

351

32401

Decision No. \_\_\_\_\_

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 common carriers as defined in the Public Utilities Act of the State of California, as amended, and all highway carriers as defined in Chapter 223, Statutes of 1935, as amended, for the transportation, for compensation or hire, of any and all commodities.

ORIGINAL

Case No. 4246

BY THE COMMISSION:

(A list of appearances entered in this proceeding will be found in Appendix "A" hereto and in Decision No. 31606 of December 27, 1938, and Decision No. 31996 of May 12, 1939.)

SIXTH SUPPLEMENTAL OPINION

Decision No. 31606, as amended, in this proceeding, established minimum rates of statewide application for the transportation of property by common, radial highway common and highway contract carriers. At adjourned hearings held in San Francisco and Los Angeles before Examiner P. W. Davis, evidence was received relative to the following matters, involved in that decision.

Approval of Depots on Premises of Shippers or Consignees

With certain exceptions with which we are not here concerned, Decision No. 31606, supra, provides that on shipments weighing less than 10,000 pounds picked up at or delivered to carriers' established depots, rates shall be 5 cents per 100 pounds less than those otherwise provided and that when shipments are both picked up at and delivered to carriers' established depots, rates shall be 10 cents per 100 pounds less. Carriers are directed to abstain from applying

1

Rates applicable to transportation including pickup and delivery at the shipper's or consignee's place of business are hereinafter referred to as store-door rates; those on which a deduction is made are referred to as terminal rates.

terminal rates from or to terminals or depots located on the premises of any shipper, company or corporation other than said carrier unless the Commission's approval shall first have been obtained, but are permitted to continue to consider terminals or depots so located as "established depots" during the pendency of an application seeking the Commission's approval.

Because of this latter provision numerous carriers filed applications with the Commission.<sup>2</sup> Of the petitioning highway contract carriers, some were engaged exclusively in transporting property for the particular person on whose premises they proposed to maintain depots; some transported for more than one shipper but proposed to establish depots on the premises of the major shipper of each respective carrier; some sought to maintain depots on the premises of all shippers for whom they transported any substantial volume of traffic; and one proposed to maintain a depot on the premises of a potential shipper for whom it was not then performing any transportation whatsoever. In some instances the carriers maintained independent depots in the same immediate vicinity; in other instances their modes of operation were such that they had no need for independent depots at any point.

The facilities available at the depots of which the highway contract carriers sought approval ranged from unmarked portions of shipping platforms just large enough to accommodate one or two trucks to large areas or buildings completely set apart from the balance of the premises and devoted to the carrier's exclusive use. The agreements between the shippers and carriers concerning the use of these facilities were sometimes verbal and without consideration, sometimes

---

2

A list of the petitioning carriers and of the premises on which they seek to maintain depots is set forth in Appendix "B" hereto.

in the form of brief leases calling for only nominal rentals, and sometimes in the form of elaborate leases calling for substantial payments on the part of the carriers.

It was claimed in each instance by the highway contract carriers that the maintenance of the proposed depots would redound to the mutual benefit of both the carrier and the shipper, in that on the one hand it would permit the carrier to operate more economically and afford better service and on the other hand it would enable the shipper to enjoy the superior service thus made possible. The fact that the shipper would receive the benefit of terminal rates was said to be only of incidental importance.

The depots of which approval was sought by the petitioning common carriers fall in three general categories, i.e., (1) those maintained on premises of persons whose own shipments are negligible in volume, in communities where there is not sufficient traffic to warrant the maintenance of independent depots, (2) those maintained on premises of the only shipper in the community having any appreciable volume of traffic, and (3) those maintained on premises of shippers having considerable traffic of their own in communities where other shippers having varying amounts of traffic are also located.

Except in a few instances, the petitioning common carriers did not describe in detail the physical characteristics of their proposed depots or the contractual arrangements under which the depots were to be maintained. They contented themselves for the most part with explaining that the depots were necessary to enable the common carriers to fulfill their obligations to serve the public, that they were open to the receipt and delivery of shipments for the public generally and that the question of whether the shipper would or would not receive the benefit of terminal rates was not a motivating factor

in the establishment of the depots. They stated that terminal rates were not intended to be applied from or to certain of the proposed depots either in connection with the traffic of the particular person upon whose premises the depots were located or in connection with the traffic brought to or received at those depots by other shippers or consignees.

In considering these applications, care must be taken to distinguish between justification for the maintenance of the depots and justification for the application of terminal rates from and to them. The latter is the only justification with which we are here concerned, since the order in this proceeding makes no requirements that approval be obtained in instances where store-door rates are charged.

Section 10 of the Highway Carriers' Act directs the Commission to "establish or approve just, reasonable and nondiscriminatory" rates to be charged by highway carriers other than those covered by the provision of the Public Utilities Act. It is under this statutory provision that the rates for highway carriers here involved have been established. Section 19 of the Public Utilities Act provides that carriers covered by that Act may not "make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage."

Within the scope of the present inquiry, there can be no discrimination in rates in instances where carriers maintain terminals on their own premises or where they maintain no terminals at all, nor can there be any discrimination of this nature in instances where even though carriers' terminals are located on the premises of shippers, store-door rates are assessed. Where, however, a carrier maintains a terminal on the premises of a shipper or receiver of freight and by virtue of such arrangement accords to that shipper or receiver rates lower than the

store-door rates, that shipper or receiver is clearly subject to an advantage which those not so situated do not enjoy. In other words, the according to one shipper of rates for the transportation of property from that shipper's place of business to a given destination lower than rates charged other shippers for like transportation from their places of business, in the absence of extenuating circumstances, grants to the one shipper a preference and advantage such as the Acts prohibit. This advantage could, of course, be removed by the establishing of terminals upon the premises of all shippers offering property in like volume. Clearly, however, this would in most instances be highly impracticable particularly in so far as it concerns common carriers, who by the nature of their undertaking serve all who elect to ship over their lines. While it may in some instances be practicable for contract carriers to maintain depots on the premises of all of their patrons shipping in substantial quantities, such a practice would give them an advantage that would preclude common carriers from competing in this service. Moreover, the carrier's patron would have an advantage not enjoyed by other shippers in the same vicinity. Only upon a clear showing that rates of the volume of those sought are fully justified should such an arrangement be put into effect. No such showing has here been made.

It should also be observed that in so far as the transportation of property of the kind and quantity here involved is concerned, the rates established by the Commission in Decision No. 31606, supra, were based primarily upon the experiences of common carriers in connection with property handled most economically through established terminals and that contract carriers were allowed

to make similar charges for the purpose of meeting the competition of the common carriers. No competitive situation exists in instances where a contract carrier establishes a depot on the premises of a shipper who does not have available terminal-to-terminal common carrier rates. Hence, there is no competitive reason for according such shipper terminal rates. If, because of unusual circumstances, the applicable charges for the transportation from a shipper's place of business to a given destination or destinations are excessive, relief may be sought under Section 11 of the Highway Carriers' Act.

In view of these conclusions, the petitions here under consideration will be denied and appropriate amendment of Decision No. 31606, supra, will be made to provide that terminal rates shall in no instance be accorded persons upon whose premises depots are located.

Petition of Caspar Lumber Company

Caspar Lumber Company sought the establishment of a special commodity rate of \$6.04 per thousand board feet for transportation of green lumber by highway carriers from Caspar, (a point 6 miles south of Fort Bragg), to Pittsburg in truckload quantities.<sup>3</sup> The president of this petitioner testified that his company ships large quantities of lumber to Redwood Manufacturers Company (a subsidiary of Caspar Lumber Company) at Pittsburg, in competition with Union Lumber Company, whose mill is located at Fort Bragg. The minimum rate established for this transportation (subject to alternative application of common carrier rates) is \$7.92 per thousand board feet. By reason of the

---

3

Rates are stated in the minimum rate order in cents per 100 pounds, subject to an estimated weight of 3,300 pounds per thousand board feet of green lumber. For convenience, in making comparisons, they are stated in dollars per thousand board feet in this opinion.

fact that the latter company is served by railroad, however, it is able to take advantage of a carload rail rate of \$6.04 per thousand board feet. Caspar Lumber Company, on the other hand, is not served by railroad. It must pay a rate of \$1.32 per thousand board feet, based upon the distance from Caspar to the Fort Bragg railhead, plus the rail rate of \$6.04 per thousand board feet, or a total of \$7.36 per thousand board feet. Both companies assertedly cut and mill lumber under substantially the same conditions, and Caspar Lumber Company claims that a rate parity is necessary for it to compete with Union Lumber Company in the sale of its lumber to Redwood Manufacturers Company.

A highway contract carrier who has engaged in the transportation here involved for a period of one month introduced a statement purporting to show that the expenses incurred during that period were less than the revenue which would have accrued under the sought rate. These costs are based on the assumption that his trucks would be engaged in this transportation 312 days a year. On cross-examination, it was developed that no overhead, garage expenses, compensation insurance or social security taxes were included.<sup>4</sup> It was also disclosed that the allowance for wages did not take into consideration possible lost time in awaiting ferries or making tire or road repairs, and that no allowance was made for idle truck time. This witness stated that the transportation from Caspar to Pittsburg possessed no features which made it more economical than ordinary lumber hauling.

It is true, as pointed out by petitioner, that Union Lumber Company enjoys a lower rate from Fort Bragg than is available to Caspar Lumber Company from Caspar. This is due to the fact that the Fort Bragg mill is served by rail, whereas the Caspar is not. Under Section 10 of the Highway Carriers' Act, highway carriers must be

---

<sup>4</sup> This witness stated that he "has no overhead" but admitted that he hired a bookkeeper, whose wages were not included. He stated further that he has no garages and that, since he hires less than four drivers, he is not required to pay social security taxes.

permitted to charge rates no higher than the rail rates for the same transportation, even though such rail rates may be lower than what would otherwise be reasonable minimum truck rates. Nothing appears in this record to indicate that the minimum rate in effect for transportation from Caspar to Pittsburg is in excess of the reasonable minimum costs of performing the transportation. If the cost figures submitted by the carrier witnesses were adjusted to take care of the numerous deficiencies pointed out on cross-examination, it appears doubtful that the resulting figures would be materially lower than the present minimum rates. Moreover, those cost figures accrued during a period in which this carrier was given a steady flow of traffic, whereas Caspar Lumber Company desires the right to distribute its traffic between carriers at will. Except for an unsupported assertion to this effect, no evidence was introduced to show that the rate disparity between shipments of Union Lumber Company and Caspar Lumber Company forecloses the Caspar Lumber Company from disposing of its product at Pittsburg. Since the latter company admittedly holds controlling interest in the potential purchaser, Redwood Manufacturers, a convincing showing that the lumber cannot be sold to it at a price in excess of the cost of production by an amount as great, at least, as the present transportation rate appears essential. The rate sought has not been justified.

Petition of Intercity Transport Lines, Inc.

Authority was requested by Intercity Transport Lines, Inc., a highway common carrier, to make applicable from and to intermediate points rates maintained by it from and to certain more distant points to meet the competition of Railway Express Company, Inc. Its witness pointed out that Railway Express Agency, Inc. was exempted from the



application of the minimum rates established by Decision No. 31606, supra, but that other carriers were permitted to meet rates maintained by Railway Express Agency, Inc. for the same transportation. He stated, however, that Railway Express Agency, Inc. does not offer pickup and delivery service at all points served by Intercity Transport Lines, Inc., and that, in order to comply with the Commission's order, it is necessary that higher rates be maintained to the non-competitive points than are maintained to more distant competitive points. According to the witness, this situation makes necessary an extremely complex tariff publication and, moreover, causes dissatisfaction on the part of shippers who do not understand the reason for the rate discrepancies.

While it is recognized that some tariff complexity and misunderstanding on the part of shippers may result therefrom, the requirement that rates published to meet competition of other agencies of transportation may be maintained only at points where the competition actually exists is the foundation of a stabilized rate structure. It enables rates to be placed upon a reasonable level, while at the same time according all carriers an equality of competitive opportunity. The public benefits to be derived from this basis appear to far outweigh the objections expressed by this carrier. The petition will be denied.

#### Petition of Dried Fruit Association

Decision No. 31606, supra, exempts from the application of the minimum rates dried fruit in its natural state, which has not been "cleaned, washed, stemmed, fumigated or otherwise prepared or partially prepared for human consumption." The Dried Fruit Association of California asked that the word "fumigated" be deleted from this description. A witness for the Association explained that fumigation does not change the character of the fruit, but is merely to prevent infestation. It

is done sometimes at the point of growth and sometimes in storage warehouses, depending upon the variety of fruits, climatic conditions and degree of infestation in the area. He asserted that the requirement that the established minimum rates be applied on fumigated dried fruit prejudices growers and shippers who ship from infested areas or who hold their fruit in storage.

In view of the showing that fumigation does not change the nature of the dried fruit, or constitute a part of the packing or processing, it appears that the proposed modification should be made.

Petition of Ace Delivery Service

A. L. Redden, L. R. Redden, K. P. Redden and Y. Redden, copartners doing business as The Ace Delivery Service, a radial highway common, highway contract and city carrier, seek the establishment of a rate of 9 cents per package, plus 1 cent per pound, for the transportation of automobile parts from Santa Monica to Los Angeles.<sup>5</sup> L. Redden testified that a rate of the volume sought is maintained for transportation in the opposite direction by California Delivery Service, which rate his company is authorized to meet under the rule permitting the minimum rates to alternate with common carrier rates. He stated that dealers in Santa Monica considered the 40 cent minimum charge excessive for small shipments, particularly in view of the lower rate being in effect in the opposite direction. He admitted that the charges which would accrue for a shipment under the sought rate would not be compensatory for small shipments, but stated that it is a common practice for carriers to reduce charges on small shipments below the cost level and make up the deficit on heavier shipments. He predicted that the sought basis would reduce his revenue by not to exceed \$5.00 per month.

<sup>5</sup>

The present minimum rate for this transportation is 39½ cents per 100 pounds, subject to a sliding scale of minimum charges ranging from 40 cents for shipments of 25 pounds or less to 75 cents for shipments over 100 pounds.

The method of rate making which petitioner advocates, i.e., the maintenance of noncompensatory rates for small shipments and the causing of heavier shipments to bear the deficit, would clearly discriminate against those shippers who have only large shipments. Moreover, the existing basis admittedly produces revenue only approximately \$5.00 per month in excess of that which would accrue under the sought basis, and it does not appear that this amount, distributed among petitioner's customers, is an undue burden or prevents the free movement of this traffic. The petition will be denied.

Petition of Libby, McNeil & Libby

The point-to-point rates provided for transportation between San Francisco Bay points and Sacramento on the one hand and Los Angeles and adjacent territory on the other hand apply via certain specified routes. From Sacramento, they apply only via U. S. Highway No. 99. Libby, McNeil and Libby asked that an additional route be authorized via State Highway No. 24 to a point approximately one mile south of Courtland, thence along a county road, through Locke, to Walnut Grove, thence along State Highway No. 12 to Lodi, and thence along U. S. Highway No. 99. Its witness explained that his company operates canneries at Locke as well as at Sacramento, and that its contract carrier has been accustomed to picking up a partial load at Sacramento, completing the load at Locke then proceeding to Los Angeles. Under present provisions, the point-to-point rates could not be applied and the purpose of the petition is to permit a split pickup at Locke under the point-to-point rates. The witness conceded that this is not a normal operating route and would only be used in the event the carrier was to pick up additional freight along it.

It seems evident that the authorization of routes over which point-to-point rates will apply should be limited to normal or reasonable operating routes. In view of the witnesses' admission that the

route here proposed is not a normal one it is clearly not justified. Whether or not a lower rate from Locke may be justified by competitive conditions is not here in issue.

Petitions of Leland H. Doss and Gordon L. Doss

Leland H. Doss, an individual doing business as Alturas-Fort Bidwell Stage Line and Surprise Valley Stage Line, and Gordon L. Doss, an individual doing business as Cedarville-Eagleville Stage Line, are now exempted from the requirements of Decision No. 31606, supra, as amended, in connection with shipments weighing 100 pounds or less. By appropriate petitions, however, they sought exemption as to shipments of greater weight also. Petitioners' witness pointed out that exemption of shipments of all weights from the minimum rates in effect prior to August 7, 1939, had previously been granted these carriers (Decision No. 31621 of January 3, 1939, in Case No. 4145), based upon a showing that petitioners' services are not competitive with other carriers, that they operate in a farming territory in which most shippers have their own trucks, and that the higher rates established would cause petitioners' shippers to perform their own transportation. This witness testified, further, that these conditions continue to exist and that although the minimum rates now in effect are lower than those in effect at the time the original exemption was granted, they are still not sufficiently low to prevent shippers from using their own equipment. Under the circumstances shown the exemption appears justified and these petitions will be granted.

Petition of Armstrong Cork Company

Armstrong Cork Company sought the establishment of a less truckload special commodity rate of 56 cents per 100 pounds without minimum weight limitation, for transportation of linoleum from San Francisco to Los Angeles and of asphalt composition tile from Los

6

Angeles to San Francisco. According to the record, this company manufactures linoleum at Lancaster, Pennsylvania, ships it to San Francisco by intercoastal vessel carriers, warehouses it at San Francisco and distributes to other California points from that warehouse. A substantial portion of this linoleum is marketed in the Los Angeles area. This company also manufactures asphalt composition tile at Los Angeles and sells a considerable amount of it in and around San Francisco.

In the sale of its products, Armstrong Cork Company competes with the Paraffine Company located in Emeryville. This manufacturer produces, in addition to linoleum and tile, various kinds of roofing and building materials. A carload rail rate of 28 cents per 100 pounds, minimum weight 30,000 pounds, is in effect for transportation of various types of floor coverings, including linoleum, from San Francisco to Los Angeles and, under mixed carload rules, roofing may be included in mixed shipments at this rate. The Emeryville manufacturer assertedly ships his products to Los Angeles in carload quantities and receives the benefit of the 28 cents per 100 pounds carload rate. Armstrong Cork Company, on the other hand, having only linoleum for shipment, is not able to accumulate sufficient tonnage to ship in carload quantities and must, under the present order, pay the "any quantity" rate of 90 cents per 100 pounds or the minimum 4,000 pound rate of 65½ cents per 100 pounds. In order to be on a competitive equality Armstrong Cork Company absorbs this difference in transportation charges.

---

6 The less truckload class rates in effect for this transportation are as follows:

Commodity	(Rates in cents per 100 pounds)			
	Any Quantity	4,000 Lbs.	10,000 Lbs.	20,000 Lbs.
Linoleum	90	65½	53	47½
Tile	70	51	41½	37

Exhibits introduced in support of this petition show that, under the present basis, it costs Armstrong Cork Company approximately 10.4 cents per square yard more than it costs Paraffine Company to move its linoleum into the Los Angeles market, as compared with a difference in cost of 6.8 cents per square yard under the basis in effect prior to August 7, 1939. They also show that the difference between the cost of the Paraffine manufacturer in shipping tile into the Los Angeles market and the cost to Armstrong Cork Company of shipping tile from Los Angeles to San Francisco was previously 6.6 cents per square yard but now amounts to 6.8 cents per square yard.<sup>7</sup> The present differentials assertedly represent 7 per cent of the Armstrong Cork Company's profit on linoleum and 6.6 per cent of its profit on the tile.

While he asserted that, in his opinion, the carload rail rates available to Paraffine Company were unreasonably low and the commodity descriptions in connection therewith unduly broad, the witness for Armstrong Cork Company explained that he was not seeking an increase in those rates or a change in the mixed carload provisions. His purpose was to obtain a rate for his own company which would enable it to continue to compete. Unless the rate is authorized, he said, Armstrong Cork Company would be foreclosed from shipping linoleum into Los Angeles and tile into San Francisco and would give consideration to operating one or two trucks of its own.

The rates established in Decision No. 31606, supra, as amended, were found to be the lowest rates which would give the carriers a fair chance to earn the cost of performing the service.

---

<sup>7</sup> The differentials mentioned are based on the assumption that Paraffine Company ships in carload quantities and Armstrong Cork Company ships in quantities of less than 4,000 pounds. The record indicates that this conforms to present practices.

This being true, reductions below that basis should not be made without a convincing showing that the traffic could not otherwise move and that carriers could handle it without burdening other traffic. In the instant case, however, the rate differential between Armstrong Cork Company and its competitor represents only a small proportion of the profit realized in the sale of the commodities involved and, hence, it cannot be said that the traffic will not move if this differential is not reduced. Bearing in mind, moreover, that out-of-pocket costs constitute a large part of the full cost of truck operation, it cannot be said, on this record at least, that carriers could transport at the rate suggested without burdening other traffic.

As previously pointed out, petitioner's witness complained that the rates available to its competitors were unreasonably low, but did not support the contention with probative evidence nor did he seek a change in those rates. It seems evident that any competitive disadvantage which may exist due to the presence of unreasonably low rates should be eliminated by adjusting those rates, rather than by reducing rates found by the Commission to be necessary to produce compensatory operations. The petition will be denied.

Petition of Southern Pacific Company Relative to Newspapers

Southern Pacific Company sought a determination of whether or not the term "newspapers," as used in the exemption item of Highway Carriers' Tariff No. 2, included newspaper supplements. After introducing some evidence relative thereto, however, petitioners formally asked that this petition be dismissed and, therefore, the petition will be dismissed by the order herein.

O R D E R

Adjourned public hearings having been held in the above entitled proceedings, and based upon all of the evidence heretofore

received and upon the conclusions and findings contained in the preceding opinion:

IT IS HEREBY ORDERED that the petitions of carriers listed in Appendix "B" attached hereto and by this reference made a part hereof be and they are and each of them is hereby denied.

IT IS HEREBY FURTHER ORDERED that the petitions of Inter-city Transport Lines, Inc.; A. L. Redden, L. R. Redden, K. R. Redden and Y. Redden, copartners doing business as The Ace Delivery Service; Libby, McNeil and Libby; and Armstrong Cork Company, referred to in the preceding opinion, be and they are and each of them is hereby denied.

IT IS HEREBY FURTHER ORDERED that Ordering Paragraph No. 11 of said Decision No. 31606, as amended, be and it is hereby further amended to read as follows:

"11. That all common carriers, radial highway common carriers and highway contract carriers be and they are hereby ordered and directed to abstain from applying the terminal rates named in the tariff designated as Appendix 'D' hereto, in connection with shipments transported for persons, companies or corporations upon whose premises the depot from or to which the transportation is performed is located."

IT IS HEREBY FURTHER ORDERED that Finding No. 14(c) of Decision No. 31606, as amended, in this proceeding, be and it is amended by removing, in connection with Leland H. Doss, doing business as Alturas-Ft. Bidwell Stage Line and Surprise Valley Stage Line, and Gordon L. Doss, doing business as Cedarville-Eagleville Stage Line, the limitation that it applies only to transportation of shipments weighing 100 pounds or less.

IT IS HEREBY FURTHER ORDERED that the petition of Southern Pacific Company relating to the interpretation of the term "newspapers" be and it is hereby dismissed.



IT IS HEREBY FURTHER ORDERED that Highway Carriers' Tariff No. 2 (Appendix "D" of said Decision No. 31606), as amended, be and it is further amended by substituting for the corresponding pages now contained therein the revised pages attached hereto and by this reference made a part hereof, which pages are numbered as follows:

Second Revised Page 2	Cancels First Revised Page 2
Second Revised Page 3	Cancels First Revised Page 3
Second Revised Page 11	Cancels First Revised Page 11
Second Revised Page 12	Cancels First Revised Page 12
Third Revised Page 14	Cancels Second Revised Page 14
Third Revised Page 15	Cancels Second Revised Page 15
First Revised Page 18	Cancels Original Page 18

In all other respects said Decision No. 31606, as amended shall remain in full force and effect.

The effective date of this order shall be twenty-five (25) days after the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of

October, 1939.

Robert W. Johnson  
Frank W. Miller  
Ray S. Rice  
H. B. A. A.  
Justus F. Coe  
Commissioners

APPENDIX "A"

Appearances entered in this proceeding since the  
issuance of Decision No. 31996 of May 12, 1939.

Bishop, L. R. for Joe Saia.  
Clough, L. M. for L. M. Clough Co.  
Dennis, W. W. for Rock, Sand and Gravel Association of Northern  
California.  
Davis, A. C. for Pacific Coast Aggregates, Inc.  
Durkee, Frank B. for Department of Public Works, State of California.  
Fink, Grove J. for Hearst Publications, Inc.  
Guthrie, William for John Gregg and for Herz & Company.  
Killion, Earl D. for C. W. Hostetter.  
Lederer, Charles for Leland H. Doss and Gordon L. Doss.  
McCarthy, R. P. for Wallace H. Riske Grain Company, Globe Grain and  
Milling Company, Hart-Hill Grain Company, California  
Hay, Grain and Feed Dealers Association.  
Miller, Albert H. for Azusa Rock and Sand Company and H. E. Bender.  
Munson, C. G. for Los Angeles Warehousemen's Association.  
O'Harra, Jack B. for Pacific Truck Service Inc.  
Patton, A. E. for Rio Grande Oil, Inc.  
Rapp, E. D. for F. W. Woolworth Company.  
Rogers, Alfred E. for Pacific Rock and Gravel Co. and Harrison,  
Nichols Company Ltd.  
Seidle, E. G. for Armstrong Cork Company.  
Shackleford, R. F. for Los Angeles Wholesale Institute and Ellis-  
Klatscher Company.  
Towne, Percy E. for Chronicle Publishing Co.  
Ware and Berol by Wallace Ware for Signal Trucking Service, Ltd. and  
Truck Owners Association of California.

APPENDIX "B"

<u>Common Carriers</u>	<u>Owner of Premises</u>	<u>Location</u>
California Western Railroad & Navigation Company	Union Lumber Company	Fort Bragg
Coast Line Stages, Inc.	Rockport Lumber Co. Caspar Lumber Co. H. J. Steurer A. P. Brown Mark's Grocery Store Conway's Store Point Arena Hotel George Ciapusci Sherwood & Sherwood James McNamee W. H. Clow Albert Ferrel Associated Service Station Fisher's Garage Quin L. Jones	Rockport Caspar Mendocino Albion Little River Elk Point Arena Gualala Manchester Stewarts Point Philo Boonville  Cloverdale Santa Rosa Petaluma
George Harm Truck Lines	West Side Service Cheney Bros. Hanford News Nunes' Grocery Brown Hardware A. Clevenger	Avenal Coalinga Hanford Lemoore Riverdale Caruthers
Highway Transport, Inc.	Hydro Carbon Company Gibson Tire Repair Shop	Sunnyvale  San Mateo
Johnson Truck Lines	Olive Products Company Chico Soda Works	Oroville Chico
Pacific Motor Trucking Company	Not specified	Not specified
Southern Pacific Company	Pacific Steel and Wire Company Paraffin Company	Pacsteel  Paraffin
United Motor Transport Lines, Inc.	Westwood Lumber Company A. W. Kenison	Westwood  Auburn
Valley Express Co.	Orange Cove Hardware Woodhouse's Sporting Goods Store James Grain Warehouse Valley Garage Gerard's Service Station Malm & Angle C. S. Pierce Lumber Yard West Side Service	Orange Cove  Dinuba Madera Firebaugh  Chowchilla Dos Palos  Mendota Avenal

<u>Common Carriers</u>	<u>Owner of Premises</u>	<u>Location</u>
Valley Express Co. (Concluded)	Cheney Bros. Hanford News Nunes' Grocery Brown Hardware A. Clevenger	Coalinga Hanford Lemoore Riverdale Caruthers
Valley Motor Lines, Inc.	Orange Cove Hardware Woodhouse's Sporting Goods Store James Grain Warehouse Gerard's Service Station James Grain Warehouse E. G. Swanson	Orange Cove  Dinuba Madera Chowchilla  Merced Turlock
<u>Contract Carriers</u>	<u>Owner of Premises</u>	<u>Location</u>
Blankenship Motors, Inc.	Montgomery Ward & Co.	Oakland
Colletti Transportation System, Inc.	Sears Roebuck & Company	San Francisco
Lopez, Joaquin	Pioneer Division, The Flintkote Co.	Vernon
Pettit, L. M.	Pioneer Division, The Flintkote Co.	Vernon
Sala, Joe	Mutual Produce Co.	Sacramento
Segar, A.R., doing busi- ness as Segar Truck- ing Company	Redwood Manufacturers Company	Pittsburg
Teskey, F.	Pioneer Division, The Flintkote Co.	Vernon
Signal Trucking Service, Ltd.	The Proctor and Gamble Distributing Company The Great Atlantic and Pacific Tea Company Owens-Illinois Pacific Coast Company Sears, Roebuck & Com- pany Overland Terminal Warehouse Company	Long Beach Vernon Vernon Los Angeles Los Angeles

Second Revised Page.....2

    Cancels

First Revised Page.....2

HIGHWAY CARRIERS' TARIFF NO. 2

TABLE OF CONTENTS	Item Number (Series) Except as shown
Arrangement of Tariff . . . . .	Page 10
Correction Number Checking Sheet . . . . .	Page 1
<b>Rates:</b>	
Class Rates . . . . .	500-510
Commodity Rates	
Beverages and Tonics . . . . .	600
Canned Goods and Other Articles . . . . .	610-620-630
Dried Fruits . . . . .	640
Earth, Infusorial . . . . .	650
Lumber and Forest Products . . . . .	660-680-690
Oil, Water or Gas Well Outfits and Supplies . . . . .	700-710-720
Soap, Lard and Related Articles . . . . .	730
Sugar . . . . .	740-750
Routing . . . . .	900
<b>Rules and Regulations</b>	
Accessorial Charges . . . . .	140
Accessorial Services Not Included in Common Carrier Rates . . . . .	240
Alternative Application of Combinations with Common Carrier Rates . . . . .	210
Alternative Application of Common Carrier Rates . . . . .	200
Alternative Application of Split Delivery under Rates Constructed by use of Combinations with Common Carrier Rates . . . . .	230
Alternative Application of Split Pick-Up under Rates Constructed by use of Combinations with Common Carrier Rates . . . . .	220
Application of Combinations of Point-to-Point Rates with Distance Rates . . . . .	190
Application of Carload Rates . . . . .	130
Application of Less Carload Rates . . . . .	120
Application of Rates - Deductions . . . . .	110
Application of Tariff - Carriers . . . . .	20
Application of Tariff - Commodities . . . . .	40-*41
(Continued)	

\* Change.

EFFECTIVE October 28, 1939.

Issued by The Railroad Commission of the State of California,  
San Francisco, California.

Correction No. 37

Second Revised Page.....3

    Cancels

First Revised Page.....3

HIGHWAY CARRIERS' TARIFF NO. 2

TABLE OF CONTENTS (Concluded)	Item Number (Series) Except as shown
Rules and Regulations (Concluded)	
Application of Tariff-Territorial . . . . .	30
Application of Western Classification and Exception Sheet . . . . .	50
Collection of Charges . . . . .	250
Collect on Delivery Shipments . . . . .	180
Computation of Distances . . . . .	100
Exceptions to Western Classification and Exception Sheet . . . . .	280 to 400, incl.
Gross Weight . . . . .	70
Intermediate Application (See Routing)	
Minimum Charge . . . . .	150
Mixed Shipments . . . . .	90
Pick-Up and Delivery Zones . . . . .	260
Rate Arbitrary for Shipments Transported From or To Los Angeles Zones or San Francisco or Oakland Pick-up and Delivery Zones . . . . .	241
Rates Based on Varying Minimum Weights . . . . .	80
Shipments to be Rated Separately . . . . .	60
Split Delivery . . . . .	170
Split Pick-Up . . . . .	160
Technical Terms, Definition of . . . . .	10-*11
Territorial Descriptions . . . . .	270
* Change.	
EFFECTIVE October 28, 1939.	
Issued by The Railroad Commission of the State of California, San Francisco, California.	
Correction No. 38.	

Item  
No.

SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL  
APPLICATION

① DEFINITION OF TECHNICAL TERMS  
(Items Nos. 10 and 11 Series)

(a) CARRIER means a radial highway common carrier or a highway contract carrier, as defined in Highway Carriers' Act (Chapter 223 Statutes of 1935, as amended).

(b) CARRIER'S EQUIPMENT means any motor truck or other self-propelled highway vehicle, trailer, semi-trailer, or any combination of such highway vehicles, operated by the carrier.

(c) COMMON CARRIER RATE means any intrastate rate or rates of any common carrier, or common carriers, as defined in the Public Utilities Act, lawfully on file with the Commission and in effect at time of shipment.

(d) ESTABLISHED DEPOT means a freight terminal owned or leased and maintained by a carrier for the receipt and delivery of shipments.\* \* \*

(e) EXCEPTION SHEET means Pacific Freight Tariff Bureau Exception Sheet No. 1-P, C.R.C. No. 597 (L. F. Potter Series) of J. P. Haynes, Agent, and supplements thereto or reissues thereof when such supplements or reissues have been approved by the Commission.

(f) POINT OF DESTINATION means the precise location at which property is tendered for physical delivery into the custody of the consignee or his agent.

(g) POINT OF ORIGIN means the precise location at which property is physically delivered by the consignor or his agent into the custody of the carrier for transportation.

(h) RAILHEAD means a point at which facilities are maintained for the loading of property into or upon, or the unloading of property from, rail cars or vessels. It also includes truck loading facilities of plants or industries located at such rail or vessel loading or unloading point.

(i) RATE includes charge and, also, the ratings, minimum weight, rules and regulations governing, and the accessorial charges applying in connection therewith.

(j) SAME TRANSPORTATION means transportation of the same kind and quantity of property and subject to the same limitations, conditions and privileges, although not necessarily in an identical type of equipment.

(Continued)

\* \* \* Reference to Note 1 eliminated, Decision No.

① For Definitions of "Shipment" and "Split Pickup Shipment", paragraphs (k) and (l) formerly shown in this Item, see Second Revised Page 12.

EFFECTIVE October 28, 1939

Correction No. 39

Issued by The Railroad Commission of the State of California,  
San Francisco, California.

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
11 Added	<p data-bbox="508 614 1207 697">① DEFINITION OF TECHNICAL TERMS (Concluded) (Items Nos. 10 and 11 Series)</p> <p data-bbox="348 723 1410 848">(k) SHIPMENT means a quantity of freight tendered by one shipper on one shipping document at one point of origin at one time for one consignee at one point of destination. (See also paragraphs (l) and (m).)</p> <p data-bbox="348 880 1443 1166">(l) SPLIT PICKUP SHIPMENT means a shipment consisting of several component parts, received during one day and transported under one shipping document from (a) one consignor at more than one point of origin, or (b) more than one consignor at one or more points of origin, the composite shipment weighing (or transportation charges computed upon a weight of) not less than 4,000 pounds, said shipment being consigned and delivered to one consignee at one point of destination and charges thereon being paid by the consignee when there is more than one consignor.</p> <p data-bbox="348 1192 1443 1440">(m) SPLIT DELIVERY SHIPMENT means a shipment consisting of several component parts delivered to (a) one consignee at more than one point of destination, or (b) more than one consignee at one or more points of destination, the composite shipment weighing (or transportation charges computed upon a weight of) not less than 4,000 pounds, said shipment being shipped by one consignor at one point of origin, and charges thereon being paid by the consignor when there is more than one consignee.</p> <p data-bbox="348 1466 1394 1565">(n) TAILGATE LOADING means loading of the shipment into or upon carrier's equipment from a point not more than 25 feet distant from said equipment.</p> <p data-bbox="332 1591 1410 1689">(o) TAILGATE UNLOADING means unloading of the shipment from carrier's equipment and placing it at a point not more than 25 feet distant from said equipment.</p> <p data-bbox="348 1716 1427 1885">(p) TEAM TRACK means a point at which property may be loaded into, or upon, or unloaded from rail cars by the public generally. It also includes wharves, docks and landings at which the public generally may receive and tender shipments of property from and to common carriers by vessel.</p> <p data-bbox="348 1911 1427 2036">◆ (q) WESTERN CLASSIFICATION means Western Classification No. 68, C.R.C.-W.C. No. 1 of R. C. Fyfe, Agent, and supplements thereto or reissues thereof when such supplements or reissues have been approved by the Commission.</p> <p data-bbox="497 2062 733 2098">Note 1.- * * *</p>

\* \* \* Note 1 eliminated, Decision No.

◆ Reduction and Increase, Decision No. 32165.

① For definitions prior to the effective date of this Item, see First Revised Pages 11 and 12.

EFFECTIVE October 28, 1939

Issued by The Railroad Commission of the State of California,  
San Francisco, California

Correction No. 40



Item  
No.

SECTION NO. 1- RULES AND REGULATIONS OF GENERAL  
APPLICATION (Continued)

① APPLICATION OF TARIFF - COMMODITIES  
(Items Nos. 40 and 41 Series)

Rates in this tariff apply for the transportation of all commodities,  
except the following:

Accessories, motion picture,  
Automobiles, set up,  
Baggage,  
Butter, dairy,  
Buttermilk, liquid, (Subject to Note 2),  
Carriers (used packages), empty re-  
turning or forwarded for return  
loads (Subject to Note 1),  
Cement, portland (building),  
Cement Clinker,  
Cheese (including cottage cheese  
and pot cheese),  
Commodities transported in bulk in  
tank trucks, tank trailers, tank  
semi-trailers or a combination of  
such highway vehicles,  
Cotton,  
Cream (Subject to Note 2),  
Directories, telephone,  
Eggs (other than shelled, desiccated  
or frozen),  
Fertilizers, as described in Items  
Nos. 535, 540 and 550 series of  
the Exception Sheet,  
Film, motion picture,  
Fodder, bean, cane, corn or pea  
(Subject to Note 3),  
Fruit, dried, unmanufactured and un-  
processed, ▲(Subject to Note 7),  
Fruit, fresh (Subject to Note 4),  
Fungicides, agricultural,  
Grain, Grain Products and Related  
Articles (Subject to Note 5),  
Hay (Subject to Note 3),  
Hops,  
Ice Cream Mix, unflavored,  
Insecticides, agricultural,  
Leaves, dried cactus (Subject to  
Note 3),  
Livestock,  
Logs (wood),

Margarine,  
Milk, liquid (Subject to Note 2),  
Newspapers,  
Nuts, edible, in the shell,  
Petroleum or Petroleum Products, in-  
cluding Compounded Oils or Greases  
having a Petroleum base, as de-  
scribed under that heading in the  
Western Classification (Subject  
to Note 6),  
Pits, fruit,  
Poultry, live or dressed,  
Rice, viz.: Clean Rice, Paddy Rice,  
and Brewers' Rice,  
Sand, Rock, Gravel, Road Building  
Material, Excavated Material,  
Building Materials, Asphaltic  
Concrete, Decomposed Granite and  
Stabilizing Materials when trans-  
ported in dump trucks,  
Screenings, rice,  
Seed, Cotton,  
Seeds, field,  
Straw (Subject to Note 3),  
Sulphur,  
Used Property, uncrated, viz.: house-  
hold goods, personal effects, furni-  
ture, musical instruments, radios,  
and office and store fixtures and  
equipment, as described in and for  
which rates are provided in Deci-  
sion No. 29891 of June 28, 1937,  
as amended, in Case No. 4086,  
Vegetables, fresh,  
Vegetables, dried, viz.:  
Beans,  
Lentils,  
Onions,  
Peas,  
Pepper Pods,  
Voting Booths, Ballot Boxes, Election  
Tents and Election Supplies, when  
transported from or to polling  
places.

40-C  
Cancels  
40-B

(Continued)

① For explanation of Notes referred to herein See Item No. 41 series.  
▲ Change, Neither Increase Nor Reduction.

EFFECTIVE October 28, 1939

Issued by The Railroad Commission of the State of California,  
San Francisco, California.

Correction No. 41

Third Revised Page.....15

Cancela

Second Revised Page.....15

HIGHWAY CARRIERS\* TARIFF NO. 2

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p data-bbox="414 621 1179 708">① APPLICATION OF TARIFF - COMMODITIES (Concluded) (Items Nos. 40 and 41 Series)</p> <p data-bbox="315 741 1471 970">NOTE 1.-Includes only used empty carriers which are returning from an outbound paying load of traffic for which rates are not provided in this tariff, or which are being forwarded for a return paying load of traffic for which rates are not provided in this tariff (subject to Rule No. 130 of the Exception Sheet). Rates in this tariff will apply on empty returning pear containers for which rates are provided in Decision No. 29618 of March 22, 1937, as amended in Case No. 4088, Part "D", to the extent that rates in this tariff are lower than those provided in said decision.</p> <p data-bbox="315 1003 1471 1080">NOTE 2.-Exemption applies only when commodities flagged subject to this note are shipped in milk shipping cans, in bottles in cases or crates, or in bulk in tanks.</p> <p data-bbox="315 1113 1438 1207">NOTE 3.-Rates in this tariff apply on commodities flagged subject to this note to the extent they are lower than rates provided in Decision No. 30848 of May 9, 1938, as amended, in Case No. 4293.</p> <p data-bbox="315 1240 1405 1335">NOTE 4.-Rates in this tariff will apply on fresh pears, to the extent they are lower than rates provided in Decision No. 29618 of March 22, 1937, as amended, in Case No. 4088, Part "D".</p> <p data-bbox="315 1368 1471 1513">NOTE 5.-Exemption applies on grain, grain products and related articles, as described in Decision No. 30640 of February 14, 1938, as amended, in Case No. 4088, Part "F". Rates in this tariff will apply on said commodities to the extent they are lower than rates provided in said decision, as amended.</p> <p data-bbox="315 1546 1488 1717">NOTE 6.-Exemption applies only as to shipments of the named commodities weighing more than 20,000 pounds. The charges assessed for shipments of such commodities weighing more than 20,000 pounds shall not be less than the charges provided in this tariff either specifically or by use of Items Nos. 200 to 240 series, inclusive, for shipments of the same commodity (or the same commodities in the same proportion) weighing 20,000 pounds.</p> <p data-bbox="315 1750 1455 1844">② NOTE 7.-Exemption applies only as to dried fruit in its natural state and which has not been cleaned, washed, stemmed &amp; or otherwise prepared or partially prepared for human consumption.</p>
41 Added	<p data-bbox="237 1903 639 1939">Ⓜ Reduction, Decision No.</p> <p data-bbox="216 1939 1427 1997">① For notes in effect prior to the effective date hereof, see Second Revised Page 15.</p> <p data-bbox="216 1997 865 2033">② Formerly Note 8 of Item No. 40 series.</p>
	<p data-bbox="943 2091 1349 2125">EFFECTIVE October 28, 1939</p>
Correction No. 42	<p data-bbox="513 2158 1455 2216">Issued by The Railroad Commission of the State of California, San Francisco, California.</p>

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
100	<p style="text-align: center;">COMPUTATION OF DISTANCES</p> <p>(a) Distances to be used in connection with distance rates named herein shall be the shortest resulting mileage via any public highway route, computed in accordance with the method provided in Decision No. 31605, of December 27, 1938, in Case No. 4088, Part "N", Case No. 4145 and Case No. 4246, subject to the following exceptions:</p> <p>1. Distances from or to points located within zones described in Item No. 260 series shall be computed from or to the mileage basing points designated in connection with such descriptions.</p> <p>2. From points of origin or to points of destination more than 70 miles distant from both the San Francisco and the Oakland pick-up and delivery zones (computed in accordance with the method hereinabove provided), distances from or to points located within the San Francisco pick-up and delivery zone or located within the Oakland pick-up and delivery zone shall be the average of the distances from or to the San Francisco pick-up and delivery zone and the Oakland pick-up and delivery zone (computed in accordance with the method hereinabove provided). In the event such average distance is less than the distance computed from or to an intermediate point via the shortest constructive route, such lesser mileage shall apply from or to such intermediate point.</p>
110-A Cancels 110	<p style="text-align: center;">APPLICATION OF RATES - DEDUCTIONS</p> <p>(a) Rates provided in this tariff are for the transportation of shipments, as defined in Item No. 10 (k), (l) and (m) series from point of origin to point of destination, subject to Items Nos. 120, 130 and 140 series</p> <p>▲(b) Except as provided in Notes 1 and 2 hereof, when point of origin or point of destination is carrier's established depot, rates shall be 5 cents per 100 pounds (or 5 cents per shipment when shipment weighs less than 100 pounds) less than those specifically named herein. When both point of origin and point of destination are carrier's established depots, rates shall be 10 cents per 100 pounds (or 10 cents per shipment when shipment weighs less than 100 pounds) less than those specifically named herein. In no case shall the net transportation rate be less than 10 cents per 100 pounds.</p> <p>▲ Note 1. - No deduction from rates specifically named herein shall be made under this rule from rates based upon a minimum weight of 10,000 pounds or more, nor from minimum charges provided by Item No. 150 series.</p> <p>▲◆ Note 2. - No deduction from rates specifically named herein shall be made under this rule on shipments transported for persons, companies or corporations upon whose premises depots from or to which the transportation is performed are located.</p>
	<p>◆◆ Reduction and Increase, Decision No. ▲ Change, neither increase nor reduction</p>
EFFECTIVE October 28, 1939.	
Issued by the Railroad Commission of the State of California, San Francisco, California.	
Correction No. 43.	