

rules, and regulations on subject matter now under consideration. (1)

Following the issuance of Decision No. 33647, certain interested parties in the Los Angeles Metropolitan Area petitioned the Commission for additions and amendments to the prevailing orders governing the transportation involved herein. These petitions were directed to an increase in rates, subdivisions of the established delivery zones, additional production areas, and other related matters. Also, the Pacific Rock and Gravel Co. petitioned for a rehearing on said Decision No. 33647 with respect to the time limit set for the collection of transportation charges.

A further hearing was held in these matters before Examiner Hunter at Los Angeles, on December 18, 1940, at which time testimony was taken on all the matters covered in the various petitions as well as other matters which appeared appropriate to consider. The Opinion and Order herein are based upon the record adduced at the hearing of December 18, 1940. The various phases of the record will be discussed in turn.

INCREASE IN TON-MILE RATES

One of the primary purposes of this hearing was to afford petitioners an opportunity to present evidence relative to an increase over the prevailing ton-mile rates in the Los Angeles Metropolitan Area. The record along this line consists of operating statements of carriers, oral testimony, and petitions, all tending to show that subsequent to the time the record was adduced upon which the prevailing rates were established there has been a substantial increase in the transportation costs for operations in the Los Angeles

(1) Decision No. 32566, dated November 14, 1939,
" " 32630 " December 8, 1939,
" " 33002 " April 16, 1940,
" " 33647 " October 29, 1940.

Area. This increase is occasioned by:

Lower Use Factor. This is due to the fact that practically all of the producers of rock aggregates now deliver their products in their own equipment up to approximately the normal capacity of the business and look to for-hire operators for that portion of the business which might be considered as peak operations.

Increase in Wages. The record shows that during the past year wages have increased approximately 20 per cent. This increased labor cost involves not only the drivers but other classes of labor connected with the for-hire operations.

Increase in Materials. It was shown that there has been a substantial increase in the various materials and equipment used in the transportation operations involved herein, such as gasoline, lubricants, tires, motor vehicle parts, etc.

Increase in Operating Costs Due to Traffic Congestion. The record shows that the transportation cost for operations through the Metropolitan Area, particularly in the vicinity of the large industries engaged in the manufacture of national defense equipment, has been substantially increased due to increased highway traffic.

The testimony of both producers and carriers shows that the transportation costs have increased from 10 to 15 per cent during the past year. The greater increase in transportation costs surrounds the operations from the "West Side Production Area" due primarily to traffic congestion.

Conclusion. While the testimony with respect to the increased cost of transporting sand, rock and gravel is rather general without specific operating records to support the respective contentions, the evidence from all the testimony appears to justify the

conclusion that there has been an increase in operating costs of not less than 15 per cent for operations from the "West Side Production Area,"⁽²⁾ and an increase of not less than 10 per cent from the "East Side Production Area,"⁽³⁾ with a minimum of 25 cents per ton. Also, that the minimum rates should be increased for the transportation of asphaltic concrete or so-called "hot stuff" and "dry mixtures in batches" from 5 cents per ton to 10 cents per ton higher than the rates for the transportation of sand, rock, and gravel. This conclusion is supported by the testimony of both the carriers and producers who engage the services of the for-hire operators. Accordingly, the record will authorize a corresponding increase in the minimum rates now prescribed in said Decision No. 33002.

MINIMUM WEIGHT

The order of said Decision No. 33002 provides that the minimum charges for deliveries in the Los Angeles Metropolitan Area will be based upon a load of six tons. Both the carriers and producers contend that such minimum charges should be based upon a minimum load of seven tons. In support of this position the record shows that a minimum rate based upon a load of six tons is not remunerative and is contrary to the long-established practice of prescribing a minimum charge based upon a load of seven tons. In the light of the record it appears proper to prescribe minimum charges on a seven-ton load instead of six tons.

(2) "West Side Production Area" refers to production plants located in San Fernando Valley and consists of production areas A-B-C-D and E as described in Decision No. 33002.

(3) "East Side Production Area" refers to production plants located in San Gabriel Valley and consists of production areas F-G-H-I-J-K-L-M-N-O-P-R-S-T-U and W as described in Decision No. 33002 as well as production area described herein.

RE-ZONING LOS ANGELES METROPOLITAN DELIVERY ZONES

Decision No. 33002 provides that the Los Angeles Metropolitan Area be divided into sixty-five major delivery zones and twenty-one production areas. The boundary lines of these various divisions have been established upon a more or less agreed plan between the interested parties, including those engaged in the production of the material involved herein who pay the transportation charges as well as the for-hire operators, and are based upon competitive marketing conditions, natural topographical features, and the development of the industry. The size of these zones varies from approximately one to ten miles between opposite boundary lines.

The major portion of the industry, including both producers and for-hire haulers, now requests that the zones be further subdivided and accordingly introduced testimony in support of its position. (L) It was contended that with smaller delivery zones the transportation rates can be related more nearly to the cost of providing the service. Some of the carriers contend that the producers use their own trucks in transporting rock products to the nearby points in the large zones and employ the for-hire operators to make deliveries to the more distant locations.

The record shows that there is some difference of opinion as to a plan of subdividing the delivery zones. While there appears to be considerable merit to the contention that the existing zones should be subdivided, we cannot on this record determine an equitable plan of carrying out such a program. This is a matter which should be studied further and the results thereof presented to the Commission.

(L)

	Exhibit No.	
	Case	
	4246	4434
Map showing proposed delivery zones	536	36
Description of proposed delivery zones	537	37
Distance between various production areas and proposed delivery zones	538	38

ADDITIONAL PRODUCTION AREA

The record shows that the Pacific Rock and Gravel Co. has recently established a production area for the manufacture of "hot stuff" in the vicinity of Torrance, in Los Angeles County. This producer has requested that rates be established for this new production area. No objection was raised to this proposal. The order will so provide.

SHIPPING ORDER

Appendix "B-1" of Decision No. 33002 consists of a form of shipping document for the transportation of property in dump truck equipment. A commission representative⁽⁵⁾ testified that experience had shown the necessity for certain changes in the prescribed form, looking toward the establishment of one which will more nearly meet the practical requirements of the industry. The proposal included a plan of establishing a master sheet to cover one day's operation for each truck in lieu of the prevailing requirement to show a separate record for each delivery made during the day. These suggestions look toward the establishment of a system of records which will show all the information called for by the order. The compliance therewith will avoid the penalties provided by law for failure to conform with the rates, rules, and regulations established by the Commission. No objections were raised to the proposed changes in the shipping order and freight bill, and the record justifies their adoption in the following order.

TIME LIMIT FOR COLLECTION OF TRANSPORTATION CHARGES

Both producers and for-hire operators testified that it has been a long-established practice in the Los Angeles Metropolitan Area for the producer to pay the transportation charges by the

(5) T. G. Diffording, Chief, Division of Investigation.

twentieth of the month for service rendered during the preceding month. It is contended by the producers that the change to the plan of making final payments by the tenth of the month for service rendered during the preceding month as required by the terms of Item 95 of the City Carriers' Tariff No. 6 and Highway Carriers' Tariff No. 7 as prescribed in said Decision No. 33647 works an undue hardship in the way of added expense in the accounting as well as the requirement of additional capital to finance such a plan. It is the common practice for producers to collect for their delivered products on or about the twentieth of the month for materials delivered during the preceding month.

All the testimony and evidence of this record is to the effect that it would be more desirable and practical to extend the time limit to the twentieth of the month for payment of services rendered during the preceding month instead of the tenth of the month as now provided. Accordingly, the order will so provide.

O R D E R

Adjourned public hearing having been held in the above entitled proceedings and based upon the evidence thus received and upon the conclusions contained in the preceding opinion,

IT IS HEREBY ORDERED that Decision No. 32566, as amended, in the above entitled proceedings be and it is hereby further amended effective February 1, 1941, as follows:

(1) By substituting in and adding to Appendix "A" thereof (City Carriers' Tariff No. 6 and Highway Carriers' Tariff No. 7) the revised and new pages attached hereto, and by this reference

CORRECTION

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

made a part hereof, which pages are numbered as follows:

Third Revised Page 2--Cancels Second Revised Page 2
 First Revised Page 4-A--Cancels Original Page 4-A
 Second Revised Page 5--Cancels First Revised Page 5
 Third Revised Page 8--Cancels Second Revised Page 8
 Third Revised Page 9--Cancels Second Revised Page 9
 First Revised Page 21-G--Cancels Original Page 21-G
 Second Revised Page 34--Cancels First Revised Page 34
 Third Revised Page 35--Cancels Second Revised Page 35
 Second Revised Page 36--Cancels First Revised Page 36
 First Revised Page 36-A--Cancels Original Page 36-A
 First Revised Page 38-B--Cancels Original Page 38-B

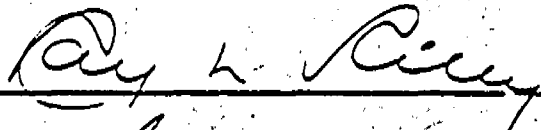
(2) By substituting for Appendix "B-1" thereof the amended form of shipping document attached hereto and by this reference made a part thereof, which document will be designated as Appendix "B-2."

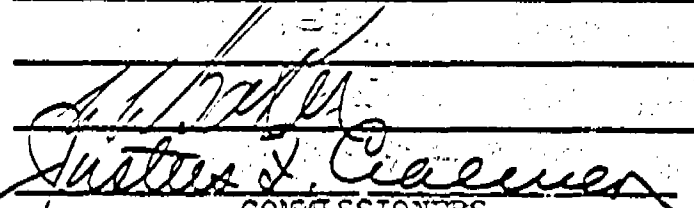
IT IS HEREBY FURTHER ORDERED that all radial highway common carriers, highway contract carriers and city carriers be and they are hereby authorized to issue in lieu of the freight bills required to be issued by said Decision No. 32566, as amended, a shipping document in manifest form for all shipments received from one shipper at one time and at one place, for one day's operation by one truck, showing thereon the same information as is required on Appendix "B-2"; and that all said shipping documents and freight bills and delivery receipts shall be retained and preserved with the carriers, subject to the Commission's inspection, for a period of not less than three (3) years from the date of their issuance.

IT IS HEREBY FURTHER ORDERED that in all other respects said Decision No. 32566, as amended, shall remain in full force and effect.

The effective date of this order shall be February 1, 1941.

Dated at San Francisco, California, this 3rd day of January, 1941.





 COMMISSIONERS