

Decision No. 31487

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Higgins Trucks, Inc., for per-
mission to charge less than minimum
rates on freight, regardless of
classification.

} Application No. 22395

BY THE COMMISSION:

OPINION AND ORDER

By this application, Higgins Trucks, Inc., seeks authority under Section 10 of the City Carriers' Act and Section 11 of the Highway Carriers' Act to transport property for B. F. Goodrich Co. as a city carrier and a highway contract carrier, within the Los Angeles drayage area, at rates less than the minimum rates established by Decision No. 30785, as amended, in Case No. 4121.¹ The rates which applicant proposes to charge are 25 cents per shipment on all shipments weighing 50 pounds or less and 14 cents per 100 pounds on all shipments weighing from 50 to 500 pounds. The latter rate is to be subject to a minimum charge of 40 cents, and applicant is to be guaranteed an aggregate monthly revenue of \$400.00.

In support of the application, Higgins Trucks, Inc., represents that it offers a scheduled and routed transportation service for which the established minimum rates are not adaptable, in that they require classification of freight, issuance of separate bills of lading and observance of zone boundaries. It represents, moreover, that various operating economies are possible in a service

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Effective December 1, 1938, said Decision No. 30785 will be superseded by Decision No. 31473 of November 25, 1938, in the same proceeding, however the changes made do not materially affect this application.

of this nature which are not available to draymen generally and that, therefore, the minimum rates are excessive when applied to the traffic of this carrier.

In further support of the sought rates, applicant asserts that B. F. Goodrich Co. ships a large volume of rubber tires, tubes and various other rubber articles, has made a study of the cost of performing transportation by use of its own truck equipment and has definitely decided to commence proprietary operations if it is required to pay the established minimum rates.

It is evident from the allegations of the application that the service here involved is highly specialized in nature and is not similar to the general drayage operations contemplated by Decision No. 30785, supra, as amended. It is evident, moreover, that rates higher than those here sought will cause a serious diversion of tonnage to proprietary carriage. In declining to establish special rates for routed and scheduled services in Decision No. 31473, supra, the Commission specifically recognized that lower rates were justified and stated that relief would be granted upon the filing of appropriate applications under Sections 10 and 11 of the City and Highway Carriers' Acts, respectively. Under these circumstances, this is not a matter in which public hearing is necessary. The application will be granted. Therefore, good cause appearing,

IT IS HEREBY ORDERED that Higgins Trucks, Inc., be and it is hereby authorized to charge rates less than the minimum rates established by Decision No. 31473 of November 25, 1938, in Case No. 4121, in connection with shipments weighing 500 pounds or less transported for B. F. Goodrich Co. in scheduled and routed parcel delivery service, but not less than 25 cents per shipment on all shipments weighing 50 pounds or less and 14 cents per 100 pounds,

minimum charge 40 cents, on all shipments weighing from 50 to 500 pounds, subject to a minimum monthly revenue of \$400.00, and subject also to all the rules and regulations contained in said Decision No. 51473.

The authority herein granted shall expire one (1) year from the effective date hereof unless sooner changed, cancelled or extended under appropriate order of the Commission.

This order shall become effective December 1, 1938.

Dated at San Francisco, California, this 27th day of November, 1938.

Rafaela
Leon White

Ray L. Riley

Commissioners.