

Decision No. 31470

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of maximum or minimum, or maximum and minimum rates, rules and regulations of all Carriers as defined in the City Carriers' Act (Chapter 312, Statutes of 1935), for the transportation for compensation or hire of petroleum and petroleum products over the public highways within all incorporated cities in this State. ) Case No. 4250

SANBORN, ROEHL & MacLEOD, for the Tank Truck Operators Assn.  
WALLACE L. WARE, for Tank Truck Operators Association, Inc.

JAMES E. LYONS and BURTON MASON, for Southern Pacific Company.

G. E. DUFFY and GEORGE HURST, for The Atchison, Topeka and Santa Fe Railway Company and Santa Fe Transportation Co.

E. C. RENWICK and W. H. LOVE, for the Union Pacific Railroad Co.

E. BISSINGER, for the Pacific Electric Railway Company.

R. N. SLINGERLAND, for Standard Oil Company of California.

J. D. REARDEN, for the Union Oil Company of California.

L. R. McNAMARA and G. J. WARSCO, for the Texas Company.

BY THE COMMISSION:

#### OPINION

The above-entitled proceeding was instituted for the purpose of fixing rates for the transportation of petroleum and petroleum products in tank trucks, tank trailers, tank semi-trailers, or in any combination of such vehicles, and for accessorial services incident to such transportation, within any and all incorporated cities of the State of California by carriers as defined in the City Carriers' Act. Respondents were directed to appear and show cause, if any they had, why the rates, rules and regulations heretofore established by Decision

No. 30085<sup>(1)</sup> for highway carriers, or such other rates as the Commission may find to be just, reasonable and non-discriminatory, should not be established and approved as the just, reasonable and non-discriminatory minimum rates to be charged by respondents herein for transportation within incorporated cities.

Public hearings were had before Examiner Hunter at Los Angeles and before Examiner Davis at San Francisco.

The record shows that the costs of respondent carriers in transporting refined liquid petroleum products, including gasoline, within incorporated cities, are substantially the same as those experienced by highway carriers in performing similar transportation of the same commodities between points in this state other than within incorporated cities.<sup>(2)</sup> Tank Truck Operators' Association advocated that the rates heretofore established for the transportation of refined liquid petroleum products by Decision No. 30085, supra, be established and approved as the just, reasonable, and non-discriminatory minimum rates for the transportation of said commodities by respondent carriers within any and all incorporated cities, other than Los Angeles. As to Los Angeles, the Association urged that because of the large area involved the city be divided so that the single minimum rate applicable to other cities be restricted to a metropolitan area, allowing distance rates to apply to outlying parts of the city. Representatives of producer shippers and rail carriers present at the hearings offered no objection to the adoption of the proposal of the Tank Truck Operators' Association.

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(1) By Decision No. 30085 of August 28, 1937, in Cases Nos. 4079 and 4191, the Commission established just, reasonable, and non-discriminatory minimum rates to be charged by highway carriers as defined in the Highway Carriers' Act for the transportation of refined liquid petroleum products and petroleum fuel oil between points in California.

(2) Exhibit No. 1, introduced by F. H. Chesnut, Senior Engineer of the Commission, shows the result of a cost study dealing with the transportation of the commodities involved by City Carriers. This exhibit shows that the costs developed in the studies introduced by this witness in Cases Nos. 4079 and 4191, supra, involving highway carriers, are applicable to city movements for equal lengths of haul.

No evidence was offered dealing with commodities other than refined liquid petroleum products, and for this reason consideration herein will be limited to refined products. Minimum rates for the transportation of other petroleum products will be established by a decision of this date in Case No. 4249.

Upon this record it must be concluded that the minimum rates, rules and regulations established for the transportation of refined liquid petroleum products by highway carriers between points in California, set forth in Appendix A-1 of Decision No. 30085, dated August 28, 1937, as amended, in Cases Nos. 4079 and 4191, should be established as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged, collected, and observed by any and all carriers as defined in the City Carriers' Act, for the transportation of the same commodities within any and all incorporated cities in the State of California, in so far as they may be applicable to such transportation. Inasmuch as the minimum rate therein provided for distances of fifteen miles and less, and for greater distances in the case of group points, is 3 cents per 100 pounds, the establishment of one rate of this volume appears adequate to take care of all movements within incorporated cities, other than Los Angeles. As to Los Angeles, the 3 cent rate will be established within a limited zone, and mileage rates will be provided for movements within the city involving greater distances.

#### O R D E R

Public hearings having been held in the above-entitled proceeding, and the matter having been submitted,

IT IS HEREBY ORDERED that the rates, rules and regulations set forth in Appendix "A" hereof be and they are hereby approved and established effective December 7, 1938, as the just, reasonable and non-discriminatory minimum rates, rules and regulations to be charged,

collected, and observed by any and all carriers, as defined in the City Carriers' Act, for the transportation of refined liquid petroleum products, as defined in said Appendix, within any and all incorporated cities of the State of California.

IT IS HEREBY FURTHER ORDERED that all carriers, as that term is defined in the City Carriers' Act, be and they are hereby ordered to cease and desist on December 7, 1938, and thereafter abstain from charging, collecting or observing rates, rules or regulations lower in volume or effect than those set forth in said Appendix "A."

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

Dated at San Francisco, California, this 10<sup>th</sup> day of November, 1938.

Raymond A. Friedman  
Leon J. Whelan  
Frank A. Whelan  
Ray E. Rice  
Commissioners

APPENDIX "A"

ITEM NO. 10 - RATES

(a) For transportation of refined liquid petroleum products in tank motor trucks, tank trailers, tank semi-trailers, or any combination of such highway vehicles, between points within incorporated cities other than the City of Los Angeles, the rate shall be 3 cents per 100 pounds.

(b) For transportation between points situated within the City of Los Angeles southerly of the line described in paragraph (d) of this Item, the rate shall be 3 cents per 100 pounds.

(c) For transportation between points situated within the City of Los Angeles northerly of the line described in paragraph (d) of this Item, and between such points on the one hand and all other points within the City of Los Angeles on the other hand, the minimum rate shall be that provided in paragraph (e) for the actual shortest highway distance from point of origin to point of destination.

(d) Description of Los Angeles boundary line:  
Beginning at the intersection of Sunset Boulevard and U. S. Highway No. 101-A; thence northeasterly along Sunset Boulevard to Fairfax Avenue; northerly along Fairfax Avenue to Hollywood Boulevard; easterly along Hollywood Boulevard to Sierra Bonita Avenue; northerly along Sierra Bonita Avenue to Franklin Avenue; easterly along Franklin Avenue to Vermont Avenue; southerly along Vermont Avenue to Hollywood Boulevard; southeasterly along Hollywood Boulevard and Sunset Boulevard to Lilac Terrace; easterly along Lilac Terrace to Bernard Street; easterly along Bernard Street to North Broadway; northerly and easterly along North Broadway to Mission Road; northeasterly along Mission Road to Huntington Drive; northeasterly along Huntington Drive to its intersection with the Los Angeles-Alhambra corporate boundary.

(e) Mileage Rates:

<u>Miles</u>	<u>Rates in cents per 100 pounds</u>
Not over 5	3
Over 5 but not over 10	3
" 10 " " " 15	3
" 15 " " " 20	3½
" 20	4

#### ITEM NO. 20 - DESCRIPTION OF COMMODITIES

Rates in this appendix apply upon Refined Liquid Petroleum Products, including Compounded Oils having a Petroleum Base as described in Supplement No. 17 to Western Classification No. 65 (Supplement No. 17 to C.R.C. No. 580 of M. A. Cummings, Agent) under the heading "Petroleum or Petroleum Products \*\*," when transported in tank trucks, tank trailers or tank semi-trailers, or a combination of such highway vehicles.

Note: This appendix does not apply upon Petroleum Crude Oil, Petroleum Fuel Oil, Petroleum Gas Oil or Asphalt, for which rates are provided in Decision No. 3/469 of November 10, 1938, in Case No. 4249.

#### ITEM NO. 30 - COMPUTATION OF CHARGES

The weight of the commodities upon which rates are established in this appendix shall be computed upon the basis of 6.6 pounds per gallon.

#### ITEM NO. 40 - MINIMUM WEIGHT AND MINIMUM CHARGES

The minimum weight for shipments in tank trucks, tank trailers, tank semi-trailers, or in any combination of such vehicles, shall be the full legal carrying capacity of the tank or tanks but in no event shall the transportation charges for quantities less than 3,000 gallons be less than those applicable on shipments of 3,000 gallons.

#### ITEM NO. 50 - STOPPING IN TRANSIT

Shipments will be subject to an additional charge of \$4.50 for each stop in transit to partially unload, and charges will be collected on the weight of the entire shipment from point of origin to the highest rated point of delivery.

#### ITEM NO. 60 - PUMPING

Rates provided herein to not include pumping service when rendered with carriers' equipment. When this service is performed by the carrier, a charge of 3/4 of one cent per 100 pounds will be made.

#### ITEM NO. 70 - APPLICATION OF RATES

The minimum charge between points within the switching limits of a single station shall be the switching charge currently maintained by the rail carriers and lawfully on file with the Railroad Commission of the State of California, when lower than the charge accruing under Item No. 10.

(End of Appendix "A")