

Decision No. 31806

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment  
of rates, rules, classifications and  
regulations for the transportation of  
property, exclusive of property trans-  
ported in dump trucks, for compensa-  
tion or hire, over the public highways  
of the City and County of San Francisco. )

Case No. 4084

ORIGINAL

BY THE COMMISSION:

O P I N I O N

At an adjourned hearing held in the above entitled proceed-  
ing in San Francisco on January 24, 1939, before Examiner E. S.  
Williams, Draymen's Association of San Francisco (hereinafter referred  
to as the Association) sought several modifications of the minimum  
rates, rules and regulations heretofore established for the transpor-  
tation of property within the San Francisco drayage area. A complete  
list of the proposals is set forth in Appendix "A" hereto. Only those  
which were supported with evidence of probative value will be dis-  
cussed herein.

Extension of Inhaul Rates

At present, inhaul rates apply to movements from public ware-  
houses to wholesalers, but do not apply to movements from private ware-  
houses to wholesalers, or from wholesalers to private or public ware-  
houses. The Association asked that the inhaul rates be extended to  
include these additional types of movements.<sup>1</sup> In justification, its  
witness stated that large shipments of merchandise are moved from a

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The term "inhaul" is defined in outstanding orders as follows:  
"Inhaul means the transportation of property received from another  
carrier at a depot, dock, wharf, pier or landing, originating beyond  
the limits of the City and County of San Francisco, also the transpor-  
tation of property from public warehouses to wholesalers." The Asso-  
ciation suggested that the portion of the definition reading "from  
public warehouses to wholesalers" be changed to read "between ware-  
houses and wholesalers."

wholesaler's warehouse to another wholesaler and that there is a "continuous movement of goods from their original place at rest at San Francisco to another warehouse or to another wholesaler."<sup>2</sup>

He asserted that these shipments possess transportation characteristics similar to those attending movements for which inhaul rates now apply.

While the existing definition of the term "inhaul" may not cover certain movements which are comparable from a transportation standpoint to those coming within this definition, petitioner has not shown that the particular movements cited by him as examples are the only types of movements which would be covered by the proposed extension of this definition. On the contrary, the term "warehouse" is indefinite and the proposal, if adopted, would broaden the existing definition of inhaul to cover practically all movements in which a wholesaler participates either as a shipper or consignee. The existing definition was adopted on a comprehensive record and has been in effect for almost three years. Under these circumstances, it should be changed only upon a record which clearly shows the justification therefor. The requested modification will not be made.

#### Rating on Quebraco

Quebraco extract, an extract used in tanning leather, is now rated at second class under the heading "Extracts, N.O.S." The Association asked that the rating on this commodity be reduced to fourth class. Its witness stated that San Francisco leather dealers

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The words quoted are those used by the witness. It appears probable that in referring to the "original place at rest in San Francisco" he had in mind points other than a carrier's depot, dock, wharf, pier or landing at which property originating beyond the City and County of San Francisco is received, such as private warehouses or shipper's places of business. Typical of such movements was said to be a shipment of 2,000 cases of whiskey from the private warehousing facilities of a large jobber and wholesaler of this commodity to a wholesale grocery house.

sell in the middle western markets in competition with eastern manufacturers; that quebraco extract is an important item of cost in the manufacture of leather; and that, consequently, reduced transportation costs on quebraco extract would aid local manufacturers in meeting such competition. He stated further that this commodity costs about 5 cents per pound, is packed in burlap bags measuring 1-3/4 cubic feet and weighing 105 pounds when full, and is shipped in quantities of from ten to twenty-five tons.

Quebraco extract is rated at third class in the Western Classification when in cloth or paper bags, or in bales. In view of this fact, of the high density and low value of this commodity, and of the fact that the present rating does not apply exclusively to this extract but covers numerous other extracts as well, a reduction in the present rating from second to third class appears justified. However, in the absence of a showing that the characteristics of this commodity are comparable to those of representative fourth class commodities the sought 4th class rating cannot be authorized.

#### Rates on Deciduous Fruit

The present rates for transportation of deciduous fruit from ice houses in San Francisco to steamship docks are stated in cents per package, the volume of the rates depending upon the kind of fruit and size of the package transported. The Association renewed its proposal made at a prior hearing in this proceeding that a specific rate of 7 cents per 100 pounds be provided for such movement of apples, grapes and pears. While relying on the same general contentions as made at the prior hearing and rejected by Decision No. 31516 issued subsequent to that hearing, the Association witness sought to justify

further the proposal.<sup>3</sup> He asserted that the present rates on deciduous fruit were designed primarily to cover movements to and from the San Francisco market district and were stated on a package rather than a tonnage basis largely upon the request of both shippers and carriers, and to carry out a long-established market practice. He stated that such service is in the most congested area in San Francisco, is performed at different hours than usual drayage service, as the market opens at 4:00 o'clock A.M. in the summer, and 6:00 o'clock A.M. in the winter, and that the transportation is usually in comparatively small lots. On the other hand, he testified most of the ice-houses from which the sought rate would apply are on or near the waterfront and shipments to the docks or piers are usually made in truckload quantities. The witness ascertained that these movements are the same in many respects as steamship transfer movements for which a 6½ cent rate now applies.<sup>4</sup>

It is apparent that the existing rates on deciduous fruits were not designed to cover movements of the character here involved and the proposed rate appears to be closely related to that which would apply for similar transportation performed for the account of water carriers. The reduced rate will be authorized.

Upon consideration of all the evidence, the Commission is of the opinion and finds that the changes and modifications sought

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At the prior hearing the Association witness claimed that the existing rates contemplated movements in the wholesale market district at San Francisco, whereas the movement for which the 7 cent rate was sought was more nearly comparable to steamship transfer, for which a rate of 6½ cents per 100 pounds was provided. The Commission found that it had not been shown that transportation conditions encountered in the movement of deciduous fruits from refrigeration plants to docks and piers were comparable to those attending steamship transfer movements, nor that any other sufficient justification for the sought rate had been shown.

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"Steamship transfer" means transportation of property from one water carrier's wharf, pier, dock or landing to another water carrier's wharf, pier, dock or landing when the transportation charge for this service is for the account of said water carrier or carriers.

are justified to the extent shown in the order herein and that all other proposals have not been justified on this record.

O R D E R

An adjourned hearing having been held in the above entitled proceeding, and based upon the evidence received at the hearing and upon the conclusions and findings set forth in the opinion which precedes this order,

IT IS HEREBY ORDERED that Appendix "A" of Decision No. 28632, dated March 16, 1936, as amended, in the above entitled proceeding, be and it is hereby further amended as follows:

1. Classification Rating on Quebraco

Add to the Classification ratings on original page 15, as amended, the following:

"Quebraco, in bags . . . . . 3"

2. Commodity Rate on Deciduous Fruit

Add to Appendix "A" of Decision No. 29928, (which decision amended Decision No. 28632) the following item:

<u>Item No.</u>	<u>Commodity</u>	<u>From and To</u>	<u>Rate</u>
50	Fruit, deciduous, fresh, viz.; apples, grapes and pears.	From ice-houses or refrigerator plants to steamship docks or piers.	7 cents per 100 pounds

In all other respects said Decision No. 28632, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of March, 1939.

Raymond D. [Signature]  
Frank [Signature]  
Ray L. Wiley  
[Signature]  
Justice D. Calver  
Commissioners

## APPENDIX "A"

The following modifications of Decision No. 28632, as amended, were proposed:

1. Change in definition of "inhaul" to include shipments from private warehouses to wholesalers and from wholesalers to private or public warehouses.
2. Change in definition of "city delivery" to include returned shipments which moved outbound under city delivery rates.
3. Reclassification of milk cans and oil cans, loose, from the Western Classification ratings now applicable to one and one-half times 1st Class.
4. Reclassification of Quebraco, in bags, from 2nd Class, now provided under the heading "Extracts, N.O.S.", to 4th Class.
5. Reclassification of wine from varying ratings now provided under the headings "Liquors" and "Wine", and clarification of existing ratings to provide under the heading "Wine" a rating on Imported Wine, in glass in cases, of 2nd Class; a rating on Domestic Wine, in glass in cases, of 3rd Class; and a rating for city delivery transportation of wine of 1st Class.
6. Establishment of a commodity rate of 7 cents per 100 pounds on Fruit, deciduous, fresh, viz.: Apples, Grapes and Pears, from ice-houses or refrigerator plants to steamship docks or piers.
7. Cancellation of commodity rate of 4-3/4 cents per 100 pounds provided on rice and rice mill products, in minimum shipments of 20,000 pounds for transportation within the San Francisco drayage area, and the establishment of rates for such transportation ranging from 5 1/2 to 7 cents per 100 pounds, according to the zone or zones within which the movements take place, which rates are on the basis of 80% of 4th Class, now provided for the transportation of rice and rice mill products in minimum shipments of 6,000 pounds.