

Decision No. 32495

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 common carriers as defined in )  
 the Public Utilities Act of the State )  
 of California, as amended, and all ) Case No. 4246  
 highway carriers as defined in Chapter )  
 223, Statutes of 1935, as amended, for )  
 the transportation, for compensation )  
 or hire, of any and all commodities. )

BY THE COMMISSION:

NINTH SUPPLEMENTAL OPINION AND ORDER

At an adjourned hearing held in the above entitled proceeding in San Francisco on October 20, 1939, before Examiner P. W. Davis, evidence was received relative to the following proposed modifications of Decision No. 31606, as amended.<sup>1</sup>

Split Pickup and Split Delivery Rules of Common Carriers

Certain major California rail lines and their affiliates sought authority to maintain rules for the performance of split pickup and split delivery services which, in some instances, would produce charges lower than those presently required to be assessed. In behalf of petitioners, an assistant general freight agent of the Southern Pacific Company stated that the rules and regulations set forth in Highway Carriers' Tariff No. 2 (Appendix "D" to said Decision No. 31606) were designed primarily for use by radial highway common

<sup>1</sup> Decision No. 31606, as amended, in this proceeding, established minimum rates, rules and regulations, effective August 7, 1939, for the transportation of property (with exceptions not here important) by common, radial highway common and highway contract carriers. The proposed modifications disposed of herein are those which were represented to require immediate action. Evidence received at the adjourned hearing on October 20 relative to other proposed modifications will be disposed of later.

and highway contract carriers who were not required to file tariffs with the Commission and that, hence, the precise wording of those rules and regulations was seldom appropriate for incorporation into the tariffs filed with the Commission by common carriers. In attempting to comply with Decision No. 31606, he said, split pickup and split delivery rules which were believed to conform to the corresponding rules in Highway Carriers' Tariff No. 2 were published by the rail lines, but it was later found that those rules produced lower charges in some instances. This witness asserted that it would be impracticable, if not impossible, for common carriers handling a large volume of diversified traffic for many shippers and serving wide territories to incorporate in satisfactory tariff form the present requirement that charges on split pickup and split delivery shipments are to be computed on the basis of the shortest constructive highway mileage via the points of origin or points of destination of the several component parts. This would be true, particularly, he said, in publishing rates for railroads whose lines do not coincide with the shortest constructive highway mileages between points served. Exhibits were introduced showing that, under the ordered rules, the applicable constructive highway mileages between given representative points differed materially depending upon the location of points at which deliveries of component parts were made.

The purpose of the petition, according to the witness, was to permit the retention of the rules published in attempted compliance with the Commission's order, with minor modifications. The rules proposed by the petitioners to be maintained in lieu of the ordered rules provide, in substance, that split pickup and split delivery shipments will be charged for on the basis of the rate from the highest rated point of origin to point of destination or from the point of origin

to the highest rated point of destination (as the case may be), the highest rated points being determined in accordance with the provisions of Decision No. 31606, supra, as amended. These rules would permit the picking up or delivering of component parts along any single authorized route of a common carrier or common carriers serving the most distant origin and destination points. It was stated that specifications of the routes over which rates of Southern Pacific Company apply are on file with the Commission in G.F.D. Circular 199-F, C.R.C. No. 3547, and that the other petitioning rail carriers do not have alternative routes. It was asserted that competing highway carriers would not be prejudiced by the proposed rules, since, under the alternative application provisions, they are permitted to meet rail rates for the same transportation.

At the conclusion of the showing, counsel for petitioners moved that the proposed rules, or those now in effect, be authorized for an interim period and that the Commission schedule a future hearing for the purpose of reviewing the entire split pickup and split delivery question. Competing highway carriers withdrew their objections on condition that such future hearing be scheduled.

Subsequent to the hearing, California Motor Express, Ltd., an express corporation allegedly faced with a tariff publication problem similar to that described by petitioners, filed a petition seeking authority to retain the rules it has published in attempted compliance with the Commission's order. These rules are substantially the same as those sought to be maintained by the rail lines, but this carrier files no routing circular with the Commission.

Manifestly, common carriers will be at a serious disadvantage unless they maintain split pickup and split delivery rules closely comparable to those which radial highway common and highway contract carriers are permitted to observe. The showing made indicates, however, that publication of identical rules would entail considerable expense and that the resulting tariffs could not readily be applied. Under

these circumstances, maintenance of the proposed rules until such time as further consideration can be given to the entire matter appears justified. However, a rule permitting the picking up or delivering of component parts along "authorized" routes would clearly be too indefinite for tariff purposes in the absence of a routing circular. Moreover, competing carriers would have no means of determining the routes which the publishing carriers consider to be "authorized." The rules herein found justified will be authorized only for observance by common carriers who now maintain on file with the Commission a list of routes over which their rates apply, or who file such a list prior to their taking advantage of the authority herein granted.

Approval of Supplement 4 to Western Classification

Approval of changed ratings proposed to be published in Supplement 4 to the Western Classification was sought in behalf of R.C. Fyfe, the publishing agent. An explanation of each change was submitted and it was explained that approval would accord California shippers the same ratings as were to be established concurrently throughout the balance of the western United States. The changes consist for the most part of reductions in ratings, changes in commodity descriptions, addition of new commodity descriptions and changes in packing requirements. No objections to the proposals were made at the hearing. The changed ratings will be approved.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that common carriers having on file with the Commission and in effect on the date of shipment a schedule specifying the routes over which their rates apply and over which split pickups and split deliveries will be performed be and they are hereby authorized to publish and maintain rules providing for the assessment of charges on

split pickup and split delivery shipments on the basis of the rates prescribed by Decision No. 31606, as amended, in this proceeding, for transportation from the highest rated point of origin to the point of destination (for split pickup shipments), or from the point of origin to the highest rated point of destination (for split delivery shipments) and to pick up or deliver component parts at intermediate points along any single authorized route of a common carrier or common carriers serving the several points of pickup or delivery, subject to all the other requirements and additional charges provided in the split pickup and delivery rules prescribed by said Decision No. 31606, as amended.

IT IS HEREBY FURTHER ORDERED that Supplement 4 to Western Classification No. 68, C.R.C.-W.C. No. 1 of R. C. Fyfe, Agent, and the changed ratings therein contained, be and they are hereby approved to govern Highway Carriers' Tariff No. 2 (Appendix "D" of said Decision No. 31606, as amended).

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

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of October, 1939.

Robert A. Fyfe  
Frank A. Fyfe  
Ray A. Fyfe  
H. Baker  
Justin J. Caenen  
Commissioners