

Decision No. 31473

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment
of just, reasonable and non-discrim-
inatory maximum or minimum or maximum
and minimum rates, rules, classifica-
tions and regulations for the trans-
portation of property for compensation
or hire over the public highways of
the City of Los Angeles.

ORIGINAL

Case No. 4121

BY THE COMMISSION:

SIXTH SUPPLEMENTAL OPINION AND ORDER
and
ORDER DENYING PETITION FOR REHEARING

On October 31, 1938, the Commission issued Decision No. 31417 (Fifth Supplemental Order) in this matter. That decision prescribed revised minimum rates, rules and regulations for metropolitan Los Angeles drayage to become effective November 20, 1938. These revisions were predicated upon the record as amplified by evidence received at further public hearings. Before the changes became effective Motor Truck Association of Southern California filed a petition for rehearing and stay of the effective date of said Decision No. 31417. Los Angeles Parcel Delivery Association likewise urged that the effective date be deferred to the first day of a calendar month. Responsive to these requests, an order was entered postponing the effectiveness of the order until December 1, 1938.

In its petition, the Truck Association alleged that the readjusted commodity rates for shipments weighing less than 100 pounds, the reduced class rates and the lowered minimum charge for shipments weighing 100 pounds and over, as well as the split delivery basis for lots of 4,000 pounds and more transported under class rates are (1) not supported by the evidence, and (2) unjust and unreasonable. Other prescribed changes were not assailed.

Apparently both allegations rest upon a common premise, that a distinction must here be drawn between carriers specializing in a particular type of service and those conducting general drayage operations. In regard to its first allegation, the petitioner claims that justification for revision of established minimum rates must be found in the record developed at subsequent hearings. It asserts that in the instant case the evidence introduced on further hearing was confined to matters dealing with the operations of specialized carriers or to matters having no definite relationship to the volume of rates. Thus, it concludes that the prescribed rates, insofar as they affect the specialized carriers, are not supported by the record. The petitioner's contention with respect to the second allegation is that cost evidence and factors influencing costs have been disregarded. More specifically, it argues that the only substantial evidence upon which the rates in issue could be based relates to low costs developed by highly specialized carriers, and that such evidence does not satisfy the statutory requirement of reasonableness for general application of these rates.

The further hearings had prior to the issuance of the Fifth Supplemental Order (Decision No. 31417, *supra*) were held for the purpose of receiving additional evidence, the cumulative evidence thus received being the record before the Commission in its consideration and disposition of the issues then before it.

A review of the record indicates that shipments weighing 2,000 pounds or more and split delivery shipments in lots aggregating 4,000 pounds and more constitute drayage traffic which is readily adaptable to the operating methods employed by all types of drayage carriers. As to shipments weighing less than 100 pounds, the disputed rates were readjusted as to volume and weight breaks but follow the

same plan as the presently effective rates. The revisions were predicated upon a comprehensive study made by engineers employed by the Commission and adopted as representative of costs of carriers which the record shows transport the greater portion of the traffic in this field.

However, shipments weighing from 100 to 2,000 pounds are transported by at least two types of carriers. These carriers employ distinctly different operating methods, experience widely divergent costs and face proprietary competition of unequal force. In these regards the circumstances surrounding the transportation are so different that a single schedule of minimum rates suitable for all interested shippers and carriers may not be prescribed on the record as it now stands. Moreover, doubt exists as to the propriety and practicability of prescribing rate schedules varying according to types of carriers.

For these reasons, and as a temporary measure Decision No. 31417 insofar as it prescribes class rates at a 100 pound minimum and a minimum charge of 35 cents will be set aside. As to shipments weighing from 100 to 500 pounds, it will be the Commission's purpose in proper cases to accord routed delivery carriers and shippers using their services relief commensurate with that afforded them by Decision No. 31417 upon the filing by these carriers of appropriate applications under Sections 10 and 11, respectively, of the City and Highway Carriers' Acts. Such relief will be temporary in nature and subject to revision upon a more comprehensive record.

The Los Angeles Parcel Delivery Association has pointed out that its members are precluded from the full benefit of the manifest shipping order provision by the requirement that consignees' signatures be secured on the manifests. It is asserted that this difficulty may

be obviated by permitting separate delivery receipts for each of the consignees included on the manifest lading. The freight bill requirements will be further relaxed to that extent.

To avoid any confusion which might arise through the issuance of another modifying order a complete appendix containing the minimum rates, rules and regulations effective with this order will be attached.

The matter is now on the calendar for further hearing March 1, 1939. With the changes made by this order, no further stay of the effective date should be granted and rehearing should be denied.

O R D E R

Good cause appearing,

IT IS HEREBY ORDERED that the aforesaid petition be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the rates, rules and regulations, provided in Appendix "A" attached hereto and by this reference made a part hereof, be and they are hereby established and approved effective December 1, 1938, as the just, reasonable and nondiscriminatory 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, as amended) and by any and all carriers as defined in the City Carriers' Act (Chapter 312, Statutes of 1935, as amended) 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, as amended) be and they are hereby ordered to cease and desist on December 1, 1938, and thereafter abstain from charging, collecting or observing rates, rules and regulations lower in volume or effect than those provided in said Appendix "A", except that all radial highway common carriers, highway contract carriers and all carriers as defined in said City Carriers' Act now authorized under the provisions of Sections 10 and 11, respectively, of said City and Highway Carriers' Acts to transport property at lesser charges than those established by orders of the Commission now outstanding be and they are hereby authorized to continue such transportation under the con-

ditions and for the period of time heretofore authorized, but in no event for a period in excess of one (1) year from the effective date of this order.

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. 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 Decision No. 29480, as amended.

IT IS HEREBY FURTHER ORDERED that every radial highway common carrier and highway contract carrier, as defined in the Highway Carriers' Act (Chapter 223, Statutes of 1935, as amended) and every carrier as defined in the City Carriers' Act (Chapter 312, Statutes of 1935, as amended) shall issue, for each shipment received for transportation, a freight bill in substantially the form set forth in Appendix "B" hereof; or shall issue a manifest bill of lading or freight bill for all shipments received from one shipper at one time and at one place. Said manifests shall contain all of the information required to be shown on the form of freight bill set forth in said Appendix "B", or shall be supplemented by the issuance of freight bills, or delivery receipts and freight bills which shall contain the required information not shown on the manifests. In any event said carriers may include in said manifests, delivery receipts or freight bills, in addition to the provisions appearing in the form set forth in said Appendix "B", such other reasonable and lawful provisions as may be deemed proper. A copy of said manifests, delivery receipts and freight bills shall be retained and preserved for a period of not less than three (3) years from the date of their issuance.

IT IS HEREBY FURTHER ORDERED that effective December 1, 1938, this order shall supersede and set aside all previous orders in this proceeding.

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 December 1, 1938.

Dated at San Francisco, California, this 25th day of November 1938.

Ray B. Whaley
Leon Whaley

Ray & Riley

Commissioners