

Decision No. 32541

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of)
rates, rules, classifications and regula-)
tions for the transportation of property,)
exclusive of property transported in dump)
trucks, for compensation or hire, over the)
public highways of the City and County)
of San Francisco.)

Case No. 4084

BY THE COMMISSION:

TWENTY-FIRST SUPPLEMENTAL ORDER

Decision No. 28632, as amended, in the above entitled proceeding, established minimum rates, rules and regulations for transportation of property within the San Francisco drayage area by city carriers. At an adjourned public hearing held in San Francisco before Examiner E. S. Williams, evidence was received relative to proposals made by Draymen's Association of San Francisco, seeking modification of those minimum rates, rules and regulations. ¹ None of these proposals were opposed.

Rating on Aluminum Bottle or Jar Caps:

Under existing orders a rating of third class is provided for bottle or jar caps. The Association proposed that aluminum bottle and jar caps be excluded from the application of this rating and that a specific rating of first class be established therefor. Its witness stated that the bulk of the movement of bottle and jar caps consists of caps made of tin lined with cork; that such caps have a value of \$1.84 per thousand; and that they are shipped in

¹ Evidence received at this hearing relative to matters other than those treated in this opinion will be disposed of upon the completion of the record dealing therewith.

cartons weighing 40 pounds. On the other hand, he asserted, aluminum caps have a value of \$6.60 per thousand and are shipped in cartons which also weigh 40 pounds but which occupy almost twice the space occupied by cartons of the cork-lined tin caps. The witness contended that the third class rating was proper for cork-lined tin caps but that it was unduly low for those made of aluminum. He pointed out that the proposed rating of first class on the latter type was the same as that provided in the Western Classification for this commodity.

In view of the greater density and higher value of aluminum caps as compared to the caps comprising the bulk of the movement under the present third class rating and of the fact that the proposed rating is the same as that provided in the Western Classification, a rating of first class will be provided for aluminum bottle and jar caps, as sought.

Rating on Shirts:

A rating of one and one-quarter times first class is now provided for shirts, in cartons. A proposal was made by the Association that this rating be reduced to first class, the rating provided for shirts in the Western Classification. It was stated that the value of shirts was no greater than that of many other articles of dry goods and clothing to which a first class rating was already applicable; that shirts move in the same types of containers as such other articles; and that in other respects the transportation characteristics attending the movement of shirts are substantially similar to those attending the movement of other kinds of dry goods and clothing.

The proposed reduction in rating appears to be justified due to the similarity of transportation characteristics of shirts

with commodities now subject to a first class rating and the fact that the proposed rating is the same as that now provided for shirts in the Western Classification. The proposed rating will be authorized.

Ratings on Cotton and Cotton Linters:

Cotton, in compressed bales, is rated third class in the classification of articles and 80 per cent of fourth class subject to a minimum weight of 6,000 pounds under an exception to said classification. The Association urged that the latter rating be specifically restricted to exclude cotton linters, and that a new entry be made in the classification of articles providing a rating of third class for cotton linters, in bales, either compressed or uncompressed, without minimum weight limitation. The Association's witness contended that the existing rating of 80 per cent of fourth class was proper only for ordinary cotton, in compressed bales. He stated that a bale of ordinary cotton moving in the San Francisco drayage area usually weighs from 500 to 525 pounds and occupies 25 cubic feet of space, whereas a bale of cotton linters moving in this area usually weighs 550 pounds and occupies 50 cubic feet, or almost twice that occupied by a bale of ordinary cotton. He explained that cotton linters are not susceptible to compression to the same density as cotton, owing to their nature and to the fact that high compression would tend to make difficult the subsequent processing which this commodity undergoes.

Although the evidence shows that cotton linters generally move in the San Francisco drayage area in bales having a lesser density per cubic foot than the density of bales of ordinary cotton moving in this area, and therefore, occupy more space in a truck,

the evidence does not show that other factors ordinarily entering into classification and rate making do not outweigh this particular factor. Under the Western Classification to which the Association has frequently referred in justification of proposed changes in classification ratings, cotton linters, in bales compressed to 15 pounds per cubic foot or more, embracing the cotton linters generally moving in San Francisco, are rated third class, whereas ordinary cotton in compressed or uncompressed bales is rated second class, or one class higher than on the cotton linters. While conditions peculiar to the transportation here involved may justify a different classification relationship than that provided by the Western Classification, the record is silent as to what these conditions are. Moreover, if the higher rating proposed for cotton linters than for ordinary cotton were to be predicated solely on the relative density of the bales, it would follow that the existing ratings on cotton, in compressed bales, should be restricted to apply only to bales of a specified density. The evidence does not disclose the density of the bales of cotton to which the existing ratings properly might be restricted. On this record insufficient justification for the proposed changes in ratings has been made to appear. The proposals will not be approved.

Commodity Rates on Commodities Trans-
ported for Wholesale Grocery Houses
and for Wholesale Hardware Houses

The Association proposed that the commodity rates provided for "city deliveries," "shipping," and "inhaul" transportation of commodities for wholesale grocery houses, subject to a minimum tonnage requirement of 1,000 tons per calendar month, and the commodity rate of 7-3/4 cents per 100 pounds, provided for "city deliveries," "inhaul," "shipping" and "returned city delivery" transportation of

commodities for wholesale hardware houses, subject to a minimum tonnage requirement of 9,000 tons per calendar year, be amended to provide rates for transportation other than that to which those commodity rates now apply, on the basis of the rates provided for inhaul transportation.² A witness for the Association stated that the commodity rates involved were adopted as a result of proposals which contemplated that all transportation performed for firms having the required minimum tonnage would be included under such commodity rates. He stated further that cost evidence submitted in support of the rates initially proposed was based on a consideration of all transportation performed for such firms. He claimed that it was the intention of the proponents of the commodity rates involved that "inhaul" rates should embrace the transportation of property between the firms for which the commodity rates were designed to apply on the one hand; and wholesalers, manufacturers, manufacturers' agents and public warehouses on the other hand, which, he stated, represented the only type of transportation to which such commodity rates do not now apply. The definition of the term "inhaul" adopted by the Commission, he pointed out, failed to include all such transportation.³ The witness testified that the transportation sought to be embraced at the inhaul rates is confined generally to

² The Association also proposed on behalf of Walkup Drayage and Warehouse Company that similar extensions of inhaul rates to those proposed in connection with commodity rates involved in this proceeding be made in the rates Walkup was authorized to charge for similar transportation by Decision No. 29905, as amended, in Application No. 20520. As such rates are beyond the issues of this proceeding, they will not be treated here. Any proposals to change rates covered by the Commission's authorization in the application proceeding should be presented by supplement application in that proceeding.

³ 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 transportation of property from public warehouses to wholesalers."

the area in which inhaul transportation is ordinarily performed; that the loading and unloading facilities and conditions in connection with this transportation are usually superior to those found in inhaul transportation as now defined and that the transportation does not involve the delays frequently experienced at the docks and at carriers' depots in connection with inhaul transportation. He stated further that although the volume of tonnage moving in such transportation is somewhat less than and the weight of the shipments generally smaller than movements to and from docks, the tonnage, volume and weights of individual shipments are as great as those obtaining in transportation to and from rail depots and from public warehouses to wholesalers, which transportation is now included at the inhaul rates.

In view of the showing that the transportation characteristics in connection with the movements for which the existing inhaul rates are proposed do not differ materially from those attending inhaul transportation and it appearing that the rates for wholesale grocery and hardware houses, based on minimum tonnage requirements over a period of time, should cover all types of traffic which those houses ordinarily ship, the proposals will be adopted.

Upon consideration of all the evidence, the Commission is of the opinion and finds that the changes and modifications sought 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 conclusions and findings set forth in the opinion which precedes this order,

IT IS HEREBY ORDERED that Exhibit "A" of Decision No. 22652, dated March 16, 1936, as amended, in the above entitled proceeding, be and it is hereby further amended, as follows:

1. Classification rating on Aluminum Bottle or Jar Caps:

Change commodity description and rating "Caps, bottle or jar 3" appearing on Original Page 12 to read

"Caps for bottles or jars	
Aluminum	1
N.O.S.	3

2. Classification rating on shirts:

Change the rating "shirts, in cartons 1 $\frac{1}{2}$ " appearing on Original Page 15 to read

"Shirts, in cartons 1"

3. Commodity rates on commodities transported for wholesale grocery houses:

Amend Item 125 appearing on Original Page 24 by changing the term "Inhaul" to read

"N.O.S. (including inhaul)"

4. Commodity rate on commodities transported for wholesale hardware houses:

Amend commodity rate item provided in Appendix "A" of Decision No. 32326 reading in part "commodities transported for wholesale hardware houses" by eliminating therefrom the following terms

"City Delivery, Inhaul, Shipping and Returned
 City Deliveries"

IT IS HEREBY FURTHER ORDERED that 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 22 day of November, 1939.

Robert A. Austin J.
Frank W. Walker
Ray J. Cline
M. H. H. H.
Justus J. Green
Commissioners.