

Decision No. 33178

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 regula-
tions for the transportation of
property, for compensation or hire,
over the public highways, by all
Radial Highway Common Carriers be-
tween, and by all City Carriers
within the cities of Oakland, Albany,
Alameda, Berkeley, Emeryville and
Piedmont, in the County of Alameda.

ORIGINAL

Case No. 4108

In the Matter of the Investigation
and Establishment of rates, charges,
classifications, rules, regulations,
contracts and practices, or any
thereof, of EAST BAY DRAYAGE & WARE-
HOUSE CO., HASLETT WAREHOUSE COMPANY,
INTER-URBAN EXPRESS CORPORATION,
KELLOGG'S EXPRESS & DRAYING CO.,
MERCHANTS EXPRESS CORPORATION, PEOPLES
EXPRESS, SPECIAL DELIVERY SERVICE CO.,
UNITED PARCEL SERVICE, UNITED TRANSFER
COMPANY and WEST BERKELEY EXPRESS &
DRAYING COMPANY, operating as Highway
Common Carriers, for transportation of
property, for compensation over the
public highways of the State of
California, between the cities of
Oakland, Albany, Alameda, Berkeley,
Emeryville and Piedmont, in the County
of Alameda, and for accessorial
services incident to such transporta-
tion.

Case No. 4109

BY THE COMMISSION:

Additional Appearance

Edwin C. Wilcox, for Oakland Chamber of Commerce.

FIFTEENTH SUPPLEMENTAL OPINION

An adjourned public hearing in the above entitled proceed-
ings was held in San Francisco before Examiner Mulgrew for the purpose
of affording Draymen's Association of Alameda County an opportunity
to present evidence in support of its petition for modification of
Decision No. 32686 of December 27, 1939, which decision proscribed

reduced rates, subject to a minimum weight of 5 tons per shipment, for the transportation of canned goods and dried fruit within and between certain zones in the East Bay drayage area.¹

The circumstances leading up to the hearing with which this opinion deals are as follows: By appropriate petition Morris Draying Co. sought amendment of certain rates provided for transportation of canned goods and dried fruit subject to a minimum annual tonnage of 20,000 tons. It proposed that the application of those rates be enlarged to embrace additional traffic; that certain of them be increased; and that the minimum annual tonnage requirement be reduced to 10,000 tons. Evidence concerning these proposals was received at an adjourned public hearing and the Commission entered an order granting the petition with the exception that the rates were made subject to a minimum weight of 5 tons per shipment instead of to the proposed minimum of 10,000 tons per year.

Before the rates prescribed pursuant to the petition of Morris Draying Co. became effective, Draymen's Association of Alameda County filed a petition seeking their modification. It alleged, among other things, that the ordered rates were unduly low and insufficient unless restricted to a minimum yearly tonnage of not less than 10,000 tons; to a minimum weight per shipment of 10,000 pounds; and to the particular traffic involved in the petition of Morris Draying Co.² Thereupon, Decision No. 32724 of January 10, 1940, was

¹ Minimum rates, rules and regulations for transportation of property within the East Bay drayage area are set forth in Appendix "A" to Decision No. 29217 of October 26, 1936, and amendments thereof.

² The cartage for which the changed basis of rates was principally sought by Morris Draying Co. consisted chiefly of transportation between the various canneries, packing plants and warehouses of a firm engaged in the canning and packing of fruits and vegetables. This transportation was said to be performed ordinarily to effect consolidation of shipments for reforwarding to points outside the drayage area and to be characterized by an unusually heavy volume and constant flow of traffic.

issued, making the reduced rates subject to a minimum annual tonnage requirement of 7,500 tons and announcing that an adjourned hearing would be scheduled for the receipt of further evidence concerning the rates in question.³

At the adjourned hearing, counsel for the Draymen's Association urged that the annual tonnage requirement of 7,500 tons be permitted to remain in effect, claiming that the reduced rates when made subject to that requirement were reasonable and proper. He stated that these rates were satisfactory to petitioner Morris Draying Co. and its patron and that no other interested party had sought any change in the rates involved. Counsel for the Association also represented that, in the ordinary drayage of canned goods and dried fruit, carriers did not enjoy as constant a flow of shipments as is the case in the traffic handled by Morris Draying Co.; that the traffic available to the other draymen was highly seasonal in character; and that the reduced rates prescribed by Decision No. 32686, supra, would not be compensatory unless the annual minimum tonnage requirements of not less than 7,500 tons was retained. According to studies submitted by the Association, the expense incurred by draymen in transporting canned goods and dried fruit in quantities of less than 7,500 tons per year would be materially higher than the rates prescribed by Decision No. 32686, supra.

No one objected to the rates under consideration, subject

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In Decision No. 32724, the Commission said:

"The allegations made by the Draymen's Association cast some doubt upon the propriety of making the reduced rates applicable to individual shipments without a minimum annual tonnage requirement. For a temporary period the ordered reduction will be made subject to a minimum annual tonnage of 7,500 tons. At the public hearing, scheduled to be held in these matters on March 19, 1940, petitioner will be expected to present evidence in support of its contention that the minimum annual tonnage requirement should be retained, or to justify such other or different rates as it may deem proper in lieu of those established by Decision No. 32686 as herein modified."

to minimum weights of 5 tons per shipment and 7,500 tons per year, remaining in effect, as urged by the Draymen's Association. The showing made is persuasive that the minimum tonnage requirements now provided are reasonable restrictions and that they should be retained. In view of this conclusion, no order is necessary.

Dated at San Francisco, California, this 4th day of June, 1940.

Ray L. Rice
Frank W. ...
Robert ...
...
Justus J. Casmen
Commissioners