

Decision No. 26785

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of just,)
reasonable and non-discriminatory maximum)
or minimum or maximum and minimum rates,)
rules, classifications and regulations for) Case No. 4121
the transportation of property for compen-)
sation or hire over the public highways of)
the City of Los Angeles.)

Additional Appearances

J. D. Rearden and W. E. Paul, for Union Oil Company
H. W. Dill, for The Truck and Warehouse Association of San
Diego and Imperial Counties
E. J. Hunter, for Crow Transportation Co.
I. W. Hamilton, for Pacific Commercial Warehouse, Inc.
Black, Hammack and McWilliams by J. I. Hancock, for Monolith
Portland Cement Co.
Geo. F. Schneider and W. A. Keyser, for Western Warehouse
and Transfer Co.
J. L. Dartt, for California Portland Cement Co.
Irving Bekey, for Cooperative Delivery Service
John J. Williams, for Williams Transfer Company
John J. McGinnis, for Gladding McBean & Company
H. K. Lockwood, for The Atchison, Topeka and Santa Fe Rail-
way Company

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

Minimum rates for the transportation of property by city and highway carriers within the so-called manufacturing, wholesale and retail districts of metropolitan Los Angeles have been established by Decision No. 30600 of February 7, 1938, in the above entitled proceeding (41 C.R.C. 100).¹ They are to become effective May 1, 1938. At

¹ The rates established do not apply upon:

- (1) Baggage;
- (2) Cement, portland, building, in shipments of 28,500 pounds and over;
- (3) Motion picture films, accessories and supplies incidental thereto;
- (4) Parcels weighing 100 pounds or less, delivered from retail stores;
- (5) Pick-up and delivery of shipments for common carriers, transported under through pick-up and delivery rates;
- (6) Property transported in tank trucks, tank trailers or tank semi-trailers or any combination of such highway vehicles;
- (7) Sand, rock, gravel, road building material, excavated material, building materials, asphaltic concrete, decomposed granite and stabilizing materials when transported by dump trucks;
- (8) Telephone directories;
- (9) Used property, viz.: household goods, personal effects, furniture, musical instruments, radios, office and store fixtures and equipment;
- (10) The transportation of inter-city shipments when point of origin and point of destination are the carrier's established depots.

the conclusion of the hearings which led to the establishment of these rates certain interested parties, realizing the scope and importance of the proceeding and anticipating that in certain respects the record might still be inadequate, suggested that prior to the effectiveness of the rates to be established an adjourned hearing be had for the purpose of determining what, if any, modifications should be made in the Commission's initial order. Responsive to these requests further hearings were had before Examiner Howard G. Freas at Los Angeles.

At these hearings numerous exceptions were taken to the rates and rules previously prescribed. Some of these exceptions were said to be vital and were urged zealously; others appear to be of relatively minor importance. A detailed discussion of all of them would lengthen this report unduly and would serve no useful purpose. For these reasons exceptions and suggestions which were unopposed and which on the record as it now stands appear fully justified are given effect in the order herein without further discussion; others which have been opposed or which the record does not support, or supports in part only, are discussed.²

2

A complete list of the exceptions and suggestions follows. Those underscored are given effect without further discussion.

1. The Motor Truck Association of Southern California, hereinafter referred to as the Truck Association, requested

(a) that rates be made applicable for inter-city movement of shipments between carriers' established depots, (b) that the deduction of 5 cents per 100 pounds from rates otherwise applicable on shipments transported from or to carriers' established depot be eliminated, (c) that the territory be rezoned and enlarged to the extent necessary to provide a complete rate structure, (d) that points of origin and destination on both sides of streets used as boundaries in zoning be included in both zones, (e) that the application of rates for inside pick-ups and deliveries be clarified and limited, (f) that pick-ups and deliveries without additional charge at other than street level where vehicular elevator service or vehicular ramp is provided be restricted so as not to apply when such facilities are not available to the carrier, (g) that the additional charge for pick-ups and deliveries at points not included at basic rates be increased from 5 to 10 cents per 100 pounds where carrier's employees are required to carry the property above or below the

The zones established in Decision No. 30600 were assailed by various interests. The Truck Association contended that in the

2 (Continued)

ground floor, (h) that the additional charge for accessorial services other than pick-up and delivery be increased from \$.75 to \$1.10 per man. per hour, (i) that regular working hours be considered as 6:00 A.M. to 6:00 P.M. on other than Sundays and legal holidays, the charge for services at shippers' or consignees' request at other than regular working hours to be subject to a 25% penalty, (j) that the rates established for shipments of less than 100 pounds be limited in application to carriers engaged primarily in parcel delivery, (k) that commodity rates be established as previously advocated, (l) that the 30,000 pound scales of class rates be abolished, (m) that class rates be substantially increased, (n) that vehicle unit rates be clarified by a definition of the term vehicle unit, (o) that truck and trailer units under vehicle unit rates be prescribed at 125% of the "over 12,000 pounds" bases, (p) that rates previously suggested for distribution of pool cars be reconsidered and adopted, (q) that suggested demurrage, storage, and delayed delivery rates and regulations be approved.

2. The Los Angeles Warehousemen's Association, hereinafter referred to as the Warehouse Association, contends

(a) that only two zones should be established, an inner zone for "down-town" Los Angeles, and an outer zone for the balance of the territory, (b) that all warehouses should be arbitrarily assigned to the inner zone regardless of their location, (c) that commodity rates of 4 cents per 100 pounds between inner zone points and 5 cents per 100 pounds for transportation between inner and outer zones be prescribed for ex-warehouse deliveries of beans, peas and lentils, dry; canned goods; gases; paper, newsprint; salt; sugar; flour; rice; and grain; (all in quantities of 10,000 pounds or more), (d) that the exemption of inter-city movements between carriers' established depots should be clarified, (e) that charges should be prescribed on a basis of not to exceed 50% of the outbound charges on property which cannot be delivered and is returned on the same trip of the carrier's equipment, and (f) that free storage incidental to transportation be limited to 48 hours.

3. Higgins Trucks Inc., a respondent carrier, while not objecting to the present zoning plan, urges it be accorded whatever rate basis may be extended the Warehouse Association.
4. A. R. Reader, another respondent carrier, stated that the established rates are acceptable to him only for smaller shipments and that for shipments of 10,000 pounds and over they should be increased from 15 to 20%.
5. Gladding McBean & Company contended that the zoning arrangement in Decision No. 30600 unduly prefers its competitor, the Pacific Clay Products Co. The argument was advanced that location of the Gladding McBean plant, some 7 or 8 blocks outside and to the north of the territory within which rates have been established in this proceeding, clearly indicates

main each of the various zones prescribed embraces more territory than is practicable and that by including manufacturing, wholesale, retail and residential districts in a single zone suitable recognition was not given to the transportation characteristics within each district in the zone. It submitted a series of exhibits (Nos. 60 to 63 inclusive) setting forth in part the zoning plan which it now advocates. This new proposal was said to be prompted by a desire for uniformity and, excepting for a further subdivision of the central or down-town zone (Zone 1), follows closely that suggested by witness Ward Hall, one of the Commission's engineers in Case No. 4088, Part "N", for use in computing constructive mileages. The Truck Association argued that the central or down-town zone suggested by Hall is too extensive and that unless subdivided, should not be used in this proceeding; that the division of this zone into four subzones is justified by the transportation characteristics peculiar to each sub-

2 (Concluded)

that there is an unjustified difference between the rates prescribed for transportation of its products to points in the territory here involved and rates which will be available to its competitor. Accordingly it urged that the alleged discrimination be removed by extending Zone 2 as defined in Decision No. 30600 so as to include its plant.

6. Pioneer Flintkote Company, manufacturers of roofing and building materials, contended that rates for the transportation of its products within the entire territory for which rates have been prescribed in this proceeding should not exceed \$1.15 per ton.
7. John O. Crawford, a manufacturer's agent dealing in groceries and grocers' supplies, urged that a single zone be provided for in the manufacturing and jobbing area of metropolitan Los Angeles.
8. Monolith Portland Cement Company and its subsidiary, Western Velo Company, sought a reduction in rates for the transportation of cement and suggested a zoning arrangement comprising some seven zones radiating from its point of distribution.

zone; and that such a subdivision plan would, as to its outer boundaries, be uniform with Hall's plan.

In sharp contrast with the Trucking Association's zoning plan the Warehousemen's Association contended that the entire territory embraced by the outstanding rate order should preferably be considered as one zone, but in no event should such territory be divided into more than two zones. It pointed out that all of its members' warehouses were not situated within any one single zone under either the Truck Association or Hall's plan and stressed the desirability of maintaining the same rates from and to all such warehouses. It was fearful that unless a single or two-zone plan were adopted its members would suffer a loss of storage and drayage through a diversion to other channels of distribution of the business they now enjoy. The Warehouse Association's proposed two-zone plan contemplates a down-town zone and an outlying zone. In addition it was urged that regardless of their location, all Warehouse Association members' warehouses be arbitrarily accorded the down-town zone rates. The single zone plan was supported by John O. Crawford in so far as his traffic is concerned. He stressed the highly competitive nature of the grocery business and expressed the opinion that the various distributors of this traffic, all of which are not situated within any single zone under the Truck Association plan, would have to absorb differences in transportation charges under a multiple zone plan in order to maintain a competitive equality. He predicted that large shippers would resort to the use of proprietary trucks, that the smaller shippers would arrange for direct shipment from outside sources of supply, and that the practice of storing unsold merchandise on the premises of prospective customers would gain momentum.

Other suggestions were made with respect to zoning in connection with the transportation of specific commodities under commodity rates. These proposals differ from the zoning arrangements already discussed and in some instances from each other. They appear to be inseparably involved with the subject of the establishment of specific commodity rates and deal only incidentally with the general zoning problem. For these reasons they are treated elsewhere in this opinion.

Before analyzing the various zoning plans and suggestions it may be well to discuss briefly certain of the principles of rate making here encountered. In fixing minimum rates the Commission must give due consideration to many elements and factors recognized as influencing the volume of transportation rates.³ Unquestionably the most important element influencing the volume of minimum rates is, or at least should be, the cost of performing the service. A structure that denies to the carriers an opportunity to earn the reasonable minimum cost of rendering the service plus a fair return on investment threatens the existence of a sound and enduring transportation system. That the cost of performing the service varies with the length of haul and with the physical characteristics (including vehicular traffic congestion) of the territory involved, as well as with the transportation characteristics of the property transported, cannot be questioned. On the other hand, simplicity and clarity are desirable in any minimum rate structure. To vary the volume of the transportation charge in direct ratio with distance transported would in instances such as this complicate unduly the task of comput-

3

Both the City Carriers' Act and the Highway Carriers' Act provide that the Commission shall give due and reasonable consideration to the cost of all the transportation services performed, including length of haul, any additional transportation services performed, or to be performed, * * or of any accessorial service and the value of the commodity transported and the value of the facility reasonably necessary to perform such transportation service.

ing freight charges and would give no recognition to the competitive nature of traffic originating in individual districts, each more or less productive of a distinct class of traffic. However, in an area as large as that involved in this proceeding (some 4000 square miles) embracing manufacturing, jobbing, warehousing, wholesale, retail and residential districts, it seems apparent that an averaging of the divergent conditions prevailing in the various districts by prescribing a single scale of rates for application throughout the entire territory would result in a structure that would fail to return sufficient revenue on certain lengths of haul and in certain districts, and would produce excessive revenue in others, thus unduly preferring one class of traffic and casting an undue burden on another. Zone or blanket rates are ordinarily quite simple and are desirable whenever transportation characteristics are similar. Of necessity, the bounding of such blankets or zones is somewhat arbitrary; lines must be drawn somewhere. The desideratum is to achieve an arrangement which will give reasonable recognition to the cost of performing the service and at the same time not unduly disturb competitive conditions between distributors and shippers.

The zoning plan suggested by the Truck Association does disclose a studied attempt to relate the size and location of each zone to the different districts with due consideration to the physical traffic obstructions and with the transportation characteristics of the class of property produced in each district. In addition, this plan has the advantage of uniformity with the zoning arrangement suggested by the Commission's Engineering Division for use in computing constructive mileages, which in turn are intended to govern the application of distance rates between points in the territory here involved and points throughout the state, including those lying immediately beyond and adjacent to the territory involved in this proceeding.

The Truck Association plan appears to present a more comprehensive arrangement than that adopted by the Commission on the initial record in this proceeding.

On the other hand the suggestion of the Warehouse Association admittedly has the disadvantage of attempting to average such important and in this instance widely varying transportation cost factors as length of haul, traffic congestion and density of available traffic. Apparently realizing that certain of its proposals have slight relation to the cost of performing the service, the Warehouse Association urged that transportation services rendered by its members were ancillary to their public utility warehouse business. Apparently these warehousemen are not expecting any return from transportation so long as this activity permits the offering of a complete distribution service under one management and is thus advantageous to the warehousing business. Obviously, requiring carriers whose principal activity is the transportation of property to adapt their services and charges so as to conform to those of concerns whose activities in the transportation field are incidental to activities in another enterprise, would not be conducive to the maintenance of adequate and dependable transportation. True, the Warehouse Association did not urge that other carriers be required to observe the same zoning arrangement which it sought for its members. However, the alternative, if the Warehouse Association's proposal is to be given effect, is the prescription of two schedules of rates, one for for-hire trucking operations of warehouses, and another and higher one for other for-hire carriers. Neither alternative is justified by evidence of record. It should here be observed that these same warehousemen as recently as December 16, 1937 asked for and were granted a 10% increase in their warehouse rates on the representation that notwithstanding the fact that the management had been honestly efficient and the opera-

tions prudently conducted, said operations were being carried on at a loss. If the warehousemen desire to continue in the drayage business along with their general warehouse activities, they should not be permitted to conduct such drayage operations below the reasonable minimum cost of performing the service and burden their public utility warehouse business with a share of the expense properly chargeable to drayage operations. If their return from the warehousing business is sufficiently profitable to permit their engaging in this practice, it would appear that consideration might well be given to readjusting their warehouse storage rates commensurate with the services performed by them as warehousemen. It has not been shown that the drayage operations of warehouses cannot be adapted to the Truck Association plan, nor has it been shown that such action would necessarily deprive warehouses of storage business or prejudice shipper patrons of warehouses. On this record the plan advocated by the Truck Association, offers a definite zoning proposal and with minor modifications and some enlargement, will be approved.

Inextricably involved in the zoning question is the matter of the volume of the rate structure itself. Various interests suggested modifications of the established rates. These proposals relate not only to the general level of class rates but also to the establishment of specific commodity rates.⁴

Both the Truck Association and the Warehouse Association suggested that commodity rates be established on extensive lists of

4

Seven scales of class rates based on minima of 100, 500, 2,000, 4,000, 10,000, 20,000 and 30,000 pounds were established in Decision No. 30600. In addition, commodity rates were established on freight transported between industries directly served by rail facility as were hourly, weekly and monthly vehicle unit rates.

commodities. While neither Association supported the other's recommendation as to what commodity rates were necessary, they joined in condemning the established rate structure and vehemently argued that commodity rates were necessary if a very considerable portion of their drayage and warehouse business was to be successfully retained as against proprietary competition or direct distribution methods from without the City of Los Angeles. In the main the commodity rates proposed by the Truck Association are subject to minimum tonnage requirements. In some instances they were intended to apply throughout the drayage area, while in others mileage bases were employed. The Truck Association relied upon previous cost studies of record to substantiate the sufficiency of its proposed commodity rates.

The commodity rates recommended by the Warehouse Association were intended to apply in connection with the single or two-zone plans it advocated. Three cost and revenue studies were submitted in support of this proposal. These exhibits (70 to 72 inclusive) indicate that the proposed rates might be sufficient to return the direct expense of performing the service but not the full reasonable minimum cost thereof.

Pioneer Flintkote Company urged that a rate of \$1.15 per ton be established for the transportation of its property throughout the metropolitan area. Three exhibits (67, 68 and 69) purporting to show charges applicable to its shipments under prescribed minimum rates and operating costs experienced with leased equipment, were

The Truck Association recommended commodity rates be prescribed on gases; paper, newsprint; drugs and druggists' sundries; groceries and grocers' supplies; produce, fresh fruits and vegetables; bottles and glassware; freight, except as noted; roofing, building or paving material; household furniture, fixtures and appliances, uncrated; and freight, regardless of classification. The Warehouse Association advocated the creation of commodity rates for ex-warehouse movement of beans, peas and lentils, dry; canned goods; gases; paper, newsprint; salt; sugar; flour; rice; and grain (all in quantities of 10,000 pounds or more).

offered in substantiation of the proposed rates. These studies indicate an average rate of \$1.70 per ton under the outstanding minimum rate order as against operating costs of \$.9962 and \$1.10 per ton for leased equipment.

Monolith Portland Cement Company and Western Velo Company requested that a scale of drayage rates of $2\frac{1}{2}$ cents per 100 pounds for the first $2\frac{1}{2}$ miles, plus $\frac{1}{2}$ cent per 100 pounds for each 5 miles thereafter, be established on cement in lots of less than 28,500 pounds. In support of this request these concerns relied largely upon a stipulation entered into by and between the parties in the so-called southern California cement cases⁶ to the effect that a scale of rates identical in volume with that suggested in the instant proceeding be adopted for city drayage on cement in lots of 28,500 pounds or more.⁷ A witness for these companies also testified that the cement traffic involved could not bear the charges resulting from established rates and that unless the scale they advocate is approved they will resort to the use of plant facility trucks.

In connection with its suggested revision of the established minimum rates the Truck Association also urged the present class rates be increased. It argued that the cost studies of record in this proceeding justify the prescription of class rates on a higher level and that the present rates will not return the cost of perform-

6

Application No. 21172, In the matter of the application of Associated Contract Truckers, etc., and Related Cases Nos. 3981 and 4071.

7

The stipulation in the southern California cement cases, supra, provided, however, that while the minimum weight of 28,500 pounds was to be tendered to the carrier at one time and place, that the lot might be transported on separate trucks so long as the entire amount was transported within 24 hours.

8
ing the service. Accordingly the Truck Association again recommended the adoption of the scales it originally proposed. These scales, according to the Association, were constructed with due regard to the volume of traffic that must of necessity be accorded lower commodity rates.

A. R. Reader, a respondent carrier, criticized the volume of the established class rates for shipments of 10,000 pounds and over as too low. He pointed to the showing made during the original hearings in this proceeding and argued that such showing justified rates from 15 to 20% higher than the rates prescribed for minima of 10,000 pounds or more.

Under a properly correlated class rate structure uninfluenced by competition with other forms of transportation or with other distribution methods, there would be little if any need for commodity rates. Where competitive influences dictate the necessity for deviating from class rates, such deviations should be held to a minimum. Unless such a course of action is pursued a situation will soon develop where only the occasional shipment of the casual shipper will be subjected to class rates while each shipper of consequential tonnage will enjoy a commodity rate embracing the commodities which he has for transportation. In considering the propriety of the proposed commodity rates the Commission would be remiss in its obligation to the public if the effect of establishing such rates upon the prescribed class rates and, indeed, the entire rate structure, were not carefully weighed. It seems evident that if any great volume of traffic

8

The established rates are said to be lower than the general level of rates assessed by the draymen prior to the issuance of Decision No. 30600. In this connection one witness contended that if the traffic moved by his concern during a three-day period in February 1938 were to be rated under the established rates, a revenue of but \$189.46 would have accrued as against \$284.04 actually collected under going rates.

be moved under competitively depressed commodity rates that compensating adjustments must of necessity be made in the class rate scales in order that the rate structure as a whole may fulfill its function of returning those revenues necessary to defray the reasonable minimum cost of performing the service and retain invested capital in the field. If revenues fall short of this mark there will be no incentive for capital to be left in the drayage business and the public will be deprived of a service which is essential to the free movement of commerce.

One of the more cogent reasons for permitting the establishment of commodity rates is, of course, the threat of proprietary competition. In this regard it may be well to repeat the statement contained in Decision No. 29480 dated January 25, 1937, in Case No. 4088, Part "M". The Commission there said:

"An analysis of the testimony of witnesses who have concluded that they could perform the service more cheaply with their own trucks or with trucks they propose to purchase shows that such items as supervision, general overhead, interest on investment, cargo insurance, rent, taxes and the like are frequently omitted or understated, and that ideal conditions which do not obtain while the for-hire carrier is performing the service are often presumed. It may be well, however, at this point to observe that what it will cost the shipper to perform his own service is perhaps less important than what he thinks it will cost him. If a shipper makes a substantial investment on the strength of his belief that he can save money by operating his own trucks, and subsequently finds that he was mistaken, he is not likely to abandon his plans for some time unless the difference in cost is extremely great."

It should not be hastily concluded however that all that is required to secure approval of a given commodity rate is a mere declaration that unless the precise relief sought be granted the traffic will be diverted to shipper owned trucks. If the Commission were to follow a course of approving all such proposals, regulation would become meaningless and fail of its purpose.

While these factors, as well as the other elements usually considered in rate making, are such that precise evaluation is frequently impossible, each adjustment must be weighed and considered. The conclusion reached must of necessity be largely based upon judgment in the light of evidence of record. With this preliminary discussion the various proposals and suggestions will be treated.

The record is replete with opinions of qualified witnesses that an appreciable diversion of traffic from for-hire carriers would result unless some effect be given the various commodity rate proposals. These opinions stand unchallenged. All concede that competitive influences require commodity rates but disagree as to the commodities that should be accorded such treatment and as to the application of such rates. If it be acknowledged then that the forces of competition require the establishment of depressed commodity rates, there is still left for determination the question of whether their approval would unduly burden other traffic. If the commodity rate concessions are not greater than competition requires and return at least something above the direct expense of performing the service, such rates cannot be said to cast an undue burden on other traffic. Considering the proposed commodity rate adjustments in the light of the minimum tonnage requirements to which they are subject and bearing in mind the opinions expressed by carrier representatives as to the competitive necessity for such rates, as well as the various cost studies, it seems evident that, (1) a substantial volume of traffic is involved, and (2) that unless some commodity rate concessions are made a considerable portion of this traffic will be diverted to proprietary trucks.

While evidence of record is thus persuasive that certain commodity rate concessions are necessary, it has not been demonstrated

that such concessions should be authorized in precisely the manner proposed. The position of the Truck Association that as to certain proposed commodity rates the zoning plan should be abandoned for mileage bases or in favor of one-zone arrangements is entirely inconsistent with the strong showing it made for the necessity of a detailed zoning scheme. Furthermore, no sound reason has been advanced for departing from the zoning and weight break method of stating minimum rates in connection with the proposed commodity rates. Accordingly the commodity rates established herein will follow the class rate plan in these respects.

Several of the proposed commodity rates are intended to apply on extensive groups of articles included under such generic captions as "drugs and druggists' sundries," and "groceries and grocers' supplies." In support of such group rates the respondent carriers claimed that it was difficult for shippers to classify each of the many articles embraced in the different groups. These carriers expressed fear that the traffic might be lost to them if the grouping arrangements were not authorized. Similar proposals supported by like reasoning have been made in other proceedings involving rates from and to the Los Angeles metropolitan area.⁹ In its Decision No. 30370, dated November 29, 1937, in Part "V" of Case No. 4088, the Commission said:

"The proposed placing of articles of several different classification ratings in broad commodity groups has been deemed inadvisable. It is appreciated that commodity groupings are convenient and that they are desired by a number of shippers, but to disregard classification ratings in the manner suggested could not do otherwise than break down the rate structure. If all or substantially all of the articles offered for transportation by one shipper are to be accorded one rate, other shippers may with propriety expect similar treatment. Carrying this and the argument regarding

9

Case No. 4088, Parts "M" and "V".

"the convenience of the group rates to their logical conclusions we would arrive at, or at least approach, a single 'all freight' rate. Few will contend that this would be sound rate making under normal conditions. So far as the convenience of the groupings is concerned, the classification itself has the effect of creating four principal groups for less-carload traffic and the ratings there are based upon an extensive consideration of transportation characteristics. In establishing uniform rates in southern California, the Commission required the cancellation of the commodity groupings formerly maintained by common carriers operating in that territory and although one oral argument and two public hearings were since held in those proceedings, only one shipper and none of the carriers contended for re-establishment of any of the groupings."

No reason has been advanced in this proceeding for departing from the conclusion reached in Decision No. 30370, supra, with respect to group rates.

In addition to the modifications in commodity rates indicated in the preceding discussion changes in the volume of the suggested rates are necessary to provide varying rates based upon the zoning and weight break plans adopted in the order. These changes have been made in the full light of the proposals and the purpose and reasoning supporting their justification. As thus modified, commodity rates are authorized on beans, peas and lentils, dried; canned goods; cement; flour; gases; glassware; grain; newsprint paper; rice; roofing and building material; salt; and sugar (all in lots of 10,000 pounds or more). The proposals to establish all freight items have also been given effect, subject to such modifications and changes as are necessary to coordinate such rates with the general rate structure. These latter rates are designed to give suitable recognition to instances where the cost of listing or classifying various items of property in a shipment would be proportionally excessive. They will be permitted to alternate with rates otherwise applicable.

Turning now to the commodity rate proposals which cannot be found justified on the evidence of record. These include rates on drugs; fresh fruits and vegetables; and uncrated furniture and

household appliances. As hereinbefore indicated the Truck Association relied largely on the argument that a group commodity rate was necessary to avoid classifying each of the drug articles to support their suggested commodity rate on drugs. Little evidence was offered to justify the volume of the particular rate suggested or of the necessity of a commodity rate at all, providing the grouping might be permitted under a single rate. While the subject of group rates is discussed elsewhere in this opinion, it may be well to point out in connection with drugs that the Western Classification provides extensive groupings under such headings as "chemicals, N.O.I.B.N." and "drugs or medicines, N.O.I.B.N."

The commodity rate of 15 cents per 100 pounds, minimum weight 1,000 pounds on fresh fruits and vegetables suggested by the Truck Association stands unsupported in the record by any evidence whatever. Moreover, under the class rates prescribed in Decision No. 30600, as well as those contained in this order, rates lower than that proposed are applicable.

The proposed commodity rates on uncrated furniture and household appliances are stated in cents per article. The weights for these articles are not of record and there is thus no means of relating these suggested rates to the cost studies (which develop costs in cents per 100 pounds) or to the rate structure as a whole. Whether they would result in increases or reductions as compared with the established rates, the record does not show.

With the authorization of commodity rates and the consequent diversion of traffic from class rates to commodity rates, it is apparent that the existing class rates must be subjected to a compensating increase. Both the Truck Association and A. R. Reader recognized the necessity for increasing these rates. However, in as much as full effect has not been given the commodity rate proposals it is evident that the volume of the increase may well be less than

was anticipated by those parties. The class rates found justified and adopted in the order herein are approximately 10% higher than those originally established. In creating the new class rates, consideration has also been given to a further rate concession through the medium of an exception to the otherwise applicable Western Classification and Pacific Freight Tariff Bureau Exception Sheet basis on roofing, building or paving material. The authorization of this exception is well supported by competent evidence submitted by Pioneer Flintkote Company as to the volume of the traffic available, the density of the commodities, and the cost of performing the service in their own or leased truck equipment.

The Truck Association's proposal relating to distribution of property from pool cars contains many inconsistencies which have not been explained. Higher rates are suggested on prepaid shipments than on collect shipments; mixed classes of property would, under this proposal, take a higher rating than any of the component parts; and canned goods, sugar and flour are arbitrarily selected for handling at a suggested rate of 3 cents per 100 pounds whereas all other commodities are intended to take much higher rates. While it may well be that pool car distribution rates of some volume and application are necessary to completely round out the Los Angeles area drayage rate structure, the present record is devoid of a logical proposal or of other evidence from which a new schedule might be developed.

The Truck Association also requested that truck-trailer vehicle unit rates be established on the basis of 125% of the present vehicle unit rate applicable on lots of over 12,000 pounds. All of the present vehicle unit rates are stated in cents per hour, week or month based upon the weight of the lot, and there appears to be no reason for departing from this practice in connection with lots requiring the use of a truck and trailer. The proposal was supported

by a showing of the higher cost of operating trucks and trailers as compared with trucks. The proposal will be given effect by authorizing the application of the suggested rate to lots of over 20,000 pounds.

The Truck Association contended that the rates prescribed for shipments of less than 100 pounds are unduly low for transportation by general draymen. It recommended that these rates be restricted in application to carriers primarily engaged in parcel delivery and that the scale it originally suggested be approved for all other carriers. On the other hand United Parcel Service of Los Angeles Inc., in a petition for modification of the outstanding rate order, argued that the established rates for shipments of less than 100 pounds are excessive and that it should not be required to observe rates in excess of 9 cents per package plus $\frac{1}{2}$ cent per pound or fraction thereof. The United Parcel pointed out in its petition that the rates suggested by it are now applicable between Los Angeles on the one hand and points beyond the area involved in this proceeding. United Parcel ardently argued that rates no higher than those suggested by it are essential to the preservation of its business as against shipper owned trucks.

In view of the fact that United Parcel now handles the bulk of the parcel delivery business in the Los Angeles area under rates of the volume it now suggests and that these rates appear to be necessary to hold the business to for-hire carriers, it seems evident that the Commission should not require the observance of higher rates. On the other hand, while the Truck Association recommended that such rates be restricted to parcel delivery carriers, it failed to suggest a method by which the restriction might be accomplished. In any event the rates provided in the order herein on shipments of less than 100 pounds, as well as all of the rates here established, are minimum in application and the carriers are free to charge higher rates if they care to do so.

The issues not yet disposed of deal with suggested changes in the rules and regulations governing the application of the established minimum rates and with accessorial charges.

Two of the proposed changes involve the so-called pick-up and delivery rule (Rule No. 50) of the outstanding order. The rule in question provides that "for pick-up or delivery of shipments weighing 100 pounds or more at other than street level, where no vehicular elevator service or vehicular ramp is provided, an additional charge of 5 cents per 100 pounds **** shall be made." The Truck Association recommended that the extra charge of 5 cents be increased to 10 cents per 100 pounds and that such charge be made whenever pick-up or delivery is performed more than 25 feet distant from carrier's equipment. In support of these suggested changes the Association merely asserted that they were desirable and that the 5 cent per 100 pounds additional charge was insufficient.

The present pick-up and delivery rule is the same as that established and now in effect on inter-city traffic in the Los Angeles Basin area.¹⁰ No explanation was offered as to why a drayage pick-up at other than street level or involving a "carry" by a carrier's employees should be assessed an additional charge of 10 cents per 100 pounds while a similar pick-up for movement to a point located in the Los Angeles Basin, but beyond the drayage limits, would be charged but 5 cents per 100 pounds. These charges have not been justified.

The Truck Association also advocated the establishment of rates for demurrage and storage. Other than to state that such rates are essential to a complete drayage rate structure and that those proposed are necessary if carriers are to be compensated when undue

10

They were originally established in and by Decision No. 29480, supra, in connection with rates between Los Angeles on the one hand and points adjacent to the areas zoned herein on the other hand.

delays are encountered no representations were made in support of these proposals. The necessity for the establishment of charges for shipments stored when inability to effect delivery is due to no fault of the carrier seems apparent. The Association's proposal modified by limiting "free time" to 48 hours will be adopted. Recommendations with respect to demurrage were not supported by sufficient justification and they will not be approved.

The Warehouse Association proposed that a rule be adopted providing 50% of the outbound rate on shipments which cannot be delivered and which are returned to point of origin. Apparently the Association is not aware of the presence of such a rule in the outstanding order. (Item No. 1080 of the applicable Current Exception Sheet.) In any event unless and until it be clearly shown to what extent, if at all, the present rule is inappropriate no modification will be authorized.

It may well be that certain of the proposals found not justified or only partially justified are meritorious. However, approval of such proposals must be withheld for want of adequate justification. In this connection it should be observed that a mere showing of past practice or a statement of the desirability of an adjustment from the standpoint of an interested party is insufficient to establish that modifications of prescribed minimum rates are justified. The Commission has repeatedly held that changes in prescribed minimum rates will be made only upon a convincing showing.

Upon consideration of all of the facts of record the Commission is of the opinion and finds that the minimum rates, rules and regulations established in and by Decision No. 30600, dated February 7, 1938, in the above entitled proceeding, should be modified in accordance with the conclusions reached in this opinion and as set forth in Appendix "A" attached to the order herein.

O R D E R

Public hearings having been held in the above entitled proceeding and based on 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 by this reference made a part hereof, be and they are hereby established and approved effective May 1, 1938, as the just, reasonable and non-discriminatory minimum rates 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) and by any and all carriers as defined in the City Carriers' Act (Chapter 312, Statutes of 1935) for transportation and accessorial services for which rates are provided in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that all radial highway common carriers and highway contract carriers, and that all carriers as defined in the City Carriers' Act (Chapter 312, Statutes of 1935), be and they are hereby ordered to cease and desist on or before May 1, 1938, and thereafter abstain from charging, collecting or observing rates, rules and regulations lower in volume or effect than those set forth in said Appendix "A".

IT IS HEREBY FURTHER ORDERED that to the extent the rates, rules and regulations herein established, for the same transportation are different from those established in Decision No. 30600 of February 7, 1938 in this proceeding and Decision No. 29480 of January 25, 1937, as amended, in Part "M" of Case No. 4088, the rates, rules and regulations herein established shall cancel and supersede those established in said Decisions Nos. 30600 and 29480, as amended.

IT IS HEREBY FURTHER ORDERED that the Commission shall and it does hereby retain jurisdiction of this proceeding for the purpose of making, from time to time, such further investigation or investigations and making and rendering such further order or orders as in its discretion may be deemed proper and necessary, and as the public interest may require.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 11th day of April, 1938.

Walter M. ...
Leon ...
Frank ...
Randolph ...
W. L. ...
Commissioners.

APPENDIX "A"

NAMING

JUST, REASONABLE AND NON-DISCRIMINATORY

MINIMUM RATES, RULES AND REGULATIONS

FOR RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS AND

CITY CARRIERS

FOR THE

TRANSPORTATION OF PROPERTY WITHIN

LOS ANGELES COUNTY

AS INDICATED HEREIN

EXPLANATION OF ABBREVIATIONS

C.O.D. - Collect on Delivery
D-1 - Double First Class
No. - Number
N.O.S. - Not otherwise specified
 in this appendix
E.g. - For example
Viz.: - Namely

DEFINITION OF TECHNICAL TERMS

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

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

(c) SHIPMENT means a quantity of freight received from one shipper on one shipping order or one bill of lading, at one point of origin, at one time, for one consignee, at one destination.

(d) CURRENT CLASSIFICATION means Western Classification No. 67, C.R.C. No. 6 of J. P. Haynes, Agent, supplements thereto and successive issues thereof.

(e) CURRENT EXCEPTION SHEET means Pacific Freight Tariff Bureau Exception Sheet No. 1-P, C.R.C. No. 597 (L. F. Potter series), supplements thereto and successive issues thereof.

SECTION NO. 1 - RULES AND REGULATIONS

RULE NO. 10 - APPLICATION OF APPENDIX

(a) Except as otherwise provided the rates named in this appendix apply to the transportation of shipments from points of origin to points of destination located in the zones described in Rule No. 20.

(b) This appendix does not apply upon:

- (1) Baggage;
- (2) Cement, portland, building, in shipments of 28,500 pounds and over;
- (3) Motion picture films, accessories and supplies incidental thereto;
- (4) Parcels weighing 100 pounds or less, delivered from retail stores;
- (5) Pick-up and delivery of shipments for common carriers, transported under through pick-up and delivery rates;
- (6) Property transported in tank trucks, tank trailers or tank semi-trailers or any combination of such highway vehicles;
- (7) Sand, rock, gravel, road building material, excavated material, building materials, asphaltic concrete, decomposed granite and stabilizing materials when transported by dump trucks;
- (8) Telephone directories;
- (9) Used property, viz.: household goods, personal effects, furniture, musical instruments, radios, office and store fixtures and equipment.

RULE NO. 20 - APPLICATION OF APPENDIX - DESCRIPTION OF ZONES

The numbered zones hereinafter described embrace all points of origin and destination within their respective boundaries and include both sides of streets, boulevards, roads, avenues or highways named.

ZONE 1

Commencing at the intersection of Washington Boulevard and San Pedro Street, northeasterly on San Pedro Street to Aliso Street, easterly on Aliso Street to Alameda Street, northeasterly on Alameda Street to Spring Street, northerly on Spring Street to the Los Angeles River, southeasterly along the west bank of the Los Angeles River to North Main Street, northeasterly on North Main Street to its intersection with Valley Boulevard at Lincoln Park, easterly along Valley Boulevard to Marianna Avenue, southwesterly on Marianna Avenue

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

RULE NO. 20 (Continued)

to Eastern Avenue, southerly on Eastern Avenue to 9th Street, westerly on 9th Street to Indiana Street, southerly on Indiana Street to Washington Boulevard, westerly and northwesterly on Washington Boulevard to point of beginning.

ZONE 2

Commencing at the intersection of Washington Boulevard and San Pedro Street, northeasterly on San Pedro Street to Aliso Street, easterly on Aliso Street to Alameda Street, northeasterly on Alameda Street to Spring Street, northerly on Spring Street to the Los Angeles River, southeasterly along the west bank of the Los Angeles River to North Main Street, northeasterly on North Main Street to Mission Road, northeasterly on Mission Road to North Broadway, westerly on North Broadway to Griffin Avenue, northerly on Griffin Avenue to Avenue 35, westerly on Avenue 35 to Pasadena Avenue, northerly on Pasadena Avenue to North Figueroa Street, southwesterly on North Figueroa Street to Amabel Street, northwesterly on Amabel Street to Isabel Street, northwesterly on Isabel Street to Macon Street, westerly on Macon Street to the northeasterly line of the Union Pacific right-of-way (Glendale Branch), northwesterly on the northeasterly line of the Union Pacific right-of-way to Edward Avenue, northeasterly on Edward Avenue to West Avenue 32, northwesterly on West Avenue 32 to Margarita Street, southwesterly on Margarita Street to the northeasterly point of the Union Pacific right-of-way, northwesterly along the northeasterly line of the Union Pacific right-of-way to Rosslyn Street, westerly on Rosslyn Street to San Fernando Road, southerly along San Fernando Road to Tyburn Street, southwesterly on Tyburn Street and its prolongation across the Southern Pacific right-of-way to Casitas Avenue, southeasterly on Casitas Avenue to Fletcher Drive, southwesterly on Fletcher Drive to Glendale Boulevard, northwesterly on Glendale Boulevard to Rowena Avenue, northwesterly on Rowena Avenue to Hyperion Avenue, southwesterly on Hyperion Avenue to Fountain Street, westerly on Fountain Street to Normandie Avenue, southerly on Normandie Avenue to Wilshire Boulevard, westerly on Wilshire Boulevard to Irolo Street, southerly on Irolo Street to Olympic Boulevard, westerly on Olympic Boulevard to Crenshaw Boulevard, southerly on Crenshaw Boulevard to Washington Boulevard, easterly and southeasterly on Washington Boulevard to point of beginning.

ZONE 3

Commencing at the intersection of Alameda Street and Washington Boulevard, northwesterly and westerly on Washington Boulevard to Crenshaw Boulevard, southerly on Crenshaw Boulevard to Florence Avenue, easterly on Florence Avenue to Western Avenue, southerly on Western Avenue to Manchester Avenue, easterly on Manchester Avenue to Hoover Street, south-

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

RULE NO. 20 (Continued)

erly on Hoover Street to 87th Street, easterly on 87th Street to Figueroa Street, southerly on Figueroa Street to 88th Street, easterly on 88th Street to San Pedro Street, northerly on San Pedro Street to 87th Place, easterly on 87th Place to Maie Avenue, southerly on Maie Avenue to 92nd Street, easterly on 92nd Street to Alameda Street, northerly on Alameda Street to point of beginning.

ZONE 4

Commencing at the intersection of 92nd Street and Alameda Street, thence southerly on Alameda Street to Century Boulevard, southeasterly on Century Boulevard to Atlantic Boulevard, northerly on Atlantic Boulevard to Stewart and Grey Road, easterly on Stewart and Grey Road to the west bank of the Los Angeles River, northerly along the west bank of the Los Angeles River to Gage Avenue, easterly on Gage Avenue to Garfield Avenue, northeasterly on Garfield Avenue to Anaheim-Telegraph Road, southeasterly on Anaheim-Telegraph Road to Church Street, northeasterly on Church Street and its prolongation across The Atchison, Topeka and Santa Fe right-of-way to Vail Avenue, northeasterly on Vail Avenue to Whittier Boulevard, westerly on Whittier Boulevard to Eastern Avenue, southerly on Eastern Avenue to 9th Street, westerly on 9th Street to Indiana Street, southerly on Indiana Street to Washington Boulevard, westerly on Washington Boulevard to Alameda Street, southerly on Alameda Street to point of beginning.

ZONE 5

Commencing at the intersection of Rosslyn Street and the boundary line of the City of Los Angeles, northerly, easterly, southerly and westerly along such boundary line to its intersection with Marianna Avenue, northerly on Marianna Avenue to Valley Boulevard, southwesterly and westerly on Valley Boulevard to Mission Road, northeasterly on Mission Road to North Broadway, westerly on North Broadway to Griffin Avenue, northerly on Griffin Avenue to Avenue 35, westerly on Avenue 35 to Pasadena Avenue, northerly on Pasadena Avenue to North Figueroa Street, southwesterly on North Figueroa Street to Amabel Street, northwesterly on Amabel Street to Isabel Street, northwesterly on Isabel Street to Macon Street, westerly on Macon Street to the northeasterly line of the Union Pacific right-of-way (Glendale Branch), northwesterly along the northeasterly line of the Union Pacific right-of-way to Edward Avenue, northeasterly on Edward Avenue to West Avenue 32, northwesterly on West Avenue 32 to Margarita Street, southwesterly on Margarita Street to the northeasterly point of the Union Pacific right-of-way, northwesterly along the northeasterly line of the Union Pacific right-of-way to Rosslyn Street, westerly on Rosslyn Street to point of beginning.

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

RULE NO. 20 (Concluded)

ZONE 6

Commencing at the intersection of Cahuenga Boulevard and Mulholland Highway, thence westerly on Mulholland Highway to Coldwater Canyon Road, southerly on Coldwater Canyon Road to the boundary of the City of Beverly Hills, southeasterly along the boundary of the City of Beverly Hills to Melrose Avenue, easterly on Melrose Avenue to Robertson Boulevard, southerly on Robertson Boulevard to Olympic Boulevard, easterly on Olympic Boulevard to Irolo Street, northerly on Irolo Street to Wilshire Boulevard, easterly on Wilshire Boulevard to Normandie Avenue, northerly on Normandie Avenue to Fountain Avenue, easterly on Fountain Avenue to Hyperion Avenue, northeasterly on Hyperion Avenue to Rowena Avenue, southeasterly on Rowena Avenue to Glendale Boulevard, southeasterly on Glendale Boulevard to Fletcher Drive, northeasterly on Fletcher Drive to Casitas Avenue, northerly on Casitas Avenue to Tyburn Street, easterly on Tyburn Street to its intersection with the boundary of the City of Los Angeles, northwesterly and westerly along the boundary of the City of Los Angeles to Barham Boulevard, southerly on Barham Boulevard to Cahuenga Boulevard, southeasterly on Cahuenga Boulevard to point of beginning.

ZONE 7

Commencing at the intersection of 88th Street and Vermont Avenue, southerly on Vermont Avenue to 120th Street, easterly on 120th Street to Central Avenue, thence along the boundary of the City of Los Angeles in a general easterly direction to 107th Place, easterly on 107th Place to Alameda Street, northerly on Alameda Street to 92nd Street, westerly on 92nd Street to Maie Avenue, northerly on Maie Avenue to 87th Place, westerly on 87th Place to San Pedro Street, southerly on San Pedro Street to 88th Street, westerly on 88th Street to Figueroa Street, northerly on Figueroa Street to 87th Street, westerly on 87th Street to Hoover Street, southerly on Hoover Street to 88th Street, westerly on 88th Street to point of beginning.

ZONE 8

Commencing at the intersection of Stewart and Grey Road and the west bank of the Los Angeles River, northerly along the west bank of the Los Angeles River to Gage Avenue, easterly on Gage Avenue to Garfield Avenue, northeasterly on Garfield Avenue to Anaheim-Telegraph Road, southeasterly on Anaheim-Telegraph Road to Church Street, northeasterly on Church Street and its prolongation across The Atchison, Topeka and Santa Fe right-of-way to Vail Avenue, northeasterly on Vail Avenue to Whittier Boulevard, southeasterly on Whittier Boulevard to San Gabriel Boulevard, southwesterly on San Gabriel Boulevard to Anaheim-Telegraph Road, northwesterly on Anaheim-Telegraph Road to Paramount Boulevard, southwesterly on Paramount Boulevard to Stewart and Grey Road, westerly on Stewart and Grey Road to point of beginning.

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

RULE NO. 30 - APPLICATIONS OF RATES

(a) Rates are for the transportation of shipments as defined in this appendix. Rates named in Section No. 5 for the transportation of shipments weighing less than 100 pounds include pick-up and delivery. Rates named in Section No. 5 for the transportation of shipments weighing 100 pounds or more and rates named in Section No. 4 include pick-up and delivery at sidewalk, platform, truckside or inside shipper's and consignee's door at street level only; except that rates include pick-up and delivery at other than street level where vehicular elevator service or vehicular ramp is provided and made available to the carrier.

(b) 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. Deficiency in weight shall be computed at the rate applicable to the lowest rated commodity in the shipment.

(c) Whenever both class and commodity rates are provided in this appendix, the lower of such rates shall apply.

RULE NO. 40 - APPLICATION OF CURRENT CLASSIFICATION AND CURRENT EXCEPTION SHEET

(a) Except as otherwise provided herein, this appendix is governed by the Western Classification No. 67, C.R.C. No. 6 of J. P. Haynes, Agent and by exceptions thereto, Pacific Freight Tariff Bureau Exception Sheet No. 1-P, C.R.C. No. 597 (L. F. Potter series), and by supplements to and successive issues of said publications.

(b) Where the ratings, rules and regulations or other provisions or conditions shown in the Current Classification or Current Exception Sheet are in conflict with those shown in this appendix, the latter will apply.

(c) Except as otherwise provided in Sections Nos. 2 and 6, rates contained herein are subject to ratings as shown in the Current Classification and Current Exception Sheet for L.C.L. (less than car-load) or any quantity rates only. If two or more ratings are provided for an article in the form in which it is shipped (e.g., set up or knocked down, nested or not nested, compressed or not compressed, folded flat or not folded flat), subject to different packing requirements, the lowest of such ratings will apply.

(d) Articles will not be subject to the packing requirements of the Current Classification or Current Exception Sheet, but may be accepted for transportation in any container or any shipping form, providing such container or form of shipment will render the transportation of the freight reasonably safe and practicable.

(e) The following rules of the Current Classification do not apply:

Rules Nos. 1, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 24, 27, 28, 29, 30, 31, 32, 34, 35, 37, 38, 39, 40, 41, 43, 44,

(f) The following rules of the Current Exception Sheet do not apply:

Rules Nos. 10, 15, 20, 25, 30, 35, 38, 40, 42, 45, 50, 55, 60, 61, 62, 65, 75, 78 and Rules in Section No. 2.

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

RULE NO. 50 - ACCESSORIAL SERVICES

(a) Except as otherwise provided in Section No. 2, for pick-up or delivery of shipments weighing 100 pounds or more at other than street level, where no vehicular elevator service or vehicular ramp is provided or where such facilities are not made available to the carrier, an additional charge of 5 cents per 100 pounds, minimum additional charge 25 cents per shipment, shall be made.

(b) Except as otherwise provided in Section No. 2, for stacking, sorting or any other accessorial service rendered in connection with the transportation of shipments weighing 100 pounds or more and not otherwise provided for in this rule, an additional charge of \$1.10 per man per hour shall be made.

(c) For collecting and remitting the amount of C.O.D. bills on C.O.D. shipments, additional charges shall be made as provided in Rule No. 60.

RULE NO. 60 - C.O.D. SHIPMENTS

(a) In the event a carrier elects to handle C.O.D. shipments, the carrier shall immediately upon collection of any and all the 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 each 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:

Under \$100.00 one-half of one per cent, minimum charge ..	\$.15
\$100.00 and not over \$200.0050
Over \$200.00 and not over \$300.0070
Over \$300.00 and not over \$500.0080
Over \$500.00 add 25 cents for each \$100.00 or fraction thereof.	

RULE NO. 70 - RATES NAMED IN THIS APPENDIX VERSUS
COMMON CARRIER RATES

In the event the application of the common carrier intra-state rates, rules and regulations for the same transportation of the same shipment of property from and to the same points and for the same accessorial services results in a lower aggregate charge than the charge resulting from the application of the rates named in this appendix, such lower charge shall apply.

RULE NO. 80 - CHARGES FOR SERVICE AT OTHER THAN
REGULAR WORKING HOURS

For services performed at the request of the shipper or consignee between the hours of 6:00 P.M. and 6:00 A.M., or on Sundays and legal holidays, minimum rates named in this appendix shall be increased 25%.

SECTION NO. 1 - RULES AND REGULATIONS (Concluded)

RULE NO. 90 - DISPOSITION OF FRACTIONS

In computing a rate based on a percentage of another rate, the following rule shall be observed in the disposition of fractions:

Fractions of less than $\frac{1}{2}$ or .50 of a cent, omit.
Fractions of $\frac{1}{2}$ or .50 of a cent or greater, increase
to next whole figure.

RULE NO. 100 - MINIMUM CHARGE

The minimum charge per shipment for shipments weighing 100 pounds and over shall be 50 cents.

RULE NO. 110 - DELAYED DELIVERY OF SHIPMENTS

(a) Where carrier cannot effect delivery upon arrival of shipment at point of destination, a free storage period of 48 hours from the first 7:00 A.M. thereafter may be allowed. After said free storage period, storage charges shall be assessed at not less than $1\frac{1}{2}$ cents per 100 pounds per day for each of the first five days and at not less than 3 cents per 100 pounds per day for the sixth and each succeeding day until such time as instructions regarding disposition of the shipment are received by the carrier. In computing time, Sundays and legal holidays shall be excluded.

(b) Subsequent delivery of the property from point of storage shall constitute a new shipment.

SECTION NO. 2 - EXCEPTIONS TO CURRENT CLASSIFICATION
AND CURRENT EXCEPTION SHEET

ITEM NO.	COMMODITY	Class Rating
300	Beans, Peas and Lentils, dry	90% of 4
310	Beverages, Malt, viz.: Ale, Beer, Beer Tonic, Porter, Stout	4
320	Canned Goods, as described in Item No. 210 series of Current Exception Sheet	90% of 4
330	Carriers (used packages), second-hand, empty returning or when shipped for return paying load by the carrier transporting the empty carriers	50% of 4 but not less than 6 cents per 100 pounds.
340	Cement, Portland, Building, in shipments of less than 28,500 pounds.	80% of 4
350	Flowers, fresh cut	D-1
360	Gases, compressed, as described under that heading in the Current Classification	4
370	Junk, viz.: Paper, waste, and rags, in machine compressed bales; Sacks, old, worn-out; Tires (rubber), old, worn-out; Tubes (rubber), pneumatic, old, worn-out; Metal, scrap	80% of 4
380	Lumber and Forest Products as described in Item No. 15 of Appendix "A", Decision No. 30404 (Cases Nos. 4088 Part "L" and 4145 Part "A") dated December 13, 1937. Minimum weight 20,000 pounds. (Subject to Note 1) NOTE 1.- Charges for weighing shipments and method of securing weight when no scale is available shall be computed as provided in Items Nos. 40 and 45 of Appendix "A" of Decision No. 30404.	70% of 4
390	Nuts, edible, in the shell	4

SECTION NO. 2 - EXCEPTIONS TO CURRENT CLASSIFICATION AND CURRENT EXCEPTION SHEET (Concluded)		
ITEM NO.	COMMODITY	CLASS RATING
400	Paper, newsprint, in rolls (Not subject to Rule No. 50(a))	80% of 4
410	Refuse (citrus fruit), not fit for human consumption	80% of 4
420	Roofing, Building or Paving Material listed in Item No. 1105 series of Current Exception Sheet (Subject to Note 1) NOTE 1.-With shipments of one or more articles listed in Item No. 1105 series as being subject to Note 1 of Current Exception Sheet, there may be included: metal fasteners, metal or wooden strips, mop yarn, nails, and tin roofing caps, not to exceed ten (10%) per cent of the aggregate weight of the shipment.	90% of 4
430	Salt, common	90% of 4
440	Sugar	90% of 4
450	Wine, domestic, having a declared value of not more than \$2.00 per gallon.	4

SECTION NO. 3 - RATE BASES

ITEM NO.	Rate bases applicable to shipments transported from points of origin to points of destination located in zones as described in Section No. 1, Rule No. 20.								
600	Between And	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	Zone 1	A	-	-	-	-	-	-	-
	Zone 2	B	A	-	-	-	-	-	-
	Zone 3	B	B	A	-	-	-	-	-
	Zone 4	B	C	B	A	-	-	-	-
	Zone 5	B	B	C	C	A	-	-	-
	Zone 6	C	B	C	D	B	A	-	-
	Zone 7	C	C	B	B	D	D	A	-
	Zone 8	C	D	C	B	D	D	C	A

SECTION NO. 4 - CLASS RATES

Item No.	RATES IN CENTS PER 100 POUNDS												
650	Rate Basis	Minimum Weight in Pounds											
		100				500				2,000			
		1	2	3	4	1	2	3	4	1	2	3	4
	A	26	23	21	18	21	19	17	15	17	15	14	12
	B	33	30	26	23	26	23	21	18	21	19	17	15
	C	40	36	32	28	32	29	26	22	25	23	20	18
	D	44	40	35	30	36	32	28	24	30	27	24	21
		Minimum Weight in Pounds											
		4,000				10,000				20,000			
		1	2	3	4	1	2	3	4	1	2	3	4
A	13	12	11	10	11	10	9	8	9	8	7	6	
B	17	15	14	12	13	12	11	10	10	9	8	7	
C	20	18	16	14	15	14	12	11	11	10	9	8	
D	23	20	18	16	17	15	14	13	12	11	10	9	

SECTION NO. 5 - COMMODITY RATES

ITEM NO.	Freight, regardless of classification, transported between or within the zones described in Section No. 1, Rule No. 20.					
700	<u>Weight in pounds</u>					<u>Rates in cents per shipment</u>
	1 or less					9
	Over 1 but not over 15					10
	Over 15 but not over 25					15
	Over 25 but not over 40					20
	Over 40 but not over 50					25
	Over 50 but not over 60					30
	Over 60 but not over 75					35
710	Over 75 but not over 85					40
	Over 85 but not including 100					45
	Freight, regardless of classification. See Note.					
						<u>Rates in cents per 100 pounds</u>
						<u>Rate Basis</u>
						<u>A</u> <u>B</u> <u>C</u> <u>D</u>
	Minimum weight in pounds per shipment 100					40 50 60 70
	" " " " " 500					30 40 50 60
" " " " " 2,000					25 30 35 40	
" " " " " 4,000					20 25 30 35	
" " " " " 10,000					15 20 25 30	
<p><u>NOTE-</u> Rates named in this item apply only when the shipper has notified the carrier, prior to the transportation of the property, of his intent to ship at the rates provided in this item. When such notification has been given and the shipment tendered the carrier rates no lower than those named in this item must be applied.</p>						

SECTION NO. 5 - COMMODITY RATES (Continued)

Item No.	Commodity	Between	And	Rate
720	Freight	Industries directly served by Spur Track facilities.	Industries directly served by Spur Track facilities.	The railroad switching rates as published in the tariffs of the rail carriers lawfully on file with the Railroad Commission of the State of California, amendments thereto and reissues thereof, plus the charges provided in Note 1
		Note 1.- In addition to the foregoing switching charge, the following rates will be assessed:		
		Where the property transported is classified		The additional rate in cents per 100 pounds will be
		1st Class or Higher 2nd Class 3rd Class 4th Class or Lower		5 4 3½ 2½
		In the event a shipment is composed of mixed classes of property, the additional charge will be computed on the basis of the individual weights and rates for each class of property comprising the aggregate weight of the shipment.		

SECTION NO. 5 - COMMODITY RATES (Concluded)				
Item No.	Rates in cents per 100 pounds			
	RATE BASIS			
	A.	B.	C.	D.
730	Freight, viz.: Beans, peas and lentils, dry Canned goods, as described in Item No. 210 of current Exception Sheet Cement, portland, building, in shipments of less than 28,500 pounds Flour Gases, compressed, as described under that heading in the current Classification Glassware, viz.: bottles, jars, glasses Grain Paper, newsprint Rice Roofing, building or paving material, as listed in Item No. 1105 series of current Exception Sheet (subject to Note 1) Salt, common Sugar In straight or mixed shipments Minimum weight per shipment 10,000 pounds Minimum weight per shipment 20,000 pounds NOTE 1.-With shipments of one or more articles listed in Item No. 1105 series as being subject to Note 1 of current Exception Sheet, there may be included; metal fasteners, metal or wooden strips, mop yarn, nails and tin roofing caps, not to exceed ten (10%) per cent of the aggregate weight of the shipment.			
	5	6	7	8
	4	4½	5	5½

**SECTION NO. 6 - HOURLY, WEEKLY AND MONTHLY VEHICLE
UNIT RATES**

Vehicle Unit as used in this Section means any motor truck or other self-propelled highway vehicle, trailer, semi-trailer, or any combination of such highway vehicles operated by the carrier.

Except as otherwise provided in Rule No. 10(b), rates named in this section apply to the transportation of property during regular working hours (subject to Rule No. 80).

Rates named in this section include all operating expenses except labor in addition to the driver of the vehicle unit. When labor in addition to the driver is required, an additional charge of \$1.10 per man per hour shall be assessed.

Shipper must notify the carrier of his intent to ship at the rates provided in this section prior to transportation of the property.

Rates named in this section do not alternate with rates provided in other sections of this appendix.

"Weight in pounds" as used in this section means the weight of the property transported. When the weight of the property transported varies charges shall be computed on the basis of the greatest (heaviest) weight transported by the vehicle unit at any one time.

Except as provided above, rules and regulations otherwise shown in this appendix do not apply.

Item No.	Hourly Vehicle Unit Rates	Rates in Cents per Hour		
		Column 1	Column 2	
300	Weight in Pounds			
	2,000 or less	200	250	
	Over 2,000 but not over 3,000	225	275	
	Over 3,000 but not over 5,000	250	300	
	Over 5,000 but not over 8,000	300	350	
	Over 8,000 but not over 12,000	350	400	
	Over 12,000 but not over 20,000	400	450	
	Over 20,000	500	550	
Minimum charge 1 hour.				
Column 1 - Rates per vehicle unit other than low-bed.				
Column 2 - Rates per low-bed vehicle unit.				
810	Weekly and Monthly Vehicle Unit Rates	Column 1	Column 2	Column 3
	Weight in Pounds			
	2,500 or less	75	270	5
	Over 2,500 but not over 5,000	85	295	6
	Over 5,000 but not over 8,000	90	325	7
	Over 8,000 but not over 12,000	100	385	10
	Over 12,000 but not over 20,000	125	425	15
	Over 20,000	155	530	20
	Column 1 - Rates per vehicle unit per week, in dollars, when operation does not exceed 50 miles per day. (See application of Column 3 rates.)			
	Column 2 - Rates per vehicle unit per month, in dollars, when operation does not exceed 50 miles per day. (See application of Column 3 rates.)			
	Column 3 - Rates in cents per mile when operation exceeds 50 miles per day. (To be added to Column 1 or Column 2 rates.)			