

Decision No. 30410

ORIGINAL

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 Canned Goods, Soap, and articles
grouped therewith, published by The
Atchison, Topeka and Santa Fe Railway
Company; Pacific Freight Tariff Bureau,
J. P. Haynes, Agent; and Southern Pacific
Company.

Case No. 4264

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

Case No. 4088

Part "W"

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

Case No. 4145

Part "H"

G. E. Duffy and R. E. Wedekind, for respondents in Case 4264
H. M. Wade, for Wade Transportation Co. and McClain Truck Co.
Roy B. Thompson and Edward M. Berol, for Truck Owners'

Association of California

T. G. Differding, for Oakland Chamber of Commerce
Edwin G. Wilcox and Walter Rohde, for San Francisco Chamber
of Commerce

J. J. Deuel, for California Farm Bureau Federation

J. L. Roney, for S & W Fine Foods, Inc.

L. H. Wolters, for Golden State Co., Ltd.

P. J. Shaw, for Swift & Co.

W. L. Wolford, for Clorox Chemical Co.

L. N. Fites, for Durkee's Famous Foods

William Gisler, for Eureka Commission Co.

H. W. Hendrick, for Pacific Coastwise Conference

For other appearances in Cases 4088 and 4145 see Decision
No. 30370 of November 29, 1937, in those proceedings.

BY THE COMMISSION:

O P I N I O N

Upon consideration of protests from The Truck Owners' Association of California and the Pacific Coastwise Conference the Commission suspended the operation of schedules naming proposed reduced rates for transportation by railroad of canned goods, soap, and articles grouped therewith, between San Francisco and related points on the one hand and points in southern California on the other¹ (Case 4264). The Commission also set aside parts of proceedings which had previously been instituted involving rates of highway contract carriers, radial highway common carriers and common carriers, in order that the rates of all for-hire carriers competing for the traffic might be considered concurrently (Parts "W" of Case 4088 and "E" of 4145). The three matters were consolidated and heard at San Francisco before Examiners Warren K. Brown and Howard G. Freas on November 30 and December 1 and 2, 1937.

The present rail rates are 26 cents per 100 pounds subject to a minimum of 36,000 pounds on all the commodities and between all the points involved. Those proposed are 22 cents on canned goods and 20 cents on soap and the related articles, subject in each instance to a minimum of 50,000 pounds.² Between the San Francisco Bay and southern California ports the rates by vessel are 18 cents; between

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The Truck Owners' Association of California is a non-profit corporation having in its membership a large number of radial highway common and highway contract carriers; the Pacific Coastwise Conference is a non-profit association whose membership is comprised of carriers operating vessels between points in California and elsewhere. A list of the commodities and a description of the territory involved are contained in Appendix "A" hereof.

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The proposed rates are intended to alternate with and not to supersede the presently effective rates. It should be noted that while they produce lower ton-mile earnings they produce higher car-mile earnings than those now in effect.

the San Francisco Bay ports and Los Angeles they are 23 cents.³

Rates for this transportation by highway contract or radial highway common carriers have not heretofore been established and are not filed with the Commission. The record shows, however, that those generally assessed either approximate or are somewhat below the applicable rail rates. In many instances additional services are performed for which additional charges are not always made.

The filing of the suspended rates is said to have been motivated by a steady diversion from the rail lines of the traffic involved.⁴ At first the diversion was to both highway and water carriers; later it was to trucks exclusively. For some time reductions were withheld in deference to the water carriers whose rates were represented as being at an irreducible minimum. Upon discovering, however, during labor disturbances when the water lines' cargo was temporarily diverted to the rails that practically the entire tonnage was moving by truck, the rail lines decided that consideration of the water lines was no longer proper. They, thereupon, made proposals to shippers on successively lower bases and concluded that the rates here under suspension were the highest that would return to them what they believed to be their rightful share of the traffic. Cost investigations previously made satisfied the rails that those rates were proper.

The rail lines argued that if any discrimination existed under present conditions it lay in the fact that a rate of 22 cents was in effect from canneries at San Jose, Niles, Newark and Stockton

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To these rates must be added certain charges not incurred in land transportation.

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Although these commodities were formerly transported by the Southern Pacific Company in large quantities, during the first six months of 1937 that carrier transported but one carload of soap and washing compound northbound and 91 carloads southbound between the points in issue. Moreover, a substantial portion of the southbound movement is said to have been obtained because of maritime trouble during two of the months involved. Of canned goods, likewise, that carrier's southbound movement amounted to but 83 cars.

and not from the San Francisco Bay group.⁵ They introduced extensive testimony to show that the proposed rates returned not only the direct or out-of-pocket costs of performing the service but that they were in excess of full costs.⁶ While the study is in many respects based upon averages, the witness testified that the operating ratio experienced in the transportation of these commodities was more favorable than that experienced with freight as a whole. The rail lines also introduced a number of rate comparisons, a study calculated to show that a difference in carload minimum weights had a definite monetary value, and another indicating that the cost to the shipper in making rail as compared with truck shipments was increased by the following amounts: (a) labor loading .41 cents, (b) labor bulkheading .17 cents, (c) material bulkheading .28 cents, (d) distribution cost 7.72 cents, and (e) labor unloading .41 cents per 100 pounds. The witness admitted, however, that not all shipments required bulkheading. The distribution cost likewise is only applicable under particular circumstances. The study embraced a limited number of shipments.

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Experience with these rates is said to have demonstrated the wisdom of publishing rates of the volume of those here proposed. During the first six months in 1937 the Southern Pacific Company secured 483 carloads from these points at a 22 cent rate as contrasted with 83 from the San Francisco Bay area at the 26 cent rate.

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The following is taken from Exhibit
W H 2:

	Between Long Beach and		
	Stockton (a)	Oakland (b)	San Francisco (c)
Cost of Hauling Canned Goods and Soap Per 100-lbs.			
Direct or out-of-pocket cost	9.02¢	9.35¢	9.07¢
Add 35.9% to cover overhead operating expenses,	<u>3.24</u>	<u>3.36</u>	<u>3.26</u>
Pro rata operating expense statement	12.26	12.71	12.33
Add 42.7% to cover taxes and return on investment	<u>5.24</u>	<u>5.43</u>	<u>5.26</u>
Full cost including average proportion of all charges involved.	17.50¢	18.14¢	17.59¢

Eight shipper witnesses, all of whom were called by the rail lines, testified. Although their plants are served by rail, six of them ship entirely or almost entirely by truck. One did not divulge the rates paid by his company; the others testified that they paid from 23 to 26 cents per 100 pounds.⁷ Each of them made split shipments for which some paid no extra charge and others as much as \$2.50 each if in the same city and \$5.00 if in different cities. They use trucks largely because of speedier deliveries, the ability to make split shipments, and the volume of the rate. A number of the witnesses testified that the lower weight minima accorded by the truck lines had definite value but that this value could not be stated in cents per 100 pounds. They differed somewhat in their opinion of the cost to them of loading rail cars as compared with the cost of loading trucks. Each of the witnesses testified that if the proposed rates became effective they would route substantial portions of their tonnage over the rail lines. Most of them indicated that if the trucks made comparable reductions the amounts to be diverted to the rails would probably be less than otherwise, but there can be no doubt that if the proposed rates were made effective the rail lines tonnage would increase substantially regardless of what rates the trucks might establish. How the traffic would move if the present rail rates were maintained and truck rates established sufficiently higher to compensate for the additional service the record does not show.

Fred E. Chesnut, senior engineer for the Commission, introduced an exhibit (WE 1) in which he found (a) "a reasonable approximation of drayage cost in the average California city for the movement of property between team track and industry * * * \$.07 per 100 pounds for the first mile of haul, plus \$.005 per 100 pounds for each addi-

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One paying 26 cents during the last month paid 23 cents for several years prior thereto and 21 cents before that.

tional mile." (b) approximately the same cost for loading and unloading rail cars as for loading and unloading trucks (c) a cost of motor truck refrigeration of from \$.001145 to \$.00319 per 100 pounds for the first mile and from \$.000028 to \$.000054 per mile thereafter (d) a cost of \$.853 per added stop or \$.0127 per 100 pounds for making split deliveries with motor trucks and (e) a cost of \$1.08 per hour for performing accessorial services not specifically dealt with under divisions (a) to (e) inclusive.

Protestants contended that the proposed rates were in violation of Sections 13, 13 $\frac{1}{2}$, 19, 32 and 32 $\frac{1}{2}$ of the Public Utilities Act and were insufficient, unjust and unreasonable, discriminatory and not justified by transportation conditions. They frankly conceded that the rail lines should be in a position to compete for this traffic but argued that the proposed reduction would force a corresponding reduction by truck and would thus not help the rails but would result in a needless sacrifice of revenue for all concerned. They agreed also that differences in service should be compensated for by differences in rates but urged that rates be fixed for all forms of transportation on a level that would enable them to compete freely.

Representatives of the Truck Owners' Association concurred in Mr. Chesnut's conclusions respecting split shipments and loading and unloading. They expressed no opinion as to his other conclusions. They did, however, introduce a number of exhibits among which was one intended to show that the free time allowed by railroads in loading or unloading cars had a monetary value of from .8 cents to 1.33 cents per 100 pounds.

A witness for the Pacific Coastwise Conference testified that in shipping by vessel charges ranging from 64 cents to \$2.08 per ton had to be paid in addition to the ocean, ocean-rail or ocean-

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truck rates. Even after allowing for accessorial services this witness urged that steamer rates be at least 20% below rail rates to compensate for so-called "nuisance factors".⁹

No study was introduced to show the cost of transporting this property by vessel but a witness testified that the water carriers could not reduce their rates and that if the suspended rates were permitted to become effective or if the differential was in any manner reduced the water lines would have to forego the traffic entirely.¹⁰

Exhibit UV 2 introduced in previous phases of Cases 4088 and 4145 by Mr. Chesnut was by stipulation made a part of the record in the suspension proceeding herein (Case No. 4264). This exhibit shows that truck costs between the points involved are substantially in excess of the present rail rates.

It is not contended that the suspended rates are on a reasonable maximum level.¹¹ Indeed, a study of the tariffs and of rate

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These charges are made up of such items as switching, truck tonnage tax, wharfage, insurance, toll, carloading, drayage and handling. They vary according to the kind and quantity of the traffic and the points between which it moves.

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"Nuisance factors" are said to embrace slower service, greater claim hazard, additional strapping, restricted diversion, infrequent sailings and extra handling.

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Canned goods is said to be second in volume and soap to be an important part of the tonnage of the only remaining water line activity soliciting traffic between these points.

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Section 13 $\frac{1}{2}$ of the Public Utilities Act provides as follows:
"Nothing herein contained shall be construed to prohibit any common carrier from establishing and charging a lower than a maximum reasonable rate for the transportation of property when the needs of commerce or public interest require. However, no common carrier subject to the jurisdiction of the California Railroad Commission may establish a rate less than a maximum reasonable rate for the transportation of property for the purpose of meeting the competitive charges of other carriers or the cost of other means of transportation which shall be less than the charges of competing carriers or the cost of transportation which might be incurred through other means of transportation, except upon such showing as may be required by the Commission and a finding by it that said rate is justified by transportation conditions; but in determining the extent of said competition the Commission shall make due and reasonable allowance for added or accessorial service performed by one carrier or agency of transportation which is not contemporaneously performed by the competing agency of transportation."

histories and comparison of record is convincing that the present rates are less than maximum reasonable rates. Are then the rail lines, under the circumstances, here justified in publishing the suspended rates? There is in this record no evidence even suggesting that "the needs of commerce or public interest require" rates lower than the present rates. Moreover, respondents in Case 4264 have filed with the Interstate Commerce Commission and this Commission applications requesting authority to make a horizontal increase of 15% in all rates which would include the suspended rates on canned goods and soap, if found justified, as they claim they are sorely in need of additional revenue. Thus these respondents are here attempting to justify rates of 20 cents on soap and 22 cents on canned goods, and, at the same time, applying to this Commission for authority to increase those rates to 23 cents and 25½ cents, respectively. Their inability to obtain a fair share of the traffic here under consideration is due not to the level of the rates so much as it is due to a lack of competitive equality with the trucks. The right of carriers, within reasonable bounds, to meet competition is recognized in Section 13½ of the Public Utilities Act and in numerous decisions of this Commission.¹² Our conclusions, hereinafter reached, will place the rail carriers substantially on a competitive basis with the trucks. The suspended rates will be ordered cancelled.

¹² See for example, In re, Suspension of rates relating to the transportation of cement and cement clinkers, 39 C.R.C. 523.

We turn now to the level of the rates to be maintained by the competing carriers. There is no basis in this record for disturbing the water rates. Differentials between water and rail rates cannot be increased without changing the presently effective rail rates and this would necessitate going beyond the scope of these proceedings. Minimum rates for highway carriers under Section 10 of the Highway Carriers' Act may not "exceed the current rates of common carriers for the transportation of the same kind of property between the same points." Thus the base rates for highway transportation between points served by rail lines may not exceed 26 cents per 100 pounds. Where, however, as here the truck carriers are permitted to maintain lower than normal rates for the purpose of meeting the rates of the rail lines and the services of the truck carriers include something that may be evaluated which the rail rates do not, additional charges must be provided.

The showing made by the rail lines as to the value of a lower minimum weight is not convincing. The lower rates subject to higher minima may have been published for economic reasons as well as for the accomodation of shippers. Moreover, a check of the tariffs will disclose numerous instances where a minimum weight has been reduced without any change in rate. Neither is the record convincing that the free time allowed by the rail lines for loading and unloading cars has a monetary value that can be measured in dollars and cents. It does show however that in addition to the 26-cent base rate highway carriers should make the following charges when additional services are performed:

- (a) 85 cents per pick-up or delivery in excess of one per shipment,
- (b) 1 1/2 cents per 100 pounds for refrigeration,
- (c) a charge of 2 cents per 100 pounds for other than tailgate loading and a like charge for other than tailgate unloading,

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(d) \$1.00 per man per ~~person~~ ^{hour} for performing accessor-
ial services other than those referred to in sub-divisions
(a) to (c) inclusive.

In order that the rail lines may not be at a disadvantage in competing for traffic originating at or destined to off-rail points certain absorption provisions will be permitted. There is no proposal to go below 20 cents on soap and 22 cents on canned goods. However, an absorption of 6 cents on the former and 4 cents on the latter commodity is justified.

Upon consideration of all of the facts of record, we are of the opinion and find:

1. That the rates under suspension in Case No. 4264 have not been shown to be justified, except to the extent indicated above.

2. That the rates, rules and regulations provided in Appendix "A" attached to the order herein are justified and should be established as the just, reasonable and non-discriminatory minimum rates, rules and regulations for radial highway common carriers and highway contract carriers;

3. That radial highway common carriers and highway contract carriers will not for the future be justified in charging, collecting or observing rates, rules or regulations lower in volume or effect than those provided in said Appendix "A".

ORDER

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

IT IS HEREBY ORDERED that The Atchison, Topeka and Santa Fe Railway Company, Pacific Freight Tariff Bureau, J.P. Haynes, Agent, and Southern Pacific Company be and they are hereby ordered and direct-

ed to cancel Items 1780-G, 1790-C, 1810-E and 8420-D of The Atchison, Topeka and Santa Fe Railway Company Tariff No. 12375-0, C.R.C. No. 690; Items 1720-D, 1730-B, 1770-B, 1800-A, 1810-A, 1815-G, 1820-B, 14970-A, 14980-A, 14990-A, 15000-A, 15030-A, 15040-A, 15050-A, 15055-A, 15060-A and 15065-A of Supplement No. 60 to Pacific Freight Tariff Bureau Tariff No. 30-N, C.R.C. No. 592 (L. F. Potter series); Items 2440-C, 2450-E, 2475-C, 2480-E, 2510-C, 2570-E, 19520-A and 19530-A of Supplement No. 129, and Item 2570-F of Supplement No. 131 to Pacific Freight Tariff Bureau Tariff No. 34-0, C.R.C. No. 656 (L. F. Potter series); and Items 1580-P, 1590-K, 1600-X, 1620-M, 8766-B, 8767-M and 1600-Y of Southern Pacific Company Tariff No. 730-D, C.R.C. No. 3353, on or before ten (10) days from the effective date of this order, on not less than one (1) day's notice to the Commission and to the public, and that upon cancellation of said schedules the order of suspension and investigation in Case No. 4264 be vacated and the proceeding discontinued.

IT IS HEREBY FURTHER ORDERED that the rates, rules and regulations provided in Appendix "A" attached hereto and hereby made a part hereof be and they are hereby established and approved, effective ten (10) days from the effective date of this order, as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged by any and all radial highway common carriers and highway contract carriers, as defined in the Highway Carriers' Act, for the transportation or service for which rates or charges are provided 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, be and they are hereby ordered to cease and desist on or before ten (10) days from the effective date of this order, 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 the Commission shall have and it does hereby retain jurisdiction of Cases Nos. 4038 and 4145 for the purpose of establishing or approving the just, reasonable and non-discriminatory maximum or minimum or maximum and minimum rates, charges, classifications, rules and regulations to be charged, collected and observed by radial highway common carriers and highway contract carriers both for transportation service hereinabove described and for such other transportation and accessorial service 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 twenty (20) days from the date hereof.

Dated at San Francisco, California, this 13th day of December, 1937.

William H. Meyer
Leon G. Gentry
Donald R. Allen
Paul W. Gentry
Ray L. Kelly

Commissioners.

APPENDIX "A"

NAMING MINIMUM RATES, RULES AND REGULATIONS

FOR THE TRANSPORTATION OF

CANNED GOODS, SOAP, LARD AND OTHER ARTICLES AS DESCRIBED HEREIN

BETWEEN

CERTAIN TERRITORIES IN CALIFORNIA

DESCRIBED HEREIN

Item No. 10 - Explanation of Technical Terms

(a) COMMON CARRIER RATE 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 or rates.

(b) POINT OF ORIGIN means the precise location at which property is loaded or to be loaded in or on equipment of the carrier for transportation.

(c) POINT OF DESTINATION means the precise location at which property is discharged or to be discharged from the equipment of the carrier.

(d) SHIPMENT means a quantity of freight received from one shipper on one shipping order or one bill of lading at one point of origin at one time for one consignee at one destination. (See Rules Nos. 80 and 90 for exceptions).

(e) TAILGATE LOADING means loading of the shipment into carrier's equipment from a point not more than 25 feet distant from said equipment.

(f) TAILGATE UNLOADING means unloading of the shipment from carrier's equipment and placing it at a point not more than 25 feet distant from said equipment.

Item No. 20 - Application of Rates

Rates provided in this appendix apply for transportation of shipments from point of origin to point of destination including tailgate loading and tailgate unloading. Whenever split delivery is performed, or any accessorial service is rendered, additional charges shall be assessed in accordance with Items Nos. 80, 90 and 100.

Item No. 30 - Territorial Application

(a) Rates on Canned Goods and other articles as described in Paragraph (a) of Item No. 40 apply between territory described in Paragraph (a) of Item No. 50 on the one hand and territory described in Paragraph (b) of Item No. 50 on the other hand.

(b) Rates on Soap and Lard and other articles as described in Paragraph (b) of Item No. 40 apply between territory described in Paragraph (a) of Item No. 50 on the one hand and territory described in Paragraph (c) of Item No. 50 on the other hand.

Item No. 40 - Description of Commodities

(a) Canned Goods and other Articles, viz.:

Beans and Pork
Breads
Brine
Broths
Butter, fruit
Butter, peanut (peanut paste)
Buttermilk (not casein) not otherwise specified

Item No. 40 - Description of Commodities (Continued)

Catsup
Chili, ground
Chowders
Cocoanut, not desiccated
Corn
Dressing, salad
Fish, cooked, pickled or preserved, with or
without fruit or vegetable ingredients
Fish Roe, cooked, pickled or preserved
Fruit (not fresh), crushed
Fruit (not dried, evaporated or fresh), in liquid
other than alcoholic liquor
Hominy
Jam
Jelly
Juice, clam
Juice (not syrup), fruit, unfermented
Juices, tomato
Juice, vegetable
Macaroni (prepared), with or without cheese, meat
or vegetable ingredients
Meats, cooked, cured or preserved, with or without
cereal or vegetable ingredients
Milk (condensed or evaporated), liquid
Milk (not malted), dry or powdered
Mince Meat
Molasses or Syrup (except coloring, flavoring,
fruit, malt, or medicated)
Mustard (prepared)
Oil, olive or salad
Olives
Paste, tomato
Pectin, fruit or vegetable
Pickles (Cauliflower, Cucumber, Dill Weed, Kraut,
Mangoes, Onions and Tomato)
Pie Preparations (fruit in syrup or in paste form
compounded with flour or sugar and flavored)
Pimientos (canned peppers)
Puddings
Pulp, fruit or vegetable
Puree, tomato
Ravioli (prepared), with or without cheese, meat
or vegetable ingredients
Rice-and-milk, cooked
Sandwich Spread
Sauces, Condiments or Relishes, prepared, N.C.S.
Sausage
Soups
Spaghetti (prepared), with or without cheese, meat
or vegetable ingredients
Syrups
Vegetables (not dehydrated, dried, evaporated nor
fresh)
Vermicelli (prepared), with or without cheese, meat
or vegetable ingredients
Vinegar
Welsh Rarebit

Item No. 40 - Description of Commodities (concluded)

(b) Soap and Lard and other articles, viz.:

Acid, Boracic
Borax (Sodium Borated)
Cleaning, scouring or washing compounds
Disinfectants, other than medicinal
Drain pipe solvent
Lime (calcium) viz.: chlorinated lime (chloride
of lime, bleach or bleaching powder)
Lye, concentrated
Soap
 Soap chips
 Soap, liquid
 Soap, powders
 Sodium (soda), viz.: washing soda (washing
 crystals), washing powders
Lard, solid, not otherwise specified
Lard Substitutes, not otherwise specified
Oil, salad
Oil, cooking

Item No. 50 - Territorial Descriptions

(a) Beginning at the point the Ventura County-Los Angeles County boundary intersects the Pacific Ocean, and following north-easterly along said boundary to the point it intersects State Highway No. 118, approximately two miles west of the unincorporated town of Chatsworth; thence easterly along the northerly border of State Highway No. 118 to San Fernando; thence northeasterly along the north-erly border of the county road known as MacLay Avenue to the point it intersects the southerly boundary of Angeles National Forest; thence southeasterly and easterly along the southerly boundary of Angeles National Forest and of San Bernardino National Forest to the point it intersects the county road known as Mill Creek Road; thence westerly along the southerly border of said county road to Redlands; thence southeasterly along the northerly border of Reservoir Street and of U. S. Highway No. 99 to the point it intersects the county road known as Redlands Boulevard; thence easterly along the northerly border of said Redlands Boulevard to and including the unincorporated town of Yucaipa; thence westerly and northwesterly along the southerly borders of said Redlands Boulevard, U. S. Highway No. 99 and Reservoir Street to Redlands; thence westerly along the southerly border of Brookside Avenue and the county road known as Barton Avenue to the point Barton Avenue intersects the county road extending southerly and westerly to the county road known as La Cadena Drive; thence southerly and westerly along the southerly border of said county road to the point it intersects La Cadena Drive; thence southerly along the easterly border of La Cadena Drive to Riverside; thence southeasterly and easterly along the northerly border of State Highway No. 60 to the point it intersects the county road extending southeasterly to San Jacinto; thence southeasterly along the east-erly border of said county road to San Jacinto; thence southerly along the easterly border of the county road known as San

Item No. 50 - Territorial Descriptions (concluded)

Jacinto Avenue to State Highway No. 74; thence westerly along the southerly border of State Highway No. 74 to Hemet; thence southerly along the easterly border of the county road known as State Street to the point it intersects the county road extending westerly to the county road known as Washington Avenue; near the unincorporated town of Winchester; thence westerly along the southerly border of said county road to Washington Avenue; thence southerly along the easterly border of Washington Avenue to the point it intersects the county road extending westerly and southwesterly to U. S. Highway No. 395 near Temecula; thence westerly and southwesterly along the easterly border of said county road to U. S. Highway No. 395; thence southerly along the easterly border of U. S. Highway No. 395 to the San Diego-Riverside County Line; thence along said county line to the intersection of said line with the Orange County-San Diego County Line; thence south along said line to the Pacific Ocean; thence north and west along the said ocean to the point of beginning.

(b) San Francisco and related points, viz.: San Francisco, Oakland, Martinez, Pittsburg, Los Medanos, Stockton, San Jose, Santa Clara, Mulford, Walnut Creek, Estudillo, Hayward, Decoto, Antioch, Alameda, Luther, San Leandro, Richmond, Lodi, Pablico, Nichols and points between.

(c) San Francisco and related points, viz.: San Francisco, Oakland, Santa Clara, San Jose, Luther, San Leandro, Richmond, Walnut Creek, Port Chicago, Pittsburg, Martinez, Avon, Los Medanos, Stockton, Sacramento and points between.

Item No. 60 - Rates

(a) For transportation in shipments weighing 30,000 pounds or more, the minimum rate shall be 26 cents per 100 pounds.

(b) For transportation in shipments weighing less than 30,000 pounds, the minimum rate shall be the lowest common carrier rate for the same transportation of the same shipment of property from and to the same points.

(c) When the charges accruing on a shipment based upon actual weight exceed the charges computed upon a rate based upon a greater unit of minimum weight, the latter shall apply.

Item No. 70 - Alternative Application of Common Carrier Rates

In the event a common carrier rate for the same transportation of the same shipment of property from and to the same points results in a lower aggregate charge than the charge resulting from the application of the rates provided herein, such lower charge shall apply.

Item No. 80 - Split Pick-up

A shipment may consist of several component parts, picked up during one day and transported under one bill of lading or shipping document from (a) one consignor at more than one point of origin, or (b) more than one consignor at one or more points of origin, subject to the following conditions:

(1) The composite shipment shall be consigned and delivered to one consignee at one point of destination.

(2) Charges shall be paid by the consignee.

(3) Point of Origin of each component part shall be located (a) within 1 mile laterally of the shortest constructive highway route from the most distant point of origin to point of destination, or (b) within the corporate limits of any city traversed by the shortest constructive highway route from the most distant point of origin to point of destination, or (c) on an authorized route of or within the corporate limits of any city traversed by an authorized route of any common carrier or common carriers operating from the most distant point of origin to destination and maintaining rates for the same transportation.

(4) Charge for the composite shipment shall be the charge applicable for a single shipment of the same kind and quantity of property from the highest rated point of origin to point of destination, plus an additional charge of 85 cents for each pick-up more than one.

(5) Prior to the first pick-up the carrier shall be furnished with manifest of written shipping instructions showing the name of each consignor, the point of origin and the kind and quantity of property in each component part.

(6) No shipment shall be accorded both split pick-up and split delivery.

Item No. 90 - Split Delivery

A shipment may consist of several component parts delivered to (a) one consignee at more than one point of destination, or (b) more than one consignee at one or more points of destination, subject to the following conditions:

(1) The composite shipment shall be shipped by one consignor at one point of origin.

(2) Charges shall be prepaid by the shipper.

(3) Point of destination of each component part shall be located (a) within one mile laterally of the shortest constructive highway route from point of origin to the most distant point of destination, or (b) within the corporate limits of any city

Item No. 90 - Split Delivery (concluded)

traversed by the shortest constructive highway route from point of origin to the most distant point of destination, or (c) on an authorized route of or within the corporate limits of any city traversed by an authorized route of any common carrier or common carriers operating from point of origin to the most distant point of destination and maintaining rates for the same transportation.

(4) Charge for the composite shipment shall be the charge applicable for a single shipment of the same kind and quantity of property from point of origin to the highest rated point of destination, plus an additional charge of 85 cents for each delivery more than one.

(5) At time of tender of shipment carrier shall issue a single bill of lading or shipping document for the composite shipment, and be furnished with manifest or written delivery instructions showing the name of each consignee, the point of destination, and the kind and quantity of property in each component part.

(6) No shipment shall be accorded both split pick-up and split delivery.

Item No. 100 - Accessorial Charges

(a) Whenever loading or unloading other than tailgate loading or tailgate unloading is performed, an additional charge shall be made of not less than 2 cents per 100 pounds for each of such services.

(b) Whenever refrigeration service is furnished, an additional charge shall be made of not less than $1\frac{1}{2}$ cents per 100 pounds.

(c) Whenever accessorial services other than those hereinbefore provided for are performed, an additional charge shall be made of not less than \$1.00 per man per hour.

END OF APPENDIX "A"