purchase and re-sale price. Hence at the present time over 50 per cent of the movement is in private hands. The "for hire" truck transportation of hay is provided entirely by the so-called "Contract Carrier." It does not appear that the franchised truck lines now participate in any of this movement. A study of 99 trucks engaged in the movement of hay indicates that only 46.5 per cent are operated by so-called "Contract Carriers." An additional 16.1 per cent were operated by contract haulers who at times bought and sold the hay, acting as dealers. The remaining trucks are operated by dealers or growers. Dealers with their own fleet of equipment avail themselves of the "for hire" carriers' services during the peak summer months.

The trucking equipment used consists principally of G. M. C.,

Chevrolet, Ford, and International trucks, with either semi-trailers or full trailers. Special flat-bed equipment is necessary and because of the low density of hay (10 pounds per cubic foot), it is necessary to construct bodies larger than are commonly used for the movement of other classes of freight. The evidence indicates that 90 per cent of the trucks operated by contract haulers have a capacity of from 10 to 15 tons. The large hay dealers appear to operate larger equipment of up to 20 and 22 tons. Concerning the latter, 69 per cent of their equipment studied was between 14 and 16-ton capacity, and the remainder was over 16 tons. The typical unit, however, was considered by witnesses to be a tractor-semi-trailer unit of approximately 14 to 15 1/2-tons capacity.

Statistics gathered by the Agricultural Commissioner, Imperial County, indicate the average truck load leaving Imperial Valley to be near 12 tons in 1935. Cost estimates were introduced, however, with average loads taken under present conditions at 13.75 and 15-1/2 tons.

During the peak months the trucks may make five or more round trips a week, working close to 24 hours a day with two men on a vehicle, but the average number of trips throughout the year is estimated at three per week. The round trip requires 22 hours, of which approximately 16 hours are running time and 4 hours for loading and unloading. The remaining time is consumed by meals, delays, etc. There is practically no back-haul movement except on the part of a few operators and then only during the dull season. During this off-season a few operators go into other work. The cost studies introduced were based upon a 50 per cent load factor.

When a trucker hauls for a dealer, he is required to hold his load until the dealer finds a market for it, at which time he must deliver the load to its final destination and unload it. It is only then that his truck is released. Such delays may range from a few hours

up to three days or more. Rates charged include pick-up at the ranch and delivery to final destination, and all loading, unloading and stacking. Two men are required at each end for these operations and it is the usual practice for the trucker to employ a loader to assist the driver (or owner-driver) in these operations, although sometimes two contract haulers work together.

It appears that most of the operators have only one truck and drive it themselves. Ninety per cent of the 85 hay haulers belonging to the Hay Truckers' Protective Association are in this group.

The table of tonnages shown above indicates that the hay moves in substantial quantities throughout the year, with the largest part, however, moving from April to August. If the flow of tonnage were entirely uniform between 50 and 60 trucks could handle the total truck movement shown above, operating three trips per week and hauling 14 tons per trip, and approximately the same number of trucks could accommodate the peak summer movement at 5 round trips per week, which the record indicates is a common operation. On the other hand, certain of the cost studies introduced covered as many as 113 hay-hauling units operating in this territory. It is true, of course, that the above Imperial Valley hay movement into Hynes constitutes only 75 per cent of the entire hay trucked into this area and doubtless many operators work at times in other territories, but even with this allowance it is evident that in general there exists an over-supply of equipment, considering the volume of truck tonnage handled. In addition, there are the rail facilities which appear to handle about 20 to 25 per cent of the Imperial Valley movement.

RAIL MOVEMENT

There are four possible movements of hay involved, depending

on whether the hay is routed by rail or truck. The first of these, i. e., the movement from ranch direct to consumer by truck, has already been outlined. The remainder, involving rail shipments, are respectively, the movement from ranch to local rail siding for loading into cars; the rail movement to rail unloading point (usually El Monte), and finally, the movement by truck from rail car to consumer's shed or stack.

Hynes, the distributing center of the dairying area, and Clearwater, also in the dairying district, are located upon a branch line of the Union Pacific Railroad Company. Downey and Norwalk, adjacent points in the dairying district, are located upon a branch of the Southern Pacific Company. Certain other local points are served by a branch line of The Atchison, Topeka and Santa Fe Railway Company. It appears that the entire rail movement, however, out of the Imperial and Coachella Valleys, is routed via El Monte, located on the main line of the Southern Pacific Company, and from this point it is hauled to consumer's shed by truck. The present temporary rate of \$1.50 per ton, applying only to El Monte and not to the above named branch line points, undoubtedly accounts for this routing. The average carload is about 15 tons.

A witness for the Imperial Hay Growers' Association, ⁽⁵⁾ an organization handling approximately fifty per cent of the hay moving out of the valley, testified that there were few cases where growers had to go beyond five miles to reach a rail loading point and that the limits were at about 7, 8, or 9 miles. There was some other evidence introduced, however, of hauls up to as high as 15 miles. At destination point there is an additional movement from rail unloading point at El Monte to the point of consumption. As Hynes is in the center of

(5) Mr. R. L. Wood, manager of the Imperial Hay Growers' Association.

the dairying district, the 16-mile haul to this point from El Monte may be considered as representative. All loading and unloading of both truck and cars, as well as the stacking at point of final destination, is performed by the truck hauler and is included in the transportation rate.

In the handling of hay there is an inevitable loss in weight. One witness (6) estimated this to aggregate between 500 and 700 pounds in the loading and unloading of a 15-ton car, and to approximate 40 cents per ton at present hay prices. When the hay is shipped direct from field to consumer by truck, the number of handlings is cut in half and the loss is much less. Evidence in the record indicates that shippers evaluate the extra loss on a rail movement as compared with truck movement at 25 cents per ton.

EVIDENCE AS TO PREVAILING RATES

The record indicates that rates are blanketed from all points in Imperial Valley and from all points in Coachella Valley although they are not necessarily the same from each area, and furthermore that such rate blankets were desired by growers.

On the direct truck movements from the stack at the ranch to the Hynes market, the going rate varies from \$3.00 per ton in the slack winter months to \$3.50 in the active summer months. It appears that the prevailing year round average is between these values - probably \$3.25 to \$3.35 per ton. (7) The present rates which are the

(6) Mr. R. L. Wood.

(7) In addition to extensive evidence presented in exhibits, Clarence Vos, secretary of the Hay Truckers' Protective Association, and an operator of three trucks, testified that his revenues had approximated \$3.25 per ton the year round. Six other operators testified similarly by stipulation. They were George Mendenhall, Paul Doss, Lee Doss, Johnny Hyde, Robert Tripp, and J. A. Van Lierop. Clifton Landmark, business manager and accountant for the same association, introduced an exhibit which showed the average annual revenue per truck to be \$7,293, or \$3.38 per ton.

lowest in history are to be compared with a rate of \$6 assessed directly prior to the depression, but at a time when agricultural prices were much higher than at present. A comparison of the present prevailing rates to Hynes from Fresno, Tulare, Bakersfield, and Lancaster with those from Imperial Valley⁽⁸⁾ indicates that the latter are approximately 30 to 40 cents per ton lower than the former for equivalent distances and after adjustment for the grades encountered on the respective routes.

In determining the mileage between rate territories for the purposes herein, the distances to and from the following points were considered as representative and hence were used: - Hynes in the Los Angeles-Hynes territory; San Diego in the San Diego territory; Imperial in the Imperial Valley territory, and Coachella in the Coachella Valley territory.

On direct truck movements from Coachella Valley to Los Angeles, the rate lies between \$2.50 and \$3.00 per ton.⁽⁹⁾ What little evidence was introduced on trucking rates between Imperial Valley and San Diego indicated that the prevailing Hynes rate of \$3.00 to \$3.50 per ton applied. On truck hauls from the stack at the ranch to rail car the prevailing rates were found to be 75 cents per ton for distances up to five miles, \$1.00 per ton on hauls of between 6 and 10 miles, and \$1.25 per ton on hauls of between 10 and 15 miles. As stated above, it appears that there are few hauls of over 5 miles and the usual limits were at about 7 to 9 miles. One operator, admittedly handling little hay, charged a flat rate

(8) Exhibit RE-17, p. 60.

(9) Exhibit RE-17, p. 60.

of \$1.00 per ton. It appears that the above rates are increased by 25 cents per ton on "jack rabbit" hay (bales picked up from scattered points in the field).

On the trucking movement from rail car at El Monte to consumer, exhibits and testimony indicate the prevailing rate to be \$1.00 a ton. (10)

The rail rates from Imperial and Coachella Valleys, as well as the interstate rates from Yuma to the points of consumption, are set forth below. Temporary rates, together with those replacing them, are given. Rates are per ton.

From	TO									
	El Monte				Los		Santa		San	
	and Pomona	Norwalk			Angeles		Ana		Diego	
	T.* : P.**	T. : P.	T. : P.	T. : P.	T. : P.	T. : P.	T. : P.	T. : P.	T. : P.	
Imperial	\$1.50 \$3.00	\$2.00 \$3.30	\$2.00 \$3.00	-	\$4.00	\$2.00 \$3.00				
Coachella	1.50 3.00	2.00 3.30	2.00 3.00	-	4.00	No thru rate				
Yuma	2.00 3.00	2.50 3.50	2.50 3.20	-	4.20	2.50 3.20				

* T = Temporary
 ** P = Permanent

NOTE: All temporary rates out of Imperial and Coachella expire October 31, 1937, while those out of Yuma expire December 31, 1937. Unless the temporary rates are renewed or other rates are established in lieu thereof, the permanent rates become effective November 1, 1937, out of Imperial and Coachella, and January 1, 1938, out of Yuma.

(10) In addition to other evidence presented, Clifton Landmark, business manager and accountant for the Hay Truckers' Protective Association, stated that he knew of no case where other than \$1.00 a ton was being charged.

The \$1.50 rail rate to El Monte, under which the tonnage moves, was first made effective as a temporary rate July 10, 1934, and has since been renewed from time to time. Rail minima, with but few exceptions, are 24,000 pounds.

To determine the total charge on shipments from ranch to consumer, which are routed by railroad, the rail rates must be increased by the amount of the local truck rates to and from the rail station. The record indicates that a representative cost of shipping by rail, and allowing for the various factors, is as follows:

	<u>Per Ton</u>
Movement from Imperial Valley ranch to rail car (not over 5 miles)	\$.75
Rail rate - Imperial and Coachella Valleys to El Monte	1.50
Unloading at El Monte and delivery to Hynes area	<u>1.00</u>
Total freight charges	\$3.25
Shrinkage due to extra handlings	<u>.25</u>
Total cost - by rail	\$3.50

DIVERSION OF TONNAGE TO ITINERANT DEALERS

An important factor to be considered in this case is the effect of any given rate adjustment upon the volume of tonnage handled by the itinerant trucker. The record indicates⁽¹¹⁾ that at the present time 50 per cent of the hay brought into the Hynes area is handled on private trucks. A substantial portion of this is purchased by the truck operator at the ranch and re-sold by him at destination, thus changing his status from that of a "for hire" carrier to that of a dealer. From a study of 99 trucks⁽¹²⁾ engaged in hauling, only 46.5 per cent operated consistently upon a "for hire" basis and this group not only operated the lighter equipment but it may be as-

(11) Exhibit RE-17, p. 46.

(12) Exhibit RE-14, p. 4.

sumed that it was not as actively employed as were the large dealers' own fleets. After making allowance for this movement by the dealers (including the independent trucker who buys for his own account) and for the approximate 20-25 per cent of the tonnage moving by rail, it appears that there cannot be much more than 25-35 per cent of the total movement directly subject to a truck rate order, nor much more than 50 per cent subject to a rail and truck rate order.

The effect of rate increases in shifting truckers from the status of "for hire" carriers to that of dealers was indicated by the secretary of the Hay Truckers' Protective Association and supplemented by the testimony and stipulation of six additional operators. At a rate of \$3.50, some independent truckers became hay dealers and this tendency increased as the rate became higher. ⁽¹³⁾ The fact that at the prevailing average rate of about \$3.25 per ton (\$3.00 winter and \$3.50 summer, by truck), the carriers, rail and truck combined, can retain only about 50 per cent of the Imperial Valley hay movement, is ample evidence of this. As the truck operators are requesting a \$4.00 rate, this factor becomes of no little importance.

It appears that such operations are characteristic of that condition where there exists a surplus of transportation facilities and the commodity is one that is freely bought and sold on the open market. The same situation exists in the movement of certain other commodities such as fresh fruits and vegetables, but in no case is it carried to the same degree as with hay. Few, if any other commodities, are so readily adaptable to being purchased by a carrier (if a load is not otherwise available), and being transported to market and sold there by

(13) Witness testified that at \$5.00 per ton he would become a dealer himself.

him a few hours later.

When a truck operator buys the hay outright for re-sale, he assumes the selling burden. The practice is to place the load on a lot for re-sale and then to personally solicit the trade or rely on hay salesmen who sell at 50 cents per ton commission. The trucker delivers the load upon consummation of the sale. Time required for selling may range from a few hours to several days, during which time his truck unit is tied up. In fact, he must sell to release his truck. A typical arrangement is as follows:

Trucker buys at ranch for	\$14.50	per ton
Allows himself for transportation	3.50	" "
Selling commission to local salesman	<u>.50</u>	" "
Total cost and desired selling price	\$18.50	" "

The testimony in the record indicates that the trucker, commonly unable to sell at the market price and release his equipment, will shade the price, thus, in effect, cutting the transportation rate. For competitive reasons these dealers, or so-called "itinerant truckers," cannot include more for their transportation in the selling price than those dealers who use "for hire" carriers. In fact it appears that in a highly competitive market, such as is here the case, the principal reason they would assume the financial burdens and risks involved in purchasing hay would be to enable them to shade the prevailing price for transportation and thus acquire tonnage otherwise unobtainable. As long as there exist surplus trucking facilities, it appears that the idle operators will seek a load through this device, and that the higher the rates are the greater the margin they will have in which to operate.

The Hay Truckers' Protective Association requested the Commission to set a rate of \$4.00 per ton from Imperial Valley to Eynes, holding this to be just, reasonable, and non-discriminatory. Further discussion of this is reserved until consideration is given to the cost studies submitted.

COST ESTIMATES AND STUDIES

Various testimony and exhibits were introduced relative to the cost of transporting baled hay from farm direct to market, and to and from rail cars.⁽¹⁴⁾ Considering first the testimony, Mr. Clarence Vos, secretary of the Hay Truckers' Protective Association, and also an operator of three trucks and testifying from five years' experience as a hay hauler, stated that he had found the average cost of transporting hay to be between \$3.00 and \$3.40 per ton the year round; that his revenues had averaged \$3.25 and that he had never received as high as \$4.00 per ton. He added, however, that he had kept only a semblance of records. His testimony was supported by that of six other operators through stipulation.

The cost study introduced by the Hay Truckers' Protective Association was based upon costs gathered from many member operators. It embraced the usual operating costs, taxes, depreciation, and an 8 per cent return upon half the original investment. There was no allowance for management, the explanation being that this cost was eliminated in the owner-driver type of operation which predominates. It was concluded that the average operator transported 2,145 tons

(14) Fred H. Chesnut, assistant engineer of the Transportation Department of the California Railroad Commission, introduced Exhibit RE-14. "The Cost of Transporting Baled Hay in Motor Trucks Between Imperial and Coachella Valleys and the Los Angeles Basin Area"; and Exhibit RE-15, "Estimate of the Cost of Transporting Baled Hay for either of the following movements: (a) Field to Railroad Box Car, (b) Box Car to Consumer."

Clifton Landmark, business manager and accountant for the Hay Truckers' Protective Association, introduced Exhibit RE-16, a study of the cost of transporting hay between Imperial Valley and the Los Angeles Basin.

per year at a total operating cost of \$7,270.24 or \$3.39 per ton. The association concluded that a rate of \$4.00 per ton would be just, reasonable and non-discriminatory. The witness explained the difference between the \$3.39 and the \$4.00 rate by the need for a greater profit than the 8 per cent return upon 50 per cent of the original investment (i.e., upon the average depreciated value). The cost of transporting baled hay in 15 1/2-ton lots, as determined by Chesnut's study, is \$4.39 per ton. (15) A comparison of the two studies follows:

COMPARISON OF CHESNUT AND LANDMARK COST STUDIES

(Estimated cost of transporting hay by truck and semi-trailer unit between Eynes and Imperial Valley, assuming an approximate haul of 200 miles.)

INVESTMENT					
Item		Chesnut		Landmark	
Vehicle, tires, tools		\$ 5,089		\$ 3,000	

COSTS					
Item	Chesnut		Landmark		
	2,585 tons per yr.	167 trips with 15 1/2-ton load	2,145 tons per yr.	156 trips with 13.8-ton load	
	Total	Cost	Total	Cost	
	An. Cost	per ton	An. Cost	per ton	
1. Taxes and Licenses	\$ 490.00	18.9¢	\$ 302.87	14.1¢	
2. Insurance	424.00	16.4	531.76	24.8	
3. Rent	100.00	3.9	none	-	
4. Management	475.00	18.4	"	-	
5. Office - clerical, accounting, tel. and postage	200.00	7.7	96.00	4.5	
6. Miscellaneous	150.00	5.8	75.00	3.5	
7. Return on Invest. (8% on 50%)	204.00	7.9	120.00	5.6	
8. Return on Working Capital (8% on avg. of \$640)	51.00	2.0	none	-	
9. Depreciation	922.00	35.7	605.00	28.2	
10. Driver's Wages	2,420.00	93.6	2,184.00	101.8	
11. " Comp. Ins. & Soc. Sec. Taxes	221.00	8.6	190.44	8.8	
12. Unloader's Wages	428.00	16.6	none	-	
13. " Comp. Ins. & " " "	40.00	1.6	"	-	
14. Fuel	1,643.00	63.5	1,731.23	80.7	
15. Oil	187.00	7.2	169.74	7.9	
16. Repairs	1,501.00	58.1	664.20	31.0	
17. Tires	1,149.00	44.4	600.00	28.0	
Total Cost	\$10,605.00	\$4.10 (15)	\$7,270.24	\$ 3.39	

(15) The Landmark study reflects actual topographical and highway operating conditions prevailing between Eynes and Imperial Valley. The Chesnut study, on the other
(continued on page 18)

There is a substantial disparity between the two cost estimates, but not without reason. Chesnut's exhibit represents the cost items of an operation conducted upon a reasonably sound financial basis. Landmark's estimate reflects the actual costs of the operator who has received approximately \$3.25 per ton and who has had to rigidly confine his expenditures within this limit, regardless of its effect on wages paid, hours worked, protection of his investment, etc.

The above two exhibits illustrate the fact that truck transportation costs are not a fixed definite amount but are constituted of a range of values which vary with the willingness or the necessity of operators to work themselves or their help long hours, to pay low wages, to draw upon the free services of members of their family for office or clerical work, to neglect maintenance, etc.

It is not the function of this Commission to dictate wage and living standards for the truck operators, but in following the statutory mandate of the Highway Carriers' Act to consider costs, it cannot be viewed as the intention of the Legislature that this Commission only

(15 - cont'd) hand, was designed to cover the cost of transporting hay for various distances over valley highways, with a factor to be added for grades, congestion, curvature, etc. The allowance for these factors, through the use of constructive mileage, accounts for the difference between the value of \$4.39 and \$4.10. However, as the Landmark study apparently assumes a haul of approximately 200 miles (61,500 miles over 156 trips), and as the Chesnut study does not provide a detailed breakdown of costs except at 50-mile intervals, the latter's costs for a 200-mile valley haul are used herein for purposes of comparison.

consider sub-standard operating practices. It is the Commission's obligation to give such proper consideration to cost, among other factors, as will permit, in so far as is possible, the offering of a sufficient, dependable service, which the evidence indicates the shippers desire.

However, inasmuch as approximately half of the hauling is done by dealers in their own trucks, it is clear that this group will influence any standard set. If dealers or consumers find it profitable to haul for themselves 50 per cent of the entire hay consumption with the rate averaging \$3.25-\$3.35, it appears that there would be substantially more than 50 per cent who would haul for themselves at \$4.00.

Comparing the studies, it appears that Landmark's exhibit fails to include certain property and other taxes. The elimination of collision insurance from Chesnut's study on the other hand accounts for the larger part of the differences here shown.

Evidence in the record indicates that the small one-truck operator, who predominates in this field, usually operates out of his home with no definite amount of overhead charged for rent, telephone, garage, office help, supervision, or management.

The Landmark study, purporting to show complete costs, allows nothing for rent and \$96 for office expenses, as compared with Chesnut's \$300 per unit. Landmark makes no direct allowance for management, while Chesnut allows \$475. Landmark's allowance here would probably be included in the \$1,310 surplus which his requested \$4.00 rate would yield over and above the expense items he identifies. It appears reasonable that some allowance for management is proper over and above the average of 56 cents per hour he would allow the owner as a driver. The record indicates that most small operators buy their

equipment on time and pay carrying charges which aggregate well over 8 per cent. Until such time as his equipment is paid for, and the excess carrying charges over 8 per cent amortized, the operator's only return for the risk involved and managerial functions assumed is his 56 cents an hour as a driver. Concerning the latter, it would appear that some time would be required for supervision outside of that actually spent in the driver's seat or while stacking hay.

The 56 cents is based upon a minimum allowance of 16 hours for driving time, one hour for delays and 4 hours each for two men, loading and unloading. This hourly wage is to be compared with that of 70 cents for drivers and 60 cents for helpers, allowed in the Chesnut study. Landmark's study shows no specific allowance for a helper. However, it was testified by this witness that helpers employed for the round trip from Hynes to Imperial Valley and back are paid on the average, \$7 per trip. On 156 trips per year this amounts to \$1,092, leaving the owner-driver another \$1,092. Add to this the amount of \$120 as an 8 per cent return upon the investment and there results a total return to the owner-driver of \$1,212 per year for his labor in driving, loading and unloading, management, and return upon an investment of from \$3,000 to \$5,000. This yield, based upon an average annual operation of 60-65 hours per week for both men and equipment, appears low.

Concerning the rate of return, or the profit, the Commission's obligation is to set such a return as will attract sufficient capital to adequately serve the needs of the public. In the last analysis, however, the operators, by their response to any given prospect of return, themselves determine the rate. At the present time it might be noted there exists the anomaly of tonnage being handled at an apparent loss or at zero rate of return over the past several years, accompanied by an over abundance of investment in the field. Many factors, however, have contributed to this result.

The estimated repair and tire costs differ by approximately \$1,400, or 43.5 cents per ton. As both studies are based upon evidence drawn from a large number of operators, consideration is given to both, recognizing the difference in the size of the units employed. However, the Landmark allowance is lower than that introduced in other parts of Case No. 4088 for comparable units and usage.

A review of the cost data appears to indicate that the Landmark study fails to adequately allow for certain taxes; management; a return on working capital; the aid of helpers; and repairs and tires, and is based upon a low wage scale. On the other hand, the Chesnut study, while eliminating the cost of collision insurance, is based upon allowances for rent, management, office and accounting expenses, working capital, and repairs, which are substantially higher than those apparently now incurred by the owner-driver type of operation predominating in this field.

To sum up, it appears that a reasonable cost lies somewhere between the values set forth in the two studies, but that such cost will depend upon the standard of operation adopted. Considering the volume of proprietary competition here in evidence, it further appears that these standards will be set, not so much by a judgment based upon cost factors, as by what the competition and traffic will permit.

In addition to the cost of transporting hay from ranch direct to market, testimony was taken and an exhibit was introduced on the cost of local hauling to and from rail cars. Percy Thacker, an operator of ten pieces of equipment, principally engaged in local trucking in Imperial Valley, testified that although he handled little hay, a charge of \$1.00 per ton from stack to car and \$1.25 on "jack-rabbit" hay to car was in his opinion fairly compensatory. Landmark testified that the 16-mile haul from box cars at El Monte to the dairying district could not be done

for less than \$1.10 per ton. Helpers were paid 50 cents per hour.

Chesnut's Exhibit "RE-15" developed the following costs:

<u>Length of Haul</u>	<u>Cost Per Ton</u>
5	\$ 0.99
10	1.14
15	1.28
20	1.42
25	1.55

This study is based upon the same annual allowance for taxes, insurance, rent, management, clerical, miscellaneous, and return on investment as was used in the line-haul study. Allowances there used for fuel, oil, tires, and repairs were here increased 20 per cent on account of the slower operation. Wages for drivers and helpers were taken at 70 cents and 60 cents per hour, respectively. The same general comments made concerning the line-haul study may be applied here.

SHIPPERS' POSITION

Although shippers took the stand in testimony on various related matters, limited evidence was offered concerning establishment of rates on hay.

Thomas H. Fisher⁽¹⁶⁾ stated that uniform rates would be one of the best things that could be obtained and A. J. Conkey⁽¹⁷⁾ stated that a uniform rate structure was desirable as it was customary to work on a small margin and a 25-cent cut would take the market. It was desired that all should pay the same. Concern, however, was expressed as to truckers who bought and sold and undercut the market. Joe Deuel, appearing for the California Farm Bureau, stated that hay was one article that could not bear its cost of trucking.

(16) Holtville rancher growing principally alfalfa.

(17) El Centro feed and grain dealer.

CONCLUSIONS

A careful consideration of the evidence indicates that the establishment of a \$4.00 minimum charge is not justified. While the labor, wage, and operating standards of the truckers have undoubtedly been adversely affected by the low rates prevailing, yet the present need for the establishment of the minimum at this level is not substantiated upon a consideration of all the facts in the record. Such an increase would not only throw Imperial Valley rates out of line with those applying on hauls from Lancaster and San Joaquin Valley, but would exceed those applying from Arizona points. The rail rate from Yuma, Arizona, to El Monte of \$2.00 per ton plus an assumed 75 cents for hauls from ranch to car and \$1.00 from car to consumer totals \$3.75. (18)

Upon careful consideration of all the facts in evidence a minimum rate of \$3.70 per ton between Imperial Valley and the Los Angeles-Hynes territory is found justified. Rates shown herein to other points are proportionate and reflect the relative costs for hauling over each route. Such rates in addition to providing substantial relief to truck operators will also serve to place the Imperial Valley rates in a much closer relationship to rates from other production areas serving the same market. Furthermore, they should not unduly serve to encourage proprietary hauling. They also give consideration to the ever-present contingency that increases in rates beyond a certain point will so encourage the present contract carriers to expand their equipment or so encourage new operators to

(18) Both these truck hauls are of interstate character and not subject to the jurisdiction of the Railroad Commission of the State of California. If a 25 cent addition is made for shrinkage on the rail movement, the relative cost by rail becomes \$4.00 per ton.

enter the field that the resultant diversion of traffic will leave the present operators, and particularly the common carrier transportation system⁽¹⁹⁾ worse off than before. Rate increases must stop short of this result or they defeat their own ends and the purposes of the Highway Carriers' Act.

The increases will range from 9 to 12 per cent of the prevailing rates on hay shipped by truck and 7.5 per cent on hay routed by rail and truck, or an average of about 10 per cent on all hay moving to Hynes by "for hire" transportation. No increase is ordered on San Diego movements. The average hay trucker's gross receipts of \$7,293 in 1936 would be increased by approximately \$750 per year. This assumes no appreciable loss in his tonnage. It also assumes an operation of about 3,500 hours per year and 65,000 miles per year.

The increases out of Imperial Valley will approximate 32-1/2 cents per ton (25 cents on rail shipments and between 35 and 40 cents on truck shipments). This amounts to 2.1 per cent of the average price for hay on the Hynes market of \$15.40 during the year 1936, although actual prices on this market fluctuated between an average weekly low of \$12.75 and a high of \$23.75 per ton during the period. The 25-cent increase out of Coachella Valley amounts to 1.6 per cent of the average selling price.

Growers' testimony indicates that the 1936 prices of Imperial Valley agricultural products as a whole, and including hay, were from 15 per cent to 20 per cent over those prevailing during the immediately

(19) It seems reasonable to assume that under a uniform rate the greater the number of contract carriers in operation, the lower the proportion of tonnage held by the common carriers.

preceding years. Hay in particular, in the spring of 1937, enjoyed a somewhat spectacular though temporary increase in price. Considering the fact that Imperial Valley supplies the bulk of the hay consumed on this market, it would appear probable that the 2.1 per cent will be largely absorbed by or passed on to the consignee (who is usually also the shipper as most of the hay is bought at the ranch). Furthermore, considering the price fluctuations it does not appear that the increase would be disproportionately burdensome.

On short-haul movements the rates are both increased and decreased. On movements of up to 5 miles the Imperial Valley prevailing scale of 75 cents and the El Monte-Hynes scale of \$1.00 are set at 90 cents. On the 5 to 10-mile haul the rates are unchanged, and on hauls of from 10 to 15 miles the Imperial Valley prevailing rate of \$1.25 and the El Monte-Hynes rate of \$1.00 are set at \$1.10.

As it is not known what proportion of the traffic moves in each mileage group, particularly in the local Imperial Valley movement from field to dairy, it is impossible to determine accurately to what degree the increases and decreases offset each other.

A careful review of the record leads to the further conclusion that the mileage scale of rates, as set forth in Appendix "A" hereto, is reasonable and proper and should be adopted. No change will be ordered in the present rail rates. The lowest combination rail and truck rate from Imperial Valley to Hynes will be \$3.50 per ton (90 cents per ton on a 0-5 mile truck haul to rail car, \$1.50 rail rate to El Monte and \$1.10 on 16-mile truck haul to Hynes). The addition of an amount of 25 cents per ton for shrinkage places the total relative cost by rail at \$3.75 per ton. This compares with the through-truck rate of \$3.70. No evidence relative to the adjustment

of the rail rates on hay was introduced. An interpretation of the statutory provisions relating to the establishment of rates, as well as a careful consideration of all the facts in the record, and particularly the factor of competition from proprietary trucks, leads to the conclusion that an order increasing rail rates is not here found substantiated.

Little or no evidence was introduced concerning the matter of split pick-ups and split deliveries of hay, and while such constitute an accessorial service for which an additional charge is properly assessable, the meagerness of the record does not here justify an order in the matter.

Rates prescribed herein will also apply on the following related commodities: straw, baled; dried cactus leaves in packages; and fodder (bean, cane, corn or pea) in machine-compressed bales.

I N T E R I M O R D E R

Public hearings having been held in the above entitled proceedings and based upon the evidence received at the hearings therein, and upon the conclusions set forth in the preceding opinion:

IT IS HEREBY ORDERED that the rates, rules, and regulations set forth in Appendix "A" attached hereto and made a part hereof, be and they are hereby approved and established, to become effective August 25, 1937, as the just, reasonable and non-discriminatory minimum rates, rules, and regulations to be charged, collected and observed by all radial highway common and highway contract carriers, as defined in Chapter 223, Statutes of 1935, for the transportation of the commodities described in Appendix "A" hereto, over the public highways from and to the points involved herein and set forth and included in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that all radial highway common carriers and highway contract carriers, as defined in the Highway Carriers' Act (Chapter 223, Statutes of 1935), be and they are hereby ordered to cease and desist on or before August 25, 1937, and thereafter abstain from charging, collecting, or observing rates, rules, or regulations lower in volume or effect than those set forth in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that common carrier respondents in Case No. 4145 "E", to the extent they participate in the movement of the commodities named between the points involved, be and they are hereby ordered to cease and desist on or before August 25, 1937, and thereafter abstain from charging, collecting, or observing for the transportation by truck of the commodities described in Appendix "A" hereto from and to the points involved herein, rates, rules, and regulations lower in volume or effect than those set forth in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that the respondents referred to in the next preceding paragraph and each of them, to the extent they participate in the truck movement of the commodities named between the points involved, be and they are hereby ordered and directed to establish on or before August 25, 1937, upon not less than three (3) days' notice to the Commission and the public for the transportation of the commodities described in Appendix "A" hereto, from and to the points involved herein, rates for transportation by truck no lower than those set forth in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that every radial highway common carrier and highway contract carrier shall issue to the shipper for each shipment received for transportation, a freight bill in substantially the form set forth in Appendix "B" hereto, but may include in said freight bill, in addition to the provisions appearing on said

form, such other reasonable and lawful provisions as may be deemed proper, and shall retain and preserve for reference, subject to the inspection of the Commission or its employees, 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 the Commission shall and it does hereby retain jurisdiction of these proceedings for the purpose of establishing or approving the just, reasonable, and non-discriminatory maximum and minimum, or maximum or minimum rates, charges, classifications, rules, and regulations to be charges, collected, and observed by radial highway common carriers and highway contract carriers, both for transportation service hereinabove described and for other transportation and accessorial services as may from time to time appear proper in the light of other or further evidence received herein and for the purpose of establishing and prescribing such rates as will provide an equality of transportation rates for the transportation of the articles and commodities here involved between all competing agencies of transportation.

The effective date of this order shall be August 20, 1937.

Dated at San Francisco, California, this 9th day of

August, 1937.

W. H. H. H. H.
W. H. H. H. H.
W. H. H. H. H.
W. H. H. H. H.
Commissioners.

APPENDIX "A"

Section No. 1 - Rules, Regulations and Definitions

RULE NO. 10 - DEFINITION OF TECHNICAL TERMS

- (a) POINT OF ORIGIN means the precise location at which property is picked up or to be picked up and loaded in or on equipment of the carrier for transportation.
- (b) POINT OF DESTINATION means the precise location at which property is discharged or to be discharged from the equipment of the carrier.
- (c) SHIPMENT means a quantity received from one shipper on one shipping order or one bill of lading at one time.

RULE NO. 20 - APPLICATION OF APPENDIX

- (a) This Appendix applies only to the transportation of commodities named in Rule No. 40 from points of origin located within the Coachella Valley Territory, the Salton Sea Territory, or the Imperial Valley Territory, as defined herein, and consigned to destination points located within the Los Angeles-Hynes Territory, the San Diego Territory and any other point within the State of California which is not distant more than 240 miles, as determined by Rule No. 70, from any point of origin.
- (b) The charge for the transportation of any shipment for a distance greater than 240 miles, as determined in Rule No. 70, shall not be less than the charges shown herein for 240 miles.

RULE NO. 30 - DESCRIPTION OF TERRITORIES

- (a) IMPERIAL VALLEY TERRITORY includes that area bounded on the south by the International Boundary Line; on the east by the East High Line Canal to the point at which it intersects the main line of the Southern Pacific four miles east of Niland; on the north by the main line (Transcontinental route) of Southern Pacific Company; and on the west by a series of imaginary lines drawn from Southern Pacific Station of Wister to Kane Springs on U. S. Highway No. 99; thence south to Plaster City on U. S. Highway No. 80; thence south to the International Boundary Line.
- (b) COACHELLA VALLEY TERRITORY includes that area lying between the Little San Bernardino Mountains and Cottonwood Mountains on the one hand, and the San Jacinto and Santa Rosa Mountains on the other; and bounded on the northwest

APPENDIX "A" (cont'd)

RULE NO. 30 (cont'd)

by Edom on U. S. Highway No. 99 and Indian Wells on State Highway No. 111, and on the southeast by the Riverside-Imperial County Line on U. S. Highway No. 99 and Southern Pacific Company station of Mortmar on State Highway No. 111.

- (c) SALTON SEA TERRITORY includes that area lying directly between the Coachella and Imperial Valleys, as these latter are defined above.
- (d) LOS ANGELES-HYNES TERRITORY includes that area embraced by the following:

Beginning at the point where State Highway No. 27 (Topanga Canyon Road) meets the Pacific Ocean; thence northerly along said highway through Girard until it intersects Los Angeles City boundary line approximately two miles north of Chatsworth; thence northeasterly following said boundary line until it meets the southern boundary of the Angeles National Forest at a point approximately two miles west of Olive View Sanitarium; thence easterly following said Angeles National Forest boundary until it intersects State Highway No. 39 (San Gabriel Forest Highway) north of Azusa; thence southerly on said Highway No. 39 (variously called Azusa Avenue, Glendora Avenue, La Habra Road, and Huntington Beach Boulevard) and passing through Puente and Buena Park to its meeting with the Pacific Ocean at Camewell 1.6 miles southeast of Huntington Beach; thence northwesterly following the coast line to point of beginning.

- (e) SAN DIEGO TERRITORY includes that area embraced by the following imaginary line starting at the northerly junction of U. S. Highways 101E and 101W (4 miles north of La Jolla); thence easterly to Miramar on State Highway 395; thence southeasterly to Lakeside on the El Cajon-Ramona Highway; thence southerly to Bostonia on U. S. Highway No. 80; thence southeasterly to Jamul on State Highway No. 94; thence due south to the International Boundary Line, west to the Pacific Ocean and north along the coast to point of beginning.

RULE NO. 40 - APPLICATION OF RATES

- (a) Rates are for the transportation of shipments as defined in Rule No. 10. Unless otherwise specified rates include loading from stack at point of origin and delivery to stack at point of destination. On truck movements to and from rail cars, rates include, respectively, the loading and unloading of such cars.

APPENDIX "A" (cont'd)

RULE NO. 40 (cont'd)

- (b) Rates named in this Appendix will apply on the following commodities, viz:

Hay and straw, including bean straw compressed in bales; cactus leaves, dried, in packages; fodder (bean, cane, corn or pea), in machine-compressed bales, straight or mixed loads.

- (c) Rates shall be increased by 1-1/4 cents per 100 pounds for the loading of "jack rabbit" hay, as such is defined in the Opinion hereto.

RULE NO. 50 - ACTUAL VERSUS MINIMUM WEIGHTS

When the charges upon a shipment of less than the minimum weight shown herein exceed the charges which would accrue upon this minimum weight, the latter charges will apply.

RULE NO. 60 - ALTERNATIVE APPLICATION OF COMMON-CARRIER RATES

- (a) In the event a common-carrier rate, or a combination of a common-carrier rate with the rates, rules, and regulations provided herein, produces a lower charge from actual point of origin to actual point of destination than the rates, rules, and regulations provided herein, such lower charge shall apply, subject to the provisions of paragraphs (b) and (c) of this Rule.
- (b) In determining the aggregate charge by common carrier as provided for in paragraph (a) of this Rule there shall be added to the rail rates the sum of 25 cents per ton for shrinkage.
- (c) Where the common-carrier rate applies from actual point of origin or to actual point of destination and does not include loading at actual point of origin or unloading at actual point of destination, an additional charge of one cent per 100 pounds shall be made for the performance of each of such services.
- (d) The term "common-carrier rate" as used in this Rule means any intrastate rate or rates of any common carrier or common carriers as defined in the Public Utilities Act, lawfully in effect at the time of shipment together with the minimum weights, rules, and regulations which govern such rate.

RULE NO. 70 - DETERMINATION OF MILEAGES

- (a) Mileages for use in connection with rate scales shown herein shall be based upon the shortest resulting mileage computed via any public highway route and shall be determined as follows:

APPENDIX "A" (cont'd)

RULE NO. 70 (cont'd)

- (1) Between any two points, both located within any one territory as defined herein, use actual highway distances.
 - (2) Between other points use highway distances constructively increased in accordance with Decision No. of
in Part "N" of Case No. 4088.
- (b) In computing mileages all decimals shall be retained until the final result and shall then be disposed of as follows:

Decimals of 0.5 or over shall be counted as one mile.

Decimals of less than 0.5 shall be dropped.

RULE NO. 80 - DEMURRAGE CHARGES

- (a) When the time consumed at point of origin or at point of destination in performing loading, unloading, or accessorial services in connection therewith, exceeds 20 minutes per ton or fraction thereof, a charge of \$2.00 per hour shall be assessed for the time consumed in excess of 20 minutes per ton.
- (b) When, upon order of the consignee or consignor, a truck is stopped and held in transit prior to the start of the physical discharge of its load, for purposes of display or sale of such load, or other cause, a charge of \$1.50 per hour, but not to exceed \$15.00 per period of 24 hours, shall be assessed for the time so consumed in excess of 4 hours.

APPENDIX "A" (Cont'd)

Section No. 2

(a) GROUP RATES IN CENTS PER 100 POUNDS

FROM	T O			
	Los Angeles-Hynes		San Diego	
	Territory		Territory	
	Any	Minimum Weight	Any	Minimum Weight
	Quantity	20,000 Pounds	Quantity	20,000 Pounds
Coachella Valley Territory	39¢	15¢	47¢	18¢
Salton Sea Territory	43¢	17¢	47¢	18¢
Imperial Valley Territory	47¢	18½¢	41¢	16¢

(b) MILEAGE RATES IN CENTS PER 100 POUNDS

Miles		Any	Minimum Weight
		Quantity	20,000 Pounds
Not over 5		17	4½
Over 5 but not over 10		19	5
" 10	" 20	22	5½
" 20	" 30	24	6
" 30	" 40	27	7
" 40	" 50	29	8
" 50	" 60	30	9
" 60	" 70	31	10
" 70	" 80	32	11
" 80	" 90	33	12
" 90	" 100	34	13
" 100	" 120	37	14½
" 120	" 140	39	16
" 140	" 160	41	17
" 160	" 180	43	18
" 180	" 200	45	18½
" 200	" 220	47	19
" 220	" 240	49	19½

APPENDIX "B"

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