

Decision No. 30640

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 regula-
tions of all Radial Highway Common
Carriers, and Highway Contract Car-
riers, operating motor vehicles 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 transporta-
tion.

Case No. 4088
Part "F"

ORIGINAL

In the Matter of the Investigation
and Establishment of rates, charges,
classifications, rules, regulations,
contracts, and practices, or any
thereof, of Common Carriers of grain
and grain products, and related ar-
ticles.

Case No. 4118

R.S. Myers and G.E. Collins, for Southern Pacific Golden Gate
Ferries, Ltd.
Carl R. Schulz and Frank A. Somers, for San Francisco Grain
Trade Association.
Carl R. Schulz and J.E. McCurdy, for Poultry Producers of
Central California.
Carl R. Schulz, for W.E. Riske, Otis Roe, E.C. Swanson and
San Francisco Milling Co. Ltd.
H.C. Grundell, for Pacific Coast Railway Co.
J.C. Stone and McCutchen, Olney, Mannon & Greene, by F.W. Mielke,
for The River Lines and Napa Transportation Co.
Thomas S. Louttit and J. Richard Townsend, for Stockton Traffic
Association, City of Stockton, Stockton Port District,
Stockton Chamber of Commerce and San Joaquin County Farm Bureau
Federation.
J. Richard Townsend, for Freighters, Inc.
J.E. Lyons, for Southern Pacific Company, Northwestern Pacific
Railroad Company, Petaluma and Santa Rosa Railway, Visalia
Electric Railway, San Diego and Arizona Eastern Railroad Com-
pany, Pacific Motor Transport Company, Santa Maria Valley
R.R. Co. and Pacific Electric Railway Company.
Frank Karr, for Pacific Electric Railway Company.
Berne Levy and G.E. Duffy, for The Atchison, Topeka and Santa
Fe Railway Company, Alameda Belt Line, Central California
Traction Co., Modesto and Empire Traction Co., Sunset Railway,
Santa Fe Transportation Co.
J.L. Amos, Jr., and L.N. Bradshaw, for The Western Pacific Rail-
road Company, Sacramento Northern Railway, Tidewater Southern
Railway Company, Delta Finance Co. Ltd.
Edwin G. Wilcox, for San Francisco Chamber of Commerce and for
Oakland Chamber of Commerce.
Roy B. Thompson and Edward M. Berol, for Truck Owners Association
of California.
C.S. Connolly for Albers Bros. Milling Co.
Fred Meikelbeck, for Albers Bros. Milling Co.
F.J. Coulter, for Mt. Lassen Transit Company.

McCarthy, Richards & Carlson, by Cameron Wolfe, for Key System, East Bay Street Railways, Ltd., Oakland Terminal Railroad Company.

John P. McLaughlin, for Highway Drivers of California.

R.P. McCarthy, for Globe Grain and Milling Co., California Grain and Milling Co. and Hart-Zill Grain Co.

J.B. Costello and M.R. Moon, for Sperry Flour Company and Ira P. Lamb.

E.J. Forman, for Los Angeles Grain Exchange, Southern California Millers Association, California Hay, Grain and Feed Dealers Association.

F.A. Somers, for Grangers Business Association.

J.S. Granuccio, for Nevada California Transportation Co. and Nevada Commercial Motor Carriers of Nevada.

R.F. Ahern, for Rosenberg Bros. and Company.

E.R. Warren, for Schuler-O'Connell Grain Company.

A. Larsson and H.L. Howland, for Quincy Railroad Company.

Sanborn & Roehl and Clair MacLeod, by Clair MacLeod, for California Western Railway and Navigation Company.

W.E. Kessler, for Coast Line Stages, Inc.

Chas. A. Bland, for Board of Harbor Commissioners of Long Beach.

Wm. Gissler, for Los Angeles-Long Beach Despatch Line.

H.W. Hendrick, for Pacific Coastwise Conference.

T.G. Differding, for Oakland Chamber of Commerce.

W.G. Stone, for Sacramento Chamber of Commerce.

W.B. Ferguson, for Ira P. Lamb.

E.J. Forman, for California Hay, Grain and Feed Dealers Association, Los Angeles Grain Exchange, and Globe Grain and Milling Co.

L.M. Fites, for Durkee's Famous Foods, Inc.

E.R. Warren and Carl R. Schulz, for California Hay, Grain and Feed Dealers Association.

E.J. Bischoff, for Southern California Freight Lines and Southern California Freight Forwarders.

Harold W. Dill, for The Truck and Warehouse Association of San Diego and Imperial Counties.

R.S. Sawyer and R.E. Crandall, by R.E. Crandall, for Associated Jobbers and Manufacturers.

L.E. Stewart, for California Cotton Oil Corporation, J.G. Boswell Company and Producers Cotton Oil Company.

C.F. Reynolds, for Port of San Diego, San Diego Chamber of Commerce and San Diego Grain Dealers.

E.A. Maher, for Automotive Council of Orange County.

G.M. Hunton, for Valencia Truck Company, Santa Ana.

The foregoing appearances were entered in Case No. 4118. For reference appearances in Case No. 4088 see Decision No. 29915 of July 1, 1937, Decision No. 30010 of August 9, 1937, Decision No. 30025 of August 9, 1937, Decision No. 30370 of November 29, 1937 and Decision No. 30404 of December 13, 1937: in Parts "Q", "T", "R", "U-V" and "L", respectively.

BY THE COMMISSION:

O P I N I O N

These proceedings have for their object the establishment of minimum rates for the transportation of grain, grain products and

related articles by highway carriers, and the determination of whether or not rates presently maintained by common carriers for transportation of the same commodities are lower than reasonable and sufficient rates or are otherwise unlawful.¹

Public hearings were held before Examiner Howard G. Freas at San Francisco and at Los Angeles. Thereafter the examiner issued a proposed report and several interested parties filed exceptions thereto. Our conclusions differ to some extent from those contained in the proposed report.²

¹

The terms "grain" and "grain products" were used rather loosely throughout these proceedings. It appears that the witnesses generally had in mind the commodities covered by those designations in the tariffs of the rail carriers and it is in that sense that the terms are used in this opinion. For a detailed list, see Pacific Freight Tariff Bureau Tariff No. 240-B, C.R.C.No. 622(L.F.Potter series).

²

The findings and conclusions contained in the proposed report, are, substantially as follows:

- (a) That, based upon the cost studies and other evidence of record, the rates set forth specifically in Appendix "A" of the proposed report are the lowest rates which would be compensatory to reasonably efficient truck operators and should be prescribed as minimum rates for radial highway common and highway contract carriers, but that said carriers should be permitted to apply rates maintained by common carriers for the same transportation if lower aggregate charges would result thereby.
- (b) That the so-called "temporary" rates of common carriers, established to meet the then unregulated motor truck competition and bearing an expiration date, were unreasonably low, insufficient and not justified by actual competitive transportation rates of competing carriers nor by the costs of other means of transportation, to the extent they were less than the so-called "permanent" or non-expiring rates contemporaneously maintained for the same transportation.
- (c) That said rates set forth specifically in Appendix "A" of the proposed report should be established as the just, reasonable and non-discriminatory minimum rates for radial highway common and highway contract carriers.

History and Extent of Grain Industry in California

The importance of the production of grain in this State requires at least a brief sketch of its history. Prior to about 1900 the Sacramento and San Joaquin and other smaller valleys were devoted principally to the raising of grain, particularly wheat. The average annual production from 1878 to 1897 exceeded 35,000,000 bushels. On at least four occasions more than 40,000,000 bushels were produced. As the population of the State increased, much of the land formerly devoted to the raising of wheat was employed in the production of other grains, as well as fruits, vegetables and other agricultural products, with a resultant decline in the production of wheat. Thus wheat production declined steadily to a low of 4,200,000 bushels in 1913. Since 1913 it has shown an upward trend. During the four years 1926 to 1929 inclusive, the average yearly production was 13,569,000 bushels.

While the turn of the century marked the beginning of a rather pronounced decline in wheat production, the annual supply of California barley, the principal grain crop in recent years, began to increase quite steadily. From 1868 to 1898 annual barley production ranged from slightly in excess of 7,000,000 bushels to a little over 20,000,000 bushels. Thereafter, annual production figures varied from a low of approximately 15,000,000 bushels to a high of over 46,000,000 bushels. For the 1935-1936 season the state supply amounted to 935,736 tons (approximately 38,989,000 bushels). Of this amount 879,408 tons were produced during the season and 56,328 tons carried over. This supply was about 25 per cent greater than the average for the preceding 10 years.

In addition to wheat and barley, California also produces

oats, corn and sorghum, although the production of these grains is relatively small. Approximately 4,000,000 bushels of oats and 3,000,000 bushels each of corn and sorghum are produced annually.

Formerly a large portion of the wheat produced in California was exported. At the present time the State consumes more than it produces. Accordingly wheat must be shipped in from other states to supply the needs of consumers, as well as for blending purposes. During the four year period 1926 to 1929 inclusive, an average of 5,127,000 bushels was brought into California. Of this movement 79.5 per cent was by rail and 20.5 per cent by water. During the same period, 2,469,000 barrels of flour were brought into the State. On the basis of 4.5 bushels of wheat to one barrel of flour, the flour and wheat importations together amounted to an equivalent of 16,220,000 bushels. The flour movement was 41 per cent by rail and 59 per cent by water. The estimated importation for 1936 of wheat and of flour in wheat equivalent is 19,000,000 bushels. Since California is a deficit state the price of wheat is based on prices in primary markets east thereof, plus the freight rate to California.

Practically no barley is imported; on the other hand a very substantial quantity is exported, particularly to Europe. During the 1934-1935 season, considerable barley was also shipped to eastern states. However, according to a witness representing the barley exporters in this State, the tonnage shipped to eastern states during that season was greatly in excess of normal, due to drought conditions in the producing territories from which these states normally obtain their supply.

The principal grain producing areas in northern and central California are in the Sacramento, San Joaquin and Salinas valleys and in the territory south of the Salinas Valley to San Luis Obispo. In southern California grain is produced in the Imperial and Palo Verde valleys.

There are over 500 mills in the State engaged in the processing or manufacture of grain into the various commodities which move in commerce. ³ Warehouses and elevators engaged partly or wholly in the storage of grain are located throughout the State but principally at water terminals or adjacent to the centers of production.

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The names and locations of the principal milling and feed plants together with their approximate daily production are:

	FLOUR bbls. <u>Per Day</u>	FEED tons <u>Per Day</u>
Adin Flour Milling Co.- Adin	40	
Albers Bros.- Oakland & Los Angeles		
Barnes, W.- Kelseyville		
California Milling Co.- Los Angeles	1,000	300
Capital Milling Co.- Los Angeles	500	
Cia Harmera de Mexicali- Calexico	50	
Creighton, J.E. Flour Mill- Glenburn	75	
Cranshaw & Graham- Modesto	50	
Etna Flour Mills- Etna	25	
Etna Scotts Valley Flour Mills- Etna		
El Molino Mills- Los Angeles	25	
Eastern Sierra Milling- Bishop	75	
Fall River Milling Co.- Fall River	75	
Fort Jones Roller Mills- Fort Jones	80	
Globe Grain & Milling Company:		
Los Angeles	1,100	650
Colton	400	
Sacramento	400	
San Diego	400	
San Francisco	1,100	
Jack, J.A. - Bieber	40	
Lacy Milling Co.- Sanford	140	
Mount Shasta Milling Co.- Montague	50	
North Star Milling Co.- Chico	75	
Odbert, W.A.- Lake City	60	
Phillips Milling Co.- Sacramento	300	
Poultry Producers of Central California		
McKinley Bros.- Middletown	30	
Sperry Flour Company:		
Vallejo	3,600	500
Los Angeles		650
San Miguel Flour Mills- San Miguel	100	
Taylor Milling Co.- Los Angeles		
V.O. Milling Co.- Los Angeles	700	300
Yuba City Milling Co.- Yuba City	200	

Grain exported from the State moves chiefly through the port of Stockton, San Francisco Bay ports and Los Angeles Harbor.

Generally speaking, the movements of grain in this State fall into three classes: first, those from the fields (harvester dumps) to roadside stock piles or to warehouses not far removed from the fields; second, those from roadside stock piles to warehouses or between warehouses; and third, those from roadside stock piles or warehouses to mills, ports and terminals. The movements from the fields (harvester dumps) and from roadside stock piles to warehouses are seasonal and are performed by motor truck; the others occur throughout the year and are participated in by truck, rail and water carriers. Grain products move from ports, jobbing centers and mills to various destinations and in various quantities by all means of transportation. What portion of all the grain and grain products shipped is transported by for-hire carriers and what portion by proprietary carriers, the record does not show.

Present Common Carrier Rate Structure

In early California days, the San Joaquin and Sacramento rivers were navigable for much greater distances inland than they are today and grain and grain products produced in the areas adjacent to these rivers moved almost wholly by barge and vessel. With the advent of rail service, competition arose and rate wars ensued. The effects of these wars are still reflected in the rate structure.⁴ The competition of water carriers operating on the high seas between northern and southern California ports with land carriers has likewise had its effect upon the rate structure. As late as 1927, the Commission found that water-borne grain through the port of Los Angeles was a controlling

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Pacific Rice Growers Association vs. A.T. & S.F. Ry., et al., 19 C.R.C. 248, contains a history of this conflict. The following quotation is from page 253:

"***When the railroad lines entered this territory it was the occasion for the commencement of a rate war between rail carriers on the one hand and water carriers on the other unprecedented in the history of western transportation. The effect of these rate wars is still reflected in the present day freight rates."

factor in the construction of rail grain rates from northern and central to southern California.⁵

Adjustments made by the carriers, both voluntarily and upon order of the Commission, have had further important influences upon the rate structure.⁶ Various groupings and relationships were established in order that these commodities might move freely to the consuming markets.

Taking the State as a whole, probably the greatest single influence upon the grain and grain products rate structure of today has been the competition between motor trucks and the older forms of transportation. Indeed it is not uncommon to find rates less than one-half of the volume they were before this competition was felt, and while a portion of this downward trend may well be attributed to other factors, there is no doubt that truck competition has played a most important part in bringing it about.

In the latter part of 1935, the rail carriers, alleging a loss to unregulated truck carriers of approximately 80 per cent of their grain and grain products tonnage, sought and secured from the Commission authority to establish for a temporary period reduced rates to meet the then unregulated motor truck competition. These rates were published to expire at the end of that current grain season. Under these "temporary" rates, flour, which formerly was generally rated higher than grain, was placed on the grain level. The groupings of origin and destination points were not disturbed although the rate differentials between competing mills were changed somewhat. The expiration date of these rates was several times extended under appropriate

⁵ Albers Bros. vs. Southern Pacific Co., 30 C.R.C. 866.

⁶ Among the more important proceedings in which this Commission prescribed grain rate adjustments or rates in relation thereto are the following:

Albers Cases, 20 C.R.C. 1, 20 C.R.C. 723, 27 C.R.C. 684, 29 C.R.C. 366, 30 C.R.C. 866; California-Hawaiian Milling vs. Southern Pacific Co., 31 C.R.C. 665; The River Lines vs. Rio Vista Lighterage Co., Case 3617 et al; and various others.

authorization of the Commission, upon representations made by the rail carriers that there had been no material change in the competitive situation. As now published, they will expire May 31, 1938.

In Grain and Grain Products, 205 I.C.C. 301, (decided October 22, 1934), the Interstate Commerce Commission found the interstate rail rates in California not unreasonable but required certain adjustments in commodity groupings and other minor changes. The rail tariffs issued in accordance with that Commission's decision became effective July 1, 1935. The principal changes resulting from the interstate order were the establishment of rates on flour equal in volume to the then current so-called permanent grain rates and the publication of rates on cereal food preparations and on seed based on percentages of the grain rates. Minor changes were also made in the temporary interstate rates. These adjustments were extended to California intrastate traffic under appropriate authority from this Commission.

At the present time a number of California rail and water lines maintain two schedules of rates for movements of grain and grain products in carload quantities, the so-called permanent rates and temporary rates. The temporary rates are the same for all articles covered thereby, whereas in general the permanent rates on cereal food preparations and certain other articles are approximately 115 per cent of the rates on grain and grain products. The temporary rates are published to expire May 31, 1938. In many instances they are as much as 25 per cent lower than the permanent grain rates. There are also in effect certain specific commodity rates which supersede both the temporary and permanent rates.⁷

⁷ The River Lines maintains permanent grain rates from Knights Landing and points north thereof to San Francisco Bay points, Port Costa, South Vallejo and Petaluma differentially under rail rates at common and opposite points. However it proposes to increase such rates from Knights Landing to and including Colusa by amounts of $\frac{1}{2}$ cent and 1 cent per 100

In general the carload rail rates are subject to minima of 60,000 pounds on grain, 40,000 pounds on flour and mill feeds and from 30,000 to 40,000 pounds on other commodities. Ordinarily they permit milling, cleaning, storing, or otherwise treating in transit. Excepting where consignors or consignees are located on rail facilities such carload rates do not include pick-up or delivery nor do they include loading or unloading.

Less carload rail rates are generally provided for both terminal to terminal and pick-up and delivery services. They include loading and unloading but do not include transit.

Carload or quantity rates of inland and coastwise water carriers are subject to varying minima and generally apply from terminal to terminal only. Less than carload or any-quantity rates are provided for both terminal to terminal and pick-up and delivery services. Neither of the latter include milling or otherwise treating in transit but do include loading and unloading.

Radial highway common carriers and highway contract carriers perform both a pick-up and a delivery service. As a rule they either assist in or do all the loading and unloading. The record shows that the rates assessed by these carriers are sometimes higher and sometimes lower than the rail rates between the same or nearby points but that the general practice is to assess rail carload rates on truckload shipments of grain moving between points in the general vicinity of the rail depots.

Truck Cost Studies

Some nineteen exhibits dealing with the general problem of developing the reasonable minimum cost of transporting grain and grain

(concluded)

pounds. Above Colusa no increases are proposed. Even after the increases, these rates, according to a witness for The River Lines, would not return the cost of performing the service.

products by motor truck were introduced and 8 witnesses testified on this subject. Some of these cost studies present rather complete pictures of the problem and treat the various elements involved in considerable detail. Others deal with specific phases of the subject.

Fred H. Chesnut, Senior Engineer for the Commission, presented three exhibits pertaining to the cost of truck operation. The first, Exhibit F-1, develops costs in cents per 100 pounds for the movement of whole grain in equipment of from 5 to 20 tons carrying capacity, under varying operating conditions and for varying lengths of hauls; the second, Exhibit F-7, deals with the selling prices of various types and sizes of motor equipment employed by operators engaged in transporting grain; the third, Exhibit F-19, supplements Exhibit F-1 and in addition develops the cost of transporting various grain products and related articles.

J.B. Costello and N.R. Moon, General Traffic Manager and Assistant General Traffic Manager, respectively, for Sperry Flour Company, presented nine exhibits pertaining to the cost of truck operation. Of these five exhibits (F-13, F-14, F-20, F-21 and F-28) deal with the operations of Ira P. Lamb;² three (F-15, F-16 and F-25) cover trucking operations conducted by Sperry Flour Company with its own trucks, and one (F-24) is a general cost exhibit. Taken together, these exhibits cover the detailed development of costs experienced in the operation of some 24 units of motor truck equipment for the movement by for-hire and plant facility trucks of grain products, and mixed shipments of grain and grain products, in varying quantities and for graduated distances, between points in both the northern and southern parts of the State. Two of the exhibits (F-14 and F-21) portray the results of an elaborate time study conducted for an aggregate period of 375 days on 14 trucks employed in the Lamb operation. Exhibit F-20 develops the difference in time between deliveries made to second floors

² Exhibit F-20 dealing with Lamb's operations, presented by W.B. Ferguson, is treated as a part of the Costello-Moon study.

and basements on the one hand and ground floors on the other.

Witnesses Costello and Moon, as well as witness Chesnut, treated the matter of split deliveries and developed the added cost of performing such service under varying conditions.

Roy B. Thompson, Secretary Manager for The Truck Owners' Association of California, testified that he had conducted an investigation embracing the operations of 24 carriers engaged in the transportation of grain, these carriers using equipment capable of carrying 5,10,15 and 20 ton loads. With but minor reservations he concurred in the conclusions contained in Chesnut's Exhibit F-1. Later, the witness presented Exhibit F-18, which is an analysis of the costs of six carriers operating some 88 units of trucking equipment. In this study he developed costs in dollars per ton for 30,000 and 40,000 pound units for various lengths of haul, employing a load factor of 50 per cent. He made considerable effort to determine the added cost occasioned by the use of unpaved "country roads," and operation in "fields" off the highway where sandy and otherwise poor surface conditions obtain. He also gave consideration to the relative cost of transporting whole grain in bulk compared with grain in sacks.

In the following tabulation the costs developed by witnesses Chesnut, Thompson and Moon are compared.

Costs in Cents per 100 Pounds				
Vehicle Capacity (Pounds)	Length of Haul, in Miles			Increment per 100 lbs. per mile
	50	100	200	
Chesnut's Ex. F-19-Whole Grain				
10,000	10.75	20.10	39.00	.1875
20,000	8.08	14.70	27.88	.1321
30,000	7.06	12.60	23.60	.1104
40,000	6.94	12.21	22.82	.1057
Thompson's Ex. F-18-Whole Grain				
30,000	8.25	13.97	24.86	.1126
40,000	7.45	12.58	22.84	.1026
Chesnut's Ex. F-19-Grain Prods.				
20,000	9.55	16.19	29.40	.1321
30,000	8.64	14.15	25.15	.1104
24,000*	9.19	15.37	27.68	.1233
Moon's Ex. F-14-Grain Prods.				
24,000	9.11	15.84	29.30	.1346

*Interpolated between 20,000 and 30,000 pounds for purposes of comparison.

Wallace H. Riske, a contract carrier operating a fleet of 12 trucking units, introduced an exhibit (F-8) to show the cost during 1935 of operating 10 of such units which, he said, were used almost exclusively for hauling grain and feed. He arrived at an average cost per unit per truck mile (loaded or empty) of 17.9 cents. There is no information in the exhibit from which the average length of haul or the load factor experience can be ascertained, hence the reduction of such truck mile costs to a cents per 100 pounds or per ton mile basis is impossible.⁹

J. E. McCurdy, Traffic Manager for Poultry Producers of Central California, presented two exhibits (F-3 and F-26) dealing with proprietary trucking costs. Exhibit F-3 shows the estimated cost to his company of operating a 15-ton truck for the first three months of 1936. It shows a total expense for that period of \$994.43 and a mileage of 9758 miles, or a cost of 10.2 cents per truck mile.¹⁰ Exhibit F-26 covers the operation of a 23-ton capacity truck and trailer unit during January and February, 1937. It shows a unit cost per mile for January of 15.958 cents and for February of 15.342 cents. Assuming a load factor

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Several items of expense such as office salaries and expense, helpers' wages, compensation and other insurance incident to drivers' and helpers' wages, cargo insurance and gross revenue taxes appear to have been omitted from Riske's exhibit. Moreover there are several discrepancies. Drivers' wages for the 12 units operating 574,700 miles are shown to be \$24,563.17 or \$.0428 per mile. The ten units hauling grain ran a total of 423,900 miles. At \$.0428 per mile an expense for drivers' wages of \$18,142.92 would result while the exhibit shows a total for this item of but \$14,563.17. Depreciation is said to be calculated on the basis of 25 per cent per annum on truck and tractor units on a stated investment of \$5450.00 and 10 per cent on trailers on an investment of \$1900.00. This calculation produces a unit charge of \$1550.00 per year or \$15,500.00 for the fleet of 10 units which is \$2820.75 more than the annual depreciation item shown in the exhibit.

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No allowance is made for loaders' wages, storage of the vehicle, supervision, record and clerical expense, personal property taxes, compensation insurance, federal unemployment reserve, retirement benefits or cargo insurance.

of 50 per cent, these costs would be 1.388 cents and 1.354 cents per ton per mile respectively. It will be noted, however, that the witness has prorated such items as insurance, registration taxes and interest on a mileage basis, whereas such items are fixed expenses which are not affected by the distance the equipment is operated.

Several other exhibits covering specific elements of operating costs, such as load factor, loading and unloading time, and time lost through delays and deadheading of equipment were introduced and some oral testimony on this subject was received. Some of this evidence indicates that a load factor in excess of 50 per cent may be realized. On the other hand, some of it is to the effect that even this figure is too high. The combined loading and unloading time factors used by witness Chesnut of 7 minutes per ton for whole grain and 14 minutes per ton for grain products were also challenged, it being asserted that figures as low as 5 minutes per ton and 8.8 minutes per ton, respectively, are experienced in actual operation.

Rate Testimony

Numerous witnesses testified concerning the volume and application of minimum rates for radial highway common and highway contract carriers and of reasonable and sufficient rates for common carriers. Although much of the testimony was cumulative, it was addressed to practically all phases of the rate problem confronting the Commission in these proceedings. Four different scales of distance rates were suggested, two for application in connection with the movement of whole grain and two for the transportation of whole grain and grain products in mixed loads.

W.S. Johnson, Assistant Rate Expert for the Commission, presented a study (Exhibit F-17) showing minimum rates for the movement of whole grain in lots of 40,000 pounds between representative points in California by radial highway common and highway contract carriers sufficient in volume to return the transportation costs developed in witness

Chestnut's Exhibit F-1. He also showed existing rail rates for the purpose of comparison. The so-called "truck cost rates" developed in Exhibit F-17 are frequently lower than either the permanent or the temporary rail rates for distances up to 100 miles; for greater distances they are generally higher than the rail rates.

Witness Moon submitted two mileage scales of rates for the transportation of grain and grain products (grain only as a component part of a mixed load of grain products) by highway carriers in lots of 10,000, 20,000, 30,000 and 40,000 pounds. These scales were based on costs developed by this witness in Exhibits Nos. F-13, F-14 and F-21. The first set of distance rates (Exhibit No. F-22) was intended for application to so-called single delivery shipments, with an additional charge of 30 cents per ton where split deliveries are performed; the second (Exhibit No. F-23) for application on both straight and split loads with no additional charge for split deliveries. The same basic costs per ton per mile were used in constructing the scales shown in the two exhibits but different amounts were added for loading, unloading and lost time.

J.J. Deuel, representing the California Farm Bureau Federation, suggested a scale of rates for the transportation by highway carriers of whole grain in lots of 15,000 pounds and over. It started at 6 cents per 100 pounds for hauls up to 10 miles and progressively increased $\frac{1}{2}$ cent per 100 pounds for each 10 miles thereafter. While this scale apparently has no particular relation to the cost of performing the service, it would, according to the witness, result in charges somewhat higher than those being paid highway carriers as high as the carriers can hope to obtain in competition with shipper-owned trucks.

The following tabulation affords some basis of comparison of the various scales with one another as well as with present rail rates:

Rates are in cents per 100 pounds							
To:	(1)	(2)	(3)				
San Francisco	Highway	Johnson's Study	Moon's Studies	Deuel's Study	Rail	Carload Rates	
	Miles	Min.Wt.	Min.Wt.	Min.Wt.	Min.Wt.	Min.Wt.	
		40000	40000 lbs.	15000	60000	60000	
From		lbs.		lbs.	lbs.	lbs.	
			F22	F23			
Stockton	117	13½	10	10½	11½	7½	—
Sacramento	133	15½	11½	12	12½	10½	10
Marysville	165	18½	14	14½	14	15	12
Chico	211	24	16	16½	16½	19	14
Red Bluff	237	26	18	18	17½	20	16
Los Banos	140	16	11½	12	12½	12½	8½
Bakersfield	321	35	23½	23½	21½	17½	15

To: Los Angeles							
From							
Stockton	377	41½	27	27	24½	21½	19
Sacramento	425	46½	30	30½	27	31½	21½
Marysville	475	51½	33½	34	29½	35	24½
Chico	521	56½	36½	37	32	38	27
Red Bluff	561	60½	39	39	34	38	30½
Los Banos	324	36	23	24	21½	21½	16
Bakersfield	143	17½	13	13	12½	15	12½

- (1) Highway distances shown are calculated in accordance with Decision No. 30000 of August 9, 1937, in Part "N" of Case No. 4088. Rates in the various proposals which were computed on different mileage plans have been adjusted to conform with the basis established by said decision.
- (2) Rates shown are modified to reflect the costs developed in Exhibit F-1 as amended by Exhibit F-19.
- (3) Rates for distances in excess of 200 miles are projected using the same progression as that employed for distances under 200 miles.

J.C. Stone, Traffic Manager for The River Lines, strongly advocated the establishment of minimum rates for radial highway common and highway contract carriers on a basis not lower than that necessary to return the costs developed in the Chesnut study (Exhibit F-1) subject to the permanent rail rates as maximum. He pointed out that the justifica-

Under Section 10 of the Highway Carriers' Act the Commission in establishing minimum rates for the radial highway common carriers and highway contract carriers may not "exceed the current rates of common carriers for the transportation of the same kind of property between the same points."

tion for the establishment and maintenance of the temporary or emergency rates which he characterized as "unduly and unreasonably low" was to meet unregulated motor truck competition and that with the establishment of minimum rates for the heretofore unregulated carriers there would no longer be any reason for permitting common carriers to maintain temporary rates, or rates lower than their permanent scale, except to the extent necessary to meet the minimum highway rates so established. The witness called attention to the fact that the grain rates of the inland water carriers between points on the inland waters as far upstream as Sacramento and Stockton on the one hand and San Francisco Bay points, Port Costa, South Vallejo and Petaluma on the other hand were prescribed by the Commission as minimum rates.¹² He recommended also that the present relationship of rail grain rates to Port Costa and South Vallejo and to San Francisco and East Bay terminals be maintained in the establishment of minimum rates for radial highway common and highway contract carriers. Truck Owners Association of California concurred in the testimony and suggestions of witness Stone with respect to the volume and application of minimum rates for highway carriers and reasonable and sufficient rates for common carriers.

¹³
A large number of shipper witnesses testified. Generally

12

Decision No. 26406 of October 9, 1933, and as amended in Case No. 3617 and related proceedings.

13

They include:

Frank A. Somers, President, San Francisco Grain Trade Association.
Leo B. Hart, Partner, Hart-Hill Grain Company
E.R. Warren, Manager, Schuler-O'Connell Grain Company.
J.E. McCurdy, Traffic Manager, Poultry Producers of Central California.
C.S. Connolly, Western Traffic Manager, Albers Bros. Milling Co.
J.B. Costello, General Traffic Manager, Sperry Flour Co.
R.P. McCarthy, Commercial Traffic Manager.
R.D. Lytle, North Pacific Coast Millers Association.
E.G. Wilcox, Oakland and San Francisco Chambers of Commerce
E.W. Thompson, Globe Grain and Milling Co.
E.J. Forman, Los Angeles Grain Exchange; California Hay, Grain & Feed Dealers Association; Globe Grain and Milling Co.
L.H. Stewart, Traffic Consultant, representing California Cotton Oil Co., J.C. Boswell Co. and Producers Cotton Oil Corporation.
F.F. Miller, Traffic Manager, California Milling Co.
B.E. Carmichael, President, Carmichael Traffic Corporation.

speaking, they favored the maintenance of rail rates of the volume and application of the present rail temporary rates, with transit privileges, and the establishment of truckload minimum rates for radial highway common and highway contract carriers sufficient in volume to return the cost of performing the service subject to the present rail temporary rates as maximum. They desired to see the highway minimum rates applicable on the same commodity groupings as those published in the rail tariffs and advocated the establishment of the same blanketing arrangement of producing points as is now maintained by the rail lines. They stated that any increase in the volume of the present temporary rail rates would, first, tend to divert a large portion of the grain traffic now moving by for-hire carriers to proprietary trucks; second, decrease foreign sales of California barley and increase purchases of this commodity from Chili, India, Australia and North Africa with which barley produced in this State is said to compete; third, decrease the amount of California grain used by local millers in favor of grain produced in Idaho and the Northwest; fourth, compel poultry and animal feed dealers to discontinue business because of increased prices on feeds; fifth, increase the producers' costs through higher transportation rates which, they asserted, cannot be passed on in the form of increased grain prices; sixth, increase the costs of the production of eggs, poultry and pork;¹⁴ and seventh, result in serious confusion in determining the applicability of intrastate rates versus interstate rates between points in the State due to the fact that the interstate rates (now the same as the intrastate rates) would not be affected by

13 (concluded)

H.C.Grundell, Pacific Coast Company and Pacific Coast Railway.
J.V. Covell, Poultrymen's Cooperative Assn. of Southern California.
J.J. Deuel, California Farm Bureau Federation.

14 Witness Deuel estimated the cost of feed in relation to other costs in the production of eggs, poultry and pork as follows:

	<u>Eggs</u>	<u>Poultry</u>	<u>Pork</u>
Feed	60%	65%	70%
Labor	20%	20%	15%
Other Costs	20%	15%	15%

the order of this Commission.

Witness Forman, Traffic Manager for Globe Grain and Milling Company, differed with the view expressed by the majority of the shippers in the matter of the volume of the truckload minimum rates for the highway carriers, expressing the opinion that they should be differentially higher than the rail carload rates. For less truckload traffic he suggested rates of approximately the same volume as the rail class rates. Similarly, witness Deuel suggested the scale to which reference has already been made. The latter witness urged that in fixing minimum rates consideration be given not only to truck costs but to the needs of producers, buyers and consumers of these commodities as well.

The rail lines expressed a desire to continue in effect the present temporary rates. They contended that these rates are necessary to meet the competition of motor carriers engaged in the transportation of grain and grain products between points in California in interstate commerce, which transportation they state is not now subject to regulation under the interstate Motor Carrier Act of 1935. They further contended that these rates are necessary to forestall proprietary competition and if maintained will increase the volume of tonnage moving via rail or at least enable them to retain that which they now enjoy.

The rails also urged that in fixing rates for highway carriers consideration be given to the accessorial services rendered by those carriers but not generally accorded by the rail lines. Among these services, they asserted, are loading and unloading, picking-up and delivering split shipments and additional transportation beyond the regular termini of the rail lines. M.C. Smith, Commerce Agent for Southern Pacific Company, expressed the opinion that from $1\frac{1}{2}$ to 3 cents per 100 pounds should be added to the temporary rail rates in constructing minimum

rates for highway carriers to cover the added cost of transporting grain from the field instead of from the rail head. However, he offered no evidence to indicate that the additional charge he suggested properly reflects the added cost of performing the service. In fact, no evidence was offered by the rail lines in support of their position that the temporary rates are necessary to meet either proprietary competition or for-hire interstate competition.

Transit Privileges:

The privilege of stopping, storing, cleaning, milling and otherwise treating traffic in transit rests upon the fiction that the incoming and the outgoing transportation services, which are in fact distinct, constitute a continuous shipment of the identical article from point of origin to final destination.¹⁵ It has long been extended by the rail carriers in connection with the movement of grain and grain products. While this privilege is not extended by radial highway common and highway contract carriers, the Commission in fixing minimum rates for such carriers may not exceed the current rates of common carriers for the transportation of the same kind of property between the same points.

Considerable effort was expended through cross-examination of various shipper witnesses in an attempt to develop an average value of transit. A plan of fixing truckload minimum rates differentially lower than common carrier rates by an amount of 2 cents per 100 pounds to offset the value of the transit privileges extended by the rails was also suggested.

Witness Costello presented two exhibits (F-30 and F-31) depicting in detail the billing and rating beyond the transit point of numerous carload rail shipments to California destinations and the

¹⁵ Central Railroad Company vs. United States, 257 U. S. 247,257.

fluctuation in the value of transit. Based upon his study of the immediate problem and in the light of many years' experience in the handling of transit problems, the witness recommended that the Commission defer final consideration of the fixation of any arbitrary differential for trucks under rails to offset the value of transit or of the prescription of transit privileges in connection with minimum truck rates until after the basic transportation rates have been fixed.

Minimum Rates for Highway Carriers

Minimum rates for highway carriers should be sufficient to give reasonably efficient operators a fair chance of earning the cost of performing the transportation service, thus enabling them to maintain facilities adequate to serve public needs, but not so high as to restrict or impede the movement of these commodities in commerce.

No single cost study introduced in these proceedings can be used as an infallible measure of the cost of truck operation. Of necessity, cost studies must be based upon averages of several variable conditions, such as load and use factors, and upon estimates of the probable period of usefulness of equipment, obsolescence and replacement costs. Wide variations in cost studies are attributable in many instances to the manner of allocating overhead costs, as to the proper method of which cost accountants often disagree. Moreover, two operators will seldom experience identical costs for the same transportation. However, each of the cost studies available in the record contributes valuable information concerning truck operating costs, and all of them, taken collectively would seem to indicate the approximate level of rates necessary under ordinary conditions to return to efficient operators the reasonable minimum cost of performing the service.

The truckload rates suggested in the proposed report are in general lower than those which the cost studies of record indicate as

necessary for a compensatory operation. They are substantially lower than rates contained in the study presented by the Commission's rate witness. Moreover, for distances up to 100 miles such recommended truckload rates are even lower, in many instances, than the "temporary" rail rates for similar distances. While the suggested rates were assailed on exception as being too high by the grain industry and as being too low by certain of the carriers, it seems clear, from the record, that a reduction below the proposed level of rates at least for the truckload quantities would jeopardize the financial stability of rail and truck carriers alike, would not be conducive to the maintenance of a sound and adequate system of transportation in this State and would be detrimental to the public interest. On the other hand rates higher than those proposed would quite possibly bring about greatly increased proprietary hauling and would conceivably encourage an unwarranted importation of grain from other states. The truckload scale proposed in the report will be adopted, modified slightly by decreasing the size of the mileage blocks. The less-truckload scale will be modified somewhat, to bring it into conformity with class

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COMPARISON OF ESTIMATED COSTS WITH VARIOUS PROPOSED SCALES
FOR 30,000-POUND LOTS OF GRAIN: (In cents per 100 Pounds)

Miles	Chesnut Thompson's Costs	J.J. Deuel Moon(2) Scale(1)	Moon(1) Scale(a)	Moon(1) Scale (b)	Scale in proposed report
10	-	6.0	3.5	3.5	4.5
50	7.06	8.0	7.0	7.5	5.5
100	12.60	10.5	12.0	12.5	9.5
150	18.12	13.0	17.5	18.0	14.5
200	23.60	15.5	21.5	22.0	17.5
300	34.64	20.5	31.5	32.0	25.5

- (1) Witness Deuel's suggested scale of rates was intended for application on quantities of $7\frac{1}{2}$ tons or greater, with no reduction for greater quantities.
- (2) Witness Moon's scales were suggested to apply on grain only as a component part of a mixed carload of grain products.
 - (a) This scale covers straight loads. For split delivery add .30 per ton.
 - (b) This scale covers both straight and split loads. Nothing to be added for split delivery.

rates established in other phases of these proceedings, using for this purpose a rating of 80 per cent of 4th class for grain and 90 per cent of 4th class for "grain products." By an alternative rule authorizing application of rail and vessel rates when lower charges result, highway carriers will be permitted to meet competitive rates of rail and vessel carriers.

The cost of performing many hauls where unusually adverse operating conditions are encountered may well exceed the minimum rates established by the order herein. In such instances truck carriers are not prohibited from charging something in excess of such established minimum rates. On the other hand, peculiarities in operations of some carriers, or unusually favorable operating conditions, may enable truck carriers to transport profitably at less than such established minimum rates for certain hauls. These are situations for which relief under Section 11 of the Highway Carriers' Act may be appropriate¹⁷ or which, when properly brought to the Commission's attention, may warrant the establishment of special "point-to-point" rates for such unusual hauls.

In general the rules and regulations contained in the proposed report appear to be reasonable, well justified by the record and necessary to a proper application of the minimum rates. However, certain of them will be changed, enlarged or clarified, responsive to meritorious suggestions made in the several exceptions, and to make them consistent with rules and regulations governing the application of minimum rates on other commodities.

It was pointed out on exception that the commodity descriptions set forth in the proposed report were somewhat less embracing

¹⁷ Section 11 of the Highway Carriers' Act is as follows:
"If any highway carrier other than a common carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum rates so established, the Railroad Commission shall, upon finding that the proposed rate is reasonable, authorize such rates less than the minimum rates established in accordance with the provisions of Section 10 thereof."

than those maintained by the rails and other common carriers. The latter descriptions are very extensive, including many articles unrelated to grain and grain products in a generic sense, but which are ordinarily handled by the same dealers or included in mixed shipments. In order to enable truck carriers to extend the same mixture privileges as accorded by the rails, and to facilitate use of the alternative application rule, the commodity descriptions in Pacific Freight Tariff Bureau Tariff No. 240, C.R.C. No. 569 (L. F. Potter series) will be substituted.

Community Relationships

One of the most controversial issues involved here is to what extent, if at all, in the establishment of minimum rates for highway carriers, communities should be accorded rates different from those to which they would be entitled under a strict distance basis. Stated in another way the question is: should commercial competition between producing points, mills and consuming markets, be equalized wholly or in part by a departure from the mileage scale method of establishing minimum rates for highway carriers?

It was urged on exception that the mileage scale method of stating rates be discarded in this instance and that a system of point-to point rates be substituted. It was argued that the failure to perpetuate the present rail groupings and differentials by incorporating them in the minimum rates for highway carriers would unduly disturb competitive conditions in the grain industry. This argument presupposes

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The rates in the proposed report were set forth as a mileage scale. Provision was made for computing rates from or to Oakland or San Francisco, as well as from or to other nearby points, on the basis of the shorter mileage from or to either of said cities. Rates from or to Vallejo and Port Costa on the one hand and other points in California on the other hand, were to be based upon the Vallejo or Port Costa mileage, whichever was the shorter. With these exceptions, no attempt was made to create or preserve arbitrary differentials between competing mills or distributing points and each was proposed to be given full advantage of its geographical location.

that the rail rates are, at present, the "going" rates for all forms of transportation. As a matter of fact, however, it is doubtful whether there are today any fixed relationships between competitive points, except as to that traffic which actually moves by rail. In so far as the rates of heretofore unregulated truck carriers are concerned, it does not appear that much consideration has been given to equalizing commercial competition. Rates have been usually quoted for particular jobs or hauls and have been made low enough to get the business, with little regard to the cost of performing the service and less to maintaining fixed community relationships. Proprietary trucking operations cannot by their nature give any recognition to adjusting community relationship by a deviation from the cost basis.

It may fairly be said that the existing rate relationships between competing producing points, mills, distributing and consuming centers are three-fold, ie, those created voluntarily by the rail carriers in connection with their temporary rates,¹⁹ those resulting from past practices of truck carriers in contracting for particular hauls at whatever rate seemed necessary at the moment to obtain the traffic, and those resulting from differences in the cost of performing the service by proprietary equipment, such cost being directly responsive to distance. At the present time the rail rate from a given point to South Vallejo, for example, may conceivably be less than that for which truck operators are willing to haul the tonnage, and less than the cost of performing the transportation in shipper-owned trucks; truck operators may be quoting rates from the same point to Oakland less than the

¹⁹ The permanent rail rates reflected certain uniform and studied relationships between competing milling points. In most instances San Francisco, Oakland and Richmond were accorded a rate parity. Rates to those points from the San Joaquin Valley were usually the same as the corresponding rates to South Vallejo. Rates from the Sacramento Valley to San Francisco, Oakland and Richmond were differentially above the rates to South Vallejo. In publishing the temporary rates the rail carriers preserved the basic community relationship frame-work but altered the volume of the differentials to a considerable extent. In general, the publication of the temporary rates narrowed the differential and thus changed the extent to which commercial competition was equalized in the rail rate structure.

rail rates and less than the cost of proprietary trucking; from the given point to San Francisco transportation in shipper-owned trucks may be the most economical. Manifestly, under these conditions, the volume of the differential changes according to the type of transportation employed and the failure to incorporate in the minimum highway carrier rates the arbitrary system of differentials maintained by the rails cannot be said to prejudice the grain industry or to disturb competitive relationships unduly. The argument that the rail groupings and differentials should be incorporated in the truck rate structure further presupposes that such rail relationships are reasonable and non-discriminatory, whereas in most instances they have been established voluntarily by the carriers, have been changed from time to time, and their propriety has never been adjudicated. Bearing in mind, therefore, that truck operating costs are highly responsive to distance, no further departure from the distance scale of rates appears justified on this record.

Transit

An analysis of the record and of the ramifications of transit itself fails to reveal any method of determining the average value of transit to the shipper. The immediate problem cannot, therefore, be solved by fixing minimum rates for trucks on any uniform differential under rail rates. Moreover, under the provisions contained in the rail tariffs, the intrastate rates of common carriers which establish the maximum beyond which the Commission may not go in fixing minimum rates for the highway carriers provide for the application of interstate rates whenever any portion of the shipment in the outbound car from the transit point moved into the transit point under interstate billing.

As has hereinbefore been pointed out, the record shows that transit privileges have never been extended by truck carriers, and reveals

no disposition on the part of these carriers to render this particular type of service. Nor does the evidence indicate any need or desire on the part of the shipping public for transit in connection with motor truck transportation. Nevertheless in fairness to the truck carriers and in view of Section 10 of the Highway Carriers' Act it is essential that minimum rates for highway carriers be not higher than the rates of the common carriers with which they compete. The only immediate solution of the problem seems to involve the prescription of a scale of minimum rates for radial highway common and highway contract carriers subject to a rule providing that in the event application of the common carrier intrastate rates, rules and regulations contained in tariffs lawfully on file with the Commission for the same transportation of the same shipment of property from and to the same points, results in a lower charge, such lower charge may be applied.

Rates of Railroads, Vessels and Other Common Carriers

The development of the "permanent" rail rates has extended over a period of many years. Some of these rates and relationships have been prescribed by the Commission, others have been voluntarily established by the carriers. The extensive blanketing of grain origin points, the relationships maintained between the various terminals and ports, and the comprehensive commodity grouping arrangement employed in the "permanent" rate structure, evidence the fact that such "permanent" rates were intended to reflect the many competitive problems and conditions surrounding the grain industry in the state. Conversely, it is undoubtedly true that many of the trade practices prevalent in the production, marketing, processing and manufacturing of grain within the state owe their origin and development to the "permanent" grain and grain products rate structure.

The historical development of the rail "permanent" rates

indicates that they successfully met the problems of the grain industry prior to the advent of motor trucks. On this record they should not be disturbed. This applies likewise to the permanent vessel rates and those of common carriers generally.

As previously explained, temporary rates were established by the rails as a temporary expedient only, to meet the then unregulated for-hire trucks. These rates were not predicated upon an alleged need of the grain industry for lower rates nor upon a belief that the "permanent" rail rates were unreasonably high. They were made effective for a limited period only, the sole purpose expressed by the rails being to prevent a further diversion of the grain traffic to truck transportation and to regain traffic already lost. With the fixation of minimum rates for highway carriers, the reason for the maintenance of temporary rail rates disappears. They are now published to expire May 31, 1938, the day before the rates herein established are to become effective. On this record they may not be renewed.

FINDINGS

Upon consideration of all the facts of record, the Commission is of the opinion and finds:

(1) That the rates, rules and regulations provided in Appendix "A" attached to and made a part of the order herein should be established as the just, reasonable and non-discriminatory minimum rates, rules and regulations for the transportation of grain, grain products and related commodities, as described in said appendix, between points in California, by radial highway common carriers and highway contract carriers, and prescribed as the reasonable and sufficient rates for such transportation by highway common carriers.

(2) That temporary rates maintained by common carriers which are lower in volume or effect than the rates established by the order herein as minimum for highway carriers, are unreasonably low, insufficient and not justified by transportation conditions or by the needs of commerce and should be discontinued upon the expiration thereof.

O R D E R

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 rates, rules and regulations set forth in Appendix "A" attached hereto and hereby made a part hereof be and they are hereby established and approved effective June 1, 1938, as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged, collected and observed by any and all radial highway common carriers and highway contract carriers, as defined in the Highway Carriers' Act (Chapter 223, Statutes of 1935), for the transportation of the commodities and within the territory for which rates are provided in said

Appendix "A".

IT IS HEREBY FURTHER ORDERED that all highway common carriers be and they are hereby ordered and directed to establish on or before June 1, 1938, on not less than ten (10) days' notice to the Commission and to the public rates, rules and regulations no lower in volume or effect than those provided as minimum for radial highway common carriers and highway contract carriers 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, and highway common carriers, as defined in the Public Utilities Act, be and they are hereby ordered to cease and desist on June 1, 1938, and thereafter abstain from charging, collecting or observing rates, rules or regulations lower in volume or effect than those set forth or referred to in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that to the extent the rates, rules and regulations herein established are different from those heretofore established in these or other proceedings for the same transportation, the rates, rules and regulations herein established shall apply.

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 "C" hereof, but may include in said freight bill, in addition to the provisions appearing in said form, such other reasonable and lawful provisions as may be deemed proper, and shall retain and preserve for reference, subject to the inspection of the Commission, 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 have and it does hereby retain jurisdiction of these proceedings 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 accessory 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 forty (40) days from the date hereof.

Dated at San Francisco, California, this 14th day of February, 1938.

Matthew M. ...
Leon ...
Frank ...

Ray & Riley
Commissioners.

APPENDIX "A"

NAMING MINIMUM RATES FOR RADIAL HIGHWAY COMMON CARRIERS AND

HIGHWAY CONTRACT CARRIERS

FOR THE TRANSPORTATION OF

GRAIN, GRAIN PRODUCTS AND RELATED ARTICLES

AS DESCRIBED HEREIN

BETWEEN

POINTS IN CALIFORNIA

ITEM NO. 5 - EXPLANATION OF TECHNICAL TERMS

1. POINT OF ORIGIN means the precise location at which property is physically delivered into the custody of the carrier for transportation.
2. POINT OF DESTINATION means the precise location at which property is physically delivered into the custody of the consignee.
3. 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 point of destination. (See Items Nos. 65 and 70 for exception).
4. ESTABLISHED DEPOT means a freight terminal owned or leased and maintained by the carrier for the receipt and delivery of property.
5. RAILHEAD means a point at which property is usually and ordinarily loaded into or unloaded from rail cars of common carriers by rail or facilities of common carriers by vessel. It includes truck loading facilities of plants or industries located at such rail or vessel loading or unloading points.
6. 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 time of shipment, together with the minimum weights, rules and regulations which govern such rate or rates.
7. RATE includes minimum weight, rules, regulations and classification governing.
8. SAME TRANSPORTATION means transportation of the same kind and quantity of property, subject to the same limitations, conditions and privileges, although not necessarily in an identical type of equipment.
9. CARRIER'S EQUIPMENT means any motor truck or other self-propelled highway vehicle, trailer, semi-trailer, or any combination of such highway vehicles operated by the carrier.
10. TAILGATE LOADING means loading of the shipment into carrier's equipment from a point not more than 25 feet distant from said equipment.
11. 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.
12. TEAM TRACK means a point at which the public generally may load and unload rail cars. It also means a point at which the public generally may tender and receive shipments by common carriers by vessel.

ITEM NO. 10 - APPLICATION OF RATES - CARRIERS'

Rates provided in this Appendix are minimum rates, established pursuant to the Highway Carriers' Act and apply for transportation of commodities described in Item No. 20, by radial highway common carriers and highway contract carriers, as defined in said Act.

When property in continuous through movement is transported by two or more radial highway common carriers or highway contract carriers, the rates provided herein shall be the minimum rates for the combined transportation.

ITEM NO. 15 - APPLICATION OF RATES - TERRITORIAL

Rates provided in this Appendix apply between any and all points within the State of California, subject to Note 1.

NOTE 1.-Rates provided in this Appendix do not apply for the transportation of

- (1) Shipments having point of origin in Alameda, Albany, Berkeley, Emeryville, Oakland or Piedmont, and point of destination in another of those cities.
 - (2) Shipments between San Francisco and South San Francisco.
 - (3) Shipments having point of origin in San Diego, Chula Vista, Coronado or National City, and point of destination in another of those cities.
 - (4) Shipments having both point of origin and point of destination within that portion of Los Angeles County within which rates are provided in Decision No. 30600, In Case No. 4121.
-

ITEM NO. 20 - APPLICATION OF RATES - COMMODITIES

Rates provided in this Appendix apply for transportation of the following commodities:

LIST 1:

Grain, dried, viz.:

Barley)	
Buckwheat)	
Bummer)	
Oats)	threshed
Rye)	
Spelt)	
Wheat)	

Corn or Maize (except Pop Corn)

Sorghum Grains, viz.:

Darso)	
Durra)	
Egyptian Wheat)	
Feterita)	
Hegari (Higera))	threshed, or in heads
Kafir Corn)	unthreshed
Kaoliang)	
Milo Maize)	
Shallu)	
Shrock Kafir)	

Screenings from grains specified above, unground, not containing more than 5% Flaxseed.

ITEM NO. 20 - APPLICATION OF RATES - COMMODITIES (Continued)

LIST 2:

Grain Products, dry and uncooked (see Note 1), manufactured, milled, mixed or packed directly from the articles specified in List No. 1 and consisting entirely of material thereof, viz.:

Bran,	Grits,
Brewers' Flakes,	Groats,
Brewers' Grains,	Hominy,
Cake or Meal (except Corn Oil	Hominy Flakes,
Cake or Meal),	Hulls,
Chaff,	Malt,
Chops,	Malt Sprouts,
Clippings,	Mash, spent grain,
Corn Cobs, ground,	Meal, gluten,
Corn Steep Water, solid, dried,	Middlings,
Distillers' Grains,	Mill Feed (Wheat mixed Feed
Elevator Dust,	consisting of Bran, Shorts
Farina,	or Middlings),
Feed, animal or poultry, consist-	Oats, rolled,
ing entirely of whole grain as	Offal,
named in List No. 1, or the	Pummies, chopped or ground,
direct products thereof, as	Red Dog,
named in this list,	Scourings,
Feed, gluten,	Screenings, ground, (from grains
Flour,	specified in List 1, and not
Germ,	containing more than 5% of
Grain, broken, chopped, cracked,	Flaxseed),
crimped, crushed, cut, ground,	Seminola,
hulled, pulverized, rolled,	Shorts,
skinned or split,	Skimmings,

NOTE 1.-Steaming as a preliminary to further process of manufacture to produce articles in this List shall not be considered cooking.

LIST 3:

Seed, viz.:

Broom Corn Seed,	Millet,
Flaxseed,	Rape,
Hemp,	Wild Mustard,

LIST 4:

Feed, Animal or Poultry, and other articles not prepared for human consumption, viz.:

Feed, Animal or Poultry (except cooked or baked cakes, biscuits, or bread - See Note 1), consisting of mixtures or blended products containing 70% or more by weight of two or more of the following articles (except as noted).

Grain or Grain Products specified in Lists 1 or 2,	
Alfalfa)
Barley Hay Feed)
Bean Straw Feed) cut or ground
Clover Feed)
Sorghum Feed)

ITEM NO. 20 - APPLICATION OF RATES - COMMODITIES (Continued)

LIST 4 (Continued)

The following articles not to exceed 70% of the total weight of such prepared animal or poultry feed:

Bran, cottonseed,

Cake or Meal, viz.:

Babassu Nut,

Cocoanut (Copra),

Corn Germ,

Corn Oil,

Cottonseed,

Hemp Seed,

Kapok Seed

Linseed,

Mesquite,

Palm,

Palm Kernel,

Peanut,

Perilla Seed,

Rape Seed,

Sesame Seed,

Soya Bean,

Sunflower Seed,

Tucum Nut,

Velvet Bean,

Hulls, cottonseed, whole
or ground,

Milk or Buttermilk, dried,

Milk, sour skim,

Molasses, viz.: Black Strap,

Beet Sugar Final or Corn

Sugar Final (Hydrol),

Rice Bran, Hulls or Polish,

NOTE 1.-Steaming as a preliminary to further process of manufacture to produce animal or poultry feed as described herein shall not be considered cooking.

Feed, Animal or Poultry, viz.:

Alfalfa, cut or ground, sweetened or unsweetened,

Bono, ground,

Kalp, dried or ground,

Meal, viz.:

Alfalfa,

Bean Straw, sweetened or unsweetened,

Clover,

Fish,

Meat, dried,

Milk or Buttermilk, dried,

Milk, sour skim,

Scrap, fish, ground or pulverized,

Beans, mesquite,

Bran, rice,

Charcoal, crushed or ground, not exceeding 33-1/3% of total weight
of shipment,

Cow Peas,

Grit (ground or crushed rock),

Hulls, cottonseed,

Hulls, rice, whole or ground,

Meal, rice (mixture of Rice Bran and Rice Polish)

Poultry Litter (not exceeding 20% of total weight of shipment) viz.:

Peat Moss,

Redwood Bark, ground,

Pulp, beet, sweetened or unsweetened, dry,

Rice Polish,

Screenings, ground or unground, from flaxseed, and containing not
more than 5% of flaxseed or other seed.

ITEM NO. 20 - APPLICATION OF RATES - COMMODITIES (Continued)

LIST 4 - (Concluded)

Screenings, viz.:

Alfalfa Seed,

Bean,

Millet,

Paddy Rice,

Pea,

Seed, viz.:

Sorghum,

Sunflower,

Sweet Clover (Melilotus),

Vetch,

(1) Shells, crushed,

(1) Shells, clam, mussel or oyster, whole or broken,

Oil, Fish, not to exceed 10% of total weight of shipment.

(1) In mixed shipments only.

LIST 5:

Flour, viz.:

Bean,

Potato,

Rice,

Flour, prepared, edible, manufactured from one or more articles shown in List 1, or Rice Flour, with not to exceed 30% of other ingredients,

Split Peas,

Whole Peas

Lentils,

Tapioca,

Sago,

Macaroni, Noodles) Not fully cooked or

Spaghetti,) ready for human

Vermicelli) consumption

) Provided weight
) does not exceed
) 15% of total
) weight of ship-
) ment.

LIST 6:

Cake or Meal, sweetened or unsweetened, viz.:

Babassu Nut,

Copra (Cocanut),

Corn Germ,

Cottonseed,

Flaxseed (Linseed),

Hemp Seed,

Kapok Seed,

Palm,

Palm Kernel,

Peanut,

Perilla,

Perilla Seed,

Rape Seed,

Safflower Seed,

Sesame Seed,

Soya Bean,

Sunflower Seed,

Tucum Nut,

Velvet Bean,

ITEM NO. 20 - APPLICATION OF RATES - COMMODITIES (Concluded)

LIST 7:

Food Preparations, viz.:

Cereals, cooked (Prepared cereals ready for human consumption but without further cooking)
Bran; bran and wheat combined, flaked; or bran or bran and wheat combined with dried fruit, flaked or shredded,
Corn, roasted,
Flaked or shredded,
Compressed and then crumbled,
Not compressed, in flakes, or in forms not flat,
Flaked wheat and grained flaxseed, combined,
Granulated,
Hollow Forms (Food preparations made of flour and cut from tubes)
Oats, flaked and toasted,
Puffed,
Rice, rolled and toasted,
Cereal (cracked, ground, granulated, hulled or rolled cereals, partially prepared for human consumption, but requiring cooking).
Cereal and Nuts combined (most substitutes)
Food, Infants' or Invalids' Cereal,
Food, prepared,
Salads, Macaroni or Vegetable,

ITEM NO. 25 - SHIPMENTS TO BE RATED SEPARATELY

Each shipment shall be rated separately. Shipments shall not be consolidated or combined, except as authorized in Item No. 65 or Item No. 70.

ITEM NO. 30 - GROSS WEIGHT

Charges shall be assessed on the gross weight of the shipment. No allowance shall be made for the weight of containers.

ITEM NO. 35 - RATES BASED ON VARYING MINIMUM WEIGHTS

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 will apply. For the purpose of applying this Item, any deficiency between actual weight of the shipment and the greater unit of minimum weight shall be charged for at rate applicable to the lowest rated commodity in the shipment.

ITEM NO. 40 - COMPUTATION OF DISTANCES

Distances shall be computed in accordance with Decision No. 30000, dated August 9, 1937, or as may be amended, in Case No. 4088, Part "N". (See Note 1 for exceptions)

NOTE 1.-(a) Distances from or to points located within any incorporated city other than Los Angeles and those cities within the Los Angeles pick-up and delivery zone as defined and bounded in Item No. 100, shall be computed from or to the point designated within the incorporated city limits by a triangle and circle, as shown on the map appended to Decision No. 30000.

(b) Distances from or to points located within Los Angeles pick-up and delivery zone as defined and bounded in Item No. 100, shall be computed from or to the intersection of 1st and Main Streets, Los Angeles.

(c) Distances from or to points located within the city limits of Los Angeles, but outside of the Los Angeles pick-up and delivery zone as defined and bounded in Item No. 100, shall be computed from or to point of origin or point of destination, as the case may be, in accordance with said Decision No. 30000, or as may be amended.

(d) In computing distances, all decimals shall be retained until the final result and then be disposed of as follows:

Decimals of .5 or over shall be counted as 1 mile
Decimals of less than .5 shall be dropped except that
when the aggregate distance is less than .5 of a mile
it shall be considered as 1 mile.

ITEM NO. 45 - DEMURRAGE

When the time consumed at point of origin or point of destination in performing loading, unloading or accessorial services 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.

When carriers furnish helpers in addition to the driver and one helper to perform loading, unloading or other accessorial services, such helpers shall be charged for on the basis of \$1.00 per hour for each helper furnished, minimum additional charge \$.50 per helper in excess of one.

ITEM NO. 50 - MIXED SHIPMENTS

(a) When two or more commodities for which different rates are provided in this Appendix are included in the same shipment, charges shall be computed at the separate rates applicable to each commodity and the minimum weight shall be the highest provided for any of the rates used in computing the charges. Any deficit in weight shall be charged for at the lowest rate provided for any of the commodities in the shipment. In the event a lower charge results by considering such commodities as if they were divided into two or more separate shipments, such lower charge shall apply.

(b) When one or more commodities not described in Item No. 20 are included in a shipment with commodities described in said item, the weight of such contraband articles may be used to make up the minimum weight established for commodities in said item, provided that rates no lower than the minimum rates established by the Commission for the transportation of such contraband articles in a separate shipment, or, if no minimum rates have been established, then no lower than the minimum rates provided by this Appendix for the transportation of the commodities in the shipment described in Item No. 20 be assessed on such contraband articles.

ITEM NO. 55 - PREMIUMS AND ADVERTISING MATTER

(a) The rates on articles in packages containing premiums shall be 110% of the rates applicable to the same articles without premiums.

(b) Advertising matter, not to exceed 5 per cent of the gross weight of the shipment, may be included at the rate applicable to the lowest rated article in the shipment.

ITEM NO. 60 - MINIMUM CHARGE

The minimum charge in connection with rates in this Appendix shall be the charge for 100 pounds at the rate applicable, but not less than the following:

Weight of Shipment	Charge (In cents)
25 pounds or less	40
Over 25 pounds but not over 50 pounds . .	50
Over 50 pounds but not over 75 pounds . .	60
Over 75 pounds but not over 100 pounds .	70
Over 100 pounds	75

ITEM NO. 65 - 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 shipped to one consignee at one time to one point of destination.
- (2) Charges shall be paid by the consignee.
- (3) The composite shipment shall weigh (or transportation charges shall be computed on) not less than 4,000 pounds.
- (4) The charge for the composite shipment shall be the charge applicable for transportation of a single shipment of the same kind and quantity of property for the distance from the first point of origin to point of destination, using the shortest constructive highway route via the several points of origin plus the additional charges provided in paragraph (5). If all component parts are picked up at points taking the same rates within the corporate limits of a single incorporated city, the charges provided in paragraph (5) shall be in addition to the rate applicable from points within such city.
- (5) An additional charge of 1 cent per 100 pounds, minimum 25 cents per pick-up in excess of one, shall be assessed.
- (6) Prior to the first pick-up the carrier shall be furnished with manifest or written shipping instructions showing the name of each consignor, the point of origin and the kind and quantity of property in each component part.
- (7) No shipment shall be accorded both split pick-up and split delivery.

ITEM NO. 70 - 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 time from one point of origin.
- (2) Charges shall be paid by the shipper.
- (3) The composite shipment shall weigh (or transportation charges shall be computed on) not less than 4,000 pounds.
- (4) The charge for the composite shipment shall be the charge applicable for transportation of a single shipment of the same kind and quantity of property for the distance from point of origin to last point of destination, using the shortest con-

ITEM NO. 70 - SPLIT DELIVERY (Concluded)

structive highway route via the several points of destination, plus the additional charges provided in paragraph (5). If all component parts are delivered to points taking the same rates within the corporate limits of a single incorporated city, the charges provided in paragraph (5) shall be in addition to the rate applicable to points within such city.

- (5) An additional charge of 1 cent per 100 pounds, minimum 25 cents per delivery in excess of one, shall be assessed.
- (6) 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.
- (7) No shipment shall be accorded both split pick-up and split delivery.

ITEM NO. 75 - COLLECT ON DELIVERY SHIPMENTS

- (a) In the handling of C.O.D. shipments carrier shall, immediately upon collection of any and all moneys, and in no event later than ten (10) days after delivery to the consignee, unless consignor, in writing, instructs otherwise, remit to consignor all moneys collected by it on such shipment.
- (b) The charges for collecting and remitting the amount of C.O.D. bills collected on C.O.D. shipments shall be as follows:

When the amount collected is				Charge for Collecting and Remitting	When the amount collected is				Charge for Collecting and Remitting
: Charge :				: for :	: Charge :				: for :
: Collect-				: ing and :	: Collect-				: ing and :
: Remit-				: ting :	: Remit-				: ting :
: will be :					: will be :				
Not over \$2.50				\$0.18	Over \$180.00 not over \$200.00				\$0.89
Over \$2.50 not over \$5.00				.20	200.00 " "	250.00			1.00
" 5.00 " "	10.00			.28	" 250.00 " "	300.00			1.15
" 10.00 " "	20.00			.30	" 300.00 " "	350.00			1.30
" 20.00 " "	25.00			.32	" 350.00 " "	400.00			1.45
" 25.00 " "	40.00			.37	" 400.00 " "	450.00			1.60
" 40.00 " "	50.00			.40	" 450.00 " "	500.00			1.75
" 50.00 " "	60.00			.50	" 500.00 " "	550.00			1.90
" 60.00 " "	80.00			.52	" 550.00 " "	600.00			2.05
" 80.00 " "	100.00			.54	" 600.00 " "	650.00			2.20
" 100.00 " "	102.50			.68	" 650.00 " "	700.00			2.35
" 102.50 " "	105.00			.70	" 700.00 " "	750.00			2.50
" 105.00 " "	110.00			.73	" 750.00 " "	800.00			2.65
" 110.00 " "	120.00			.75	" 800.00 " "	850.00			2.80
" 120.00 " "	140.00			.77	" 850.00 " "	900.00			2.95
" 140.00 " "	150.00			.80	" 900.00 " "	950.00			3.10
" 150.00 " "	160.00			.85	" 950.00 " "	1,000.00			3.25
" 160.00 " "	180.00			.87	1,000.00 at rate of				
					\$3.25 per \$1,000.00				

ITEM NO. 80 - ALTERNATIVE APPLICATION OF COMMON CARRIER RATES

Rates in this appendix shall alternate with the lowest common carrier rates for the same transportation between the same points of origin and destination or between the same railheads.

ITEM NO. 85 - ALTERNATIVE APPLICATION OF COMBINATIONS WITH COMMON CARRIER RATES

Rates in this appendix may be used in combination with the lowest common carrier rates for the same transportation, as follows: (See Notes 1 and 2.)

- (1) When point of origin is located beyond railhead, team track or established depot of a common carrier, add to the common carrier rate used the rate provided in Item No. 105 for the distance from point of origin to the team track or established depot from which such common carrier rate applies.
- (2) When point of destination is located beyond railhead, team track or established depot of a common carrier, add to the common carrier rate used the rate provided in Item No. 105 for the distance from the team track or established depot to which such common carrier rate applies to point of destination.
- (3) When both point of origin and point of destination are located beyond railhead, team track or established depot of a common carrier, add to the common carrier rate used the rate provided in Item No. 105 for the distance from point of origin to the team track or established depot from which such common carrier rate applies, plus the rate provided in Item No. 105 for the distance from the team track or established depot to which such common carrier rate applies to point of destination.

NOTE 1.- If the route from point of origin to the team track or established depot or from the team track or established depot to point of destination is within the corporate limits of a single incorporated city, the distance to or from such team track or established depot will be considered as not to exceed 5 miles.

NOTE 2.- When rates have been established for transportation by Carriers (as defined in the City Carriers' Act, Chapter 312, Statutes of 1935, as amended) from point of origin to the team track or established depot or from the team track or established depot to point of destination, such rates may be added in lieu of the rates provided in this appendix.

ITEM NO. 90 - ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES

In the event under the provisions of Items Nos. 80 and 85, a rate of a common carrier is used in constructing a rate for highway transportation, and such rate does not include accessorial services performed by the highway carrier, the following charges for such accessorial services shall be added:

- (1) For tailgate loading or tailgate unloading - no additional charge.
- (2) For loading or unloading other than tailgate loading or tailgate unloading - 2 cents per 100 pounds.

(Continued)

ITEM NO. 90 (Concluded)

- (3) For C.O.D. service - Basis provided in Item No. 75.
- (4) For other accessorial services - an additional charge of \$1.00 per man per hour shall be assessed.

ITEM NO. 100 - DESCRIPTION OF LOS ANGELES PICK-UP AND DELIVERY ZONE

Los Angeles pick-up and delivery zone includes all points within the territory bounded as follows, including both sides of the streets, boulevards, roads, avenues or highways named:

Commencing at the intersection of North Broadway and Mission Road, thence westerly on North Broadway to Daly Street, northerly on Daly Street to Pasadena Avenue, northerly on Pasadena Avenue to North Figueroa Street, southwesterly on North Figueroa Street to Avenue 26, northwesterly on Avenue 26 to San Fernando Road, northwesterly on San Fernando Road to Elm Street, northeasterly on Elm Street to Isabel Street, southwesterly on Elm Street to San Fernando Road, northwesterly on San Fernando Road to Fletcher Drive, northeasterly on Fletcher Drive to Avenue 32, southwesterly on Fletcher Drive to San Fernando Road, northwesterly on San Fernando Road to Tyburn Street, southeasterly on San Fernando Road to Fletcher Drive, southwesterly on Fletcher Drive to Riverside Drive, southeasterly on Riverside Drive to San Fernando Road, southeasterly on San Fernando Road to Pasadena Avenue, southwesterly on Pasadena Avenue to North Broadway, westerly and southerly on North Broadway to Bernard Street, northwesterly on Bernard Street to Lilac Terrace, northwesterly on Lilac Terrace to Sunset Boulevard, northwesterly on Sunset Boulevard to Hollywood Boulevard, westerly on Hollywood Boulevard to La Brea Avenue, southerly on La Brea Avenue to Wilshire Boulevard, easterly on Wilshire Boulevard to Crenshaw Boulevard, southerly on Crenshaw Boulevard to Slauson Avenue, easterly on Slauson Avenue to Van Ness Avenue, southerly on Van Ness Avenue to Manchester Avenue, easterly on Manchester Avenue and Firestone Boulevard to Alameda Street, southerly on Alameda Street to Century Boulevard, easterly on Century Boulevard to Santa Fe Avenue, northerly on Santa Fe Avenue to Tweedy Boulevard, westerly on Tweedy Boulevard to Alameda Street, northerly on Alameda Street to Firestone Boulevard, easterly on Firestone Boulevard to the Los Angeles River, northerly along the west bank of the Los Angeles River to Randolph Street, easterly on Randolph Street to Garfield Avenue, northeasterly on Garfield Avenue to Anaheim-Telegraph Road, northwesterly on Anaheim-Telegraph Road to Gasper Avenue, northerly on Gasper Avenue and Gearhart Street to 9th Street, westerly on 9th Street to Indiana Street, northerly on Indiana Street to Ramona Boulevard, northerly and easterly on Ramona Boulevard to Miller Avenue, northerly on Miller Avenue to Valley Boulevard (Alhambra Avenue), westerly on Valley Boulevard to Mission Road, northeasterly on Mission Road to point of beginning.

ITEM NO. 105- RATES (In cents per 100 pounds)

Col. "A" applies on commodities named in Lists 1-6 inclusive of Item No. 20

Col. "B" applies on commodities named in List 7 of Item No. 20

Over Miles	But not Over	Any Quantity		Minimum Weight 2,000 Pounds		Minimum Weight 4,000 Pounds		Minimum Weight 10,000 Pounds		Minimum Weight 20,000 Pounds		Minimum Weight 30,000 Pounds	
		A	B	A	B	A	B	A	B	A	B	A	B
0	3	22	25	17	19	14	16	4 $\frac{1}{2}$	5 $\frac{1}{2}$	3 $\frac{1}{2}$	4	3	3 $\frac{1}{2}$
3	5	22	25	17	19	14	16	5 $\frac{1}{2}$	6 $\frac{1}{2}$	4 $\frac{1}{2}$	5	4	4 $\frac{1}{2}$
5	10	23	26	18	20	14	16	6	7	5	5 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$
10	15	24	27	19	22	15	17	6 $\frac{1}{2}$	8	5	6	4 $\frac{1}{2}$	5
15	20	26	29	20	23	16	18	7	8 $\frac{1}{2}$	5	6	4 $\frac{1}{2}$	5
20	25	26	29	22	24	16	18	8	9 $\frac{1}{2}$	5 $\frac{1}{2}$	6 $\frac{1}{2}$	5	5 $\frac{1}{2}$
25	30	27	31	22	25	17	19	8 $\frac{1}{2}$	10	5 $\frac{1}{2}$	6 $\frac{1}{2}$	5	5 $\frac{1}{2}$
30	35	27	31	23	26	18	20	9	10 $\frac{1}{2}$	6	7	5 $\frac{1}{2}$	6
35	40	29	32	25	28	18	20	10	11 $\frac{1}{2}$	6	7	5 $\frac{1}{2}$	6
40	45	30	33	26	29	18	21	10 $\frac{1}{2}$	12	6 $\frac{1}{2}$	8	5 $\frac{1}{2}$	7
45	50	31	35	27	31	19	22	11	12 $\frac{1}{2}$	6 $\frac{1}{2}$	8	5 $\frac{1}{2}$	7
50	60	32	36	29	32	20	23	12	14	7	8 $\frac{1}{2}$	6	8
60	70	33	37	31	35	22	24	13 $\frac{1}{2}$	15 $\frac{1}{2}$	8	9 $\frac{1}{2}$	7	8 $\frac{1}{2}$
70	80	34	39	34	38	22	25	15	17	9	10 $\frac{1}{2}$	8	9 $\frac{1}{2}$
80	90	35	40			23	26	16	18	10	12	8 $\frac{1}{2}$	10 $\frac{1}{2}$
90	100	37	41			25	28	17	19 $\frac{1}{2}$	11	13	9 $\frac{1}{2}$	11 $\frac{1}{2}$
100	110	38	42			26	29	18	21	12	14 $\frac{1}{2}$	11	13
110	120	38	43			27	31	19	22	13	15 $\frac{1}{2}$	11 $\frac{1}{2}$	13 $\frac{1}{2}$
120	130	40	45			28	32	20 $\frac{1}{2}$	23	14	16 $\frac{1}{2}$	12	14 $\frac{1}{2}$
130	140	41	46			29	32	21 $\frac{1}{2}$	24	15	17 $\frac{1}{2}$	12 $\frac{1}{2}$	15
140	150	42	48			30	34	22 $\frac{1}{2}$	25 $\frac{1}{2}$	16	19	13 $\frac{1}{2}$	16 $\frac{1}{2}$
150	160	43	49			31	35	23 $\frac{1}{2}$	26 $\frac{1}{2}$	17	20	14 $\frac{1}{2}$	17
160	170	44	50			33	37	24 $\frac{1}{2}$	28	17 $\frac{1}{2}$	20 $\frac{1}{2}$	16 $\frac{1}{2}$	18 $\frac{1}{2}$
170	180	46	51			34	38	25 $\frac{1}{2}$	29	18	21	16	19
180	190	46	52			34	39	26 $\frac{1}{2}$	30 $\frac{1}{2}$	19	22	17	20
190	200	48	54			36	41	28	32	19 $\frac{1}{2}$	22 $\frac{1}{2}$	17 $\frac{1}{2}$	20 $\frac{1}{2}$

ITEM NO. 105 (Concluded)

Over Miles	But not Over	Any Quantity		Minimum Weight 2,000 Pounds		Minimum Weight 4,000 Pounds		Minimum Weight 10,000 Pounds		Minimum Weight 20,000 Pounds		Minimum Weight 30,000 Pounds	
		A	B	A	B	A	B	A	B	A	B	A	B
200	220	50	56			38	43	29½	33½	21	24½	19	22½
220	240	52	59			40	45	31½	36	23	26½	20½	24½
240	260	54	61			42	48	33½	39½	24½	28½	22½	26½
260	280	57	64			45	50	36	41	26	30½	24	28
280	300	59	67			47	53	38	43	28	32	25½	30
300	325	61	68			50	56	40½	46	30	34½	27½	32½
325	350	63	71			51	58	43	49	32	37	29½	34½
350	375	66	74			54	60	45½	52	34½	39½	31½	37
375	400	68	77			56	63	48	55	36½	42	33½	39
400	425	70	79			58	66	51	58	38½	44½	35½	41½
425	450	72	81			61	68	53½	61	40½	47	37½	44
450	475	74	84			62	70	56	64	42½	49	39½	46
475	500	77	86			65	73	58½	67	45	51½	42	48
500	525	79	89			67	76	61	70	47	54½	44	51
525	550	82	92			70	78	66	75	49	56½	46	53
550	575	83	94			72	81	68	78	51	59	48	55½
575	600	86	96			74	83	70	80	53	61	50	57½
600	625	88	99			76	86	72	83	55	63½	52	60
625	650	90	102			78	88	74	85	57½	66	54	62
650	675	93	104			81	91	77	88½	59½	69	56	64½
675	700	94	106			83	94	79½	91	61½	71	58	66½

APPENDIX "B"

TABLE SHOWING COMPARISON BETWEEN COST OF OPERATION OF TRUCKS OWNED BY IRA. P. LAMB REPORTED IN
EX. F-13 WITNESS COSTELLO AND ESTIMATES OF COST OF TRUCK OPERATION SHOWN IN EX. F-19 WITNESS CHESNUT

CAPACITY - TONS	5		10		15		20	
	Lamb Ex. F-13	Chesnut Ex. F-19	Lamb Ex. F-13	Chesnut Ex. F-19	Lamb Ex. F-13	Chesnut Ex. F-19	Lamb Ex. F-13	Chesnut Ex. F-19
Number of units studied	2		4		2		6	
Miles per unit per year	19295	(a)	27400	(a)	37954	(a)	42900	(a)
Hours per unit per year	2631	2400	2920	2500	3431	2600	3520	3100
<u>Investment per unit</u>								
Vehicles, less tires	\$ 686	\$2036	(b)\$1565	\$3847	\$5841	\$4865	\$8540	\$7682
Tires	118	294	(b) 199	765	1071	1070	1530	1680
Machinery, tools, etc.	(c)	163	(c)	323	(c)	415	(c)	655
Total	804	2493	(b) 1764	4935	6911	6350	10070	10017
Working capital	265	(e) 360	556	(e) 430	781	(e) 500	954	(e) 660
Total Investment	\$1069	\$2853	(b)\$2320	\$5365	\$7692	\$6850	\$11024	\$10677
<u>Fixed charges per year</u>								
Taxes and Licenses	\$ 80	\$ 114	\$ 225	\$ 166	\$ 394	\$ 198	\$ 392	\$ 297
Insurance	57	180	114	198	230	353	256	471
Rent	66	60	88	75	133	100	67	125
Management, Salary & exp.	372	450	857	500	1489	550	1610	600
Clerical and office	30	300	68	350	118	400	127	450
Miscellaneous	55	0	127	0	220	0	238	0
Return on Inv. 8% of 50%	32	100	(b) 70	197	276	254	403	400
Int. on Working Capital 8%	21	29	44	34	62	40	76	53
Total	\$ 713	\$1233	\$1593	\$1520	\$2922	\$1895	\$3169	\$2396
Average Fixed Chgs. per hour	\$.271	\$.515	\$.544	\$.606	\$.851	\$.730	\$.900	\$.775
<u>Mileage charges per mile</u>								
Fuel and lubricants	\$.0182	\$.0175	\$.0268	\$.0212	\$.0325	\$.0271	\$.0480	\$.0372
Tires	.0031	.0073	.0130	.0139	.0172	.0178	.0246	.0258
Repairs	.0097	.0100	.0241	.0150	.0102	.0225	.0263	.0325
Total	\$.0310	\$.0348	\$.0639	\$.0501	\$.0600	\$.0674	\$.0990	\$.0955
<u>Drivers and Helpers - Wages</u>								
and Comp. Ins. per hour	\$.5740	(f)\$.6715	\$.9100	(f)\$.6715	\$.9800	(f)\$.6995	\$.8840	(f)\$.7273
Depreciation, vehicles per year	165	(d)	(b) 207	(d)	825	(d)	1278	(d)

(a) Variable - depends on average length of haul.

(b) No investment shown for 2 of 3 trucks.

(c) No investment shown - depreciation included in "Miscellaneous."

(d) Variable - depends on average length of haul.

(e) Approximate-actually 6% of gross revenue.

(f) Helpers wages and insurance not included.

APPENDIX "C"

SHIPPING ORDER AND FREIGHT BILL

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

*Show each charge separately and what it represents.

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