

Decision No. 31606

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Ira P. Lamb for permission to)
charge less than minimum split)
delivery charges on Grain and)
Grain Products and related com-)
modities under Section 11, Chap-)
ter 223, Statutes of 1935 as)
amended.)

Application No. 23924

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

By this application Ira P. Lamb, a highway contract carrier, seeks authority to transport split pickup and split delivery shipments of grain, grain products and related articles for Sperry Flour Company at lesser charges than those established as minimum¹ by this Commission.

The charges from which applicant seeks to deviate are the "additional charges" established by Decision No. 33738, supra, for picking up component parts of shipments at more than one point of origin or from more than one consignor (split pickup), and for delivering such component parts to more than one point of destination or more than one consignee (split delivery). No change in the rates now in effect for the transportation of straight shipments is sought. At present, the additional charges are computed on the basis of 1 cent per 100 pounds, minimum 25 cents per pickup or delivery in

¹

The rates involved were established by Decision No. 31606 in Case No. 4246, in re Rates of All Common and Highway Carriers (41 C.R.C. No. 671), as amended, particularly by Decision No. 33738 of December 17, 1940. For detailed description of the commodities see Items Nos. 652, 652½ and 653 of Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended).

excess of one. Effective February 1, 1941, these charges will range from 25 cents for each pickup or delivery when the weight is not over 100 pounds, to 200 cents when the weight exceeds 20,000 pounds.

Applicant represents that the use of the new scales of additional charges would produce revenues far in excess of the costs he has experienced in transporting split pickup and delivery shipments for Sperry Flour Company, and that this was recognized by the Commission in Decision No. 33738, supra, which prescribed those charges. It is pointed out that in that decision the Commission said:

"A review of these cost studies and of the evidence has demonstrated to us that on this record charges proposed by the examiner would be unreasonably high for the transportation of Sperry Flour Company's split delivery shipments. Grain products, it is apparent, have been split delivered at costs far below those in the engineer's study, even though an amount properly had been added for extra mileage in making deliveries. Effect could be given to these lower costs by establishing a separate schedule of split delivery charges for grain and grain products as requested by petitioner. But, in our opinion, Sperry's costs have not been shown to be representative of the cost of split delivering grain and grain products generally or for all shippers. To the contrary, the record shows that fundamentally they embrace only grain products transported by a single contract carrier whose services are primarily dedicated to Sperry Flour Company."

It is urged that, under these circumstances, applicant be permitted to (1) assess, in lieu of the "additional charges" to become effective February 1, 1941, "additional charges" of the volume of those in effect, or (2) substitute for the "additional charges" now in effect charges of 20 cents per pickup or delivery of 2,000 pounds or less and 15 cents per pickup or delivery of over 2,000 pounds, or (3) use proposed scales of additional charges ranging from 40 cents per pickups or deliveries of not over 100 pounds to 25 cents for pickups or deliveries weighing over 10,000 pounds, in lieu of the Decision No.

33738 bases.

Sperry Flour Company recommends that the present bases of charges be retained. It claims that these bases produce greater revenues than the proposed alternative bases, but that the method in which the existing charges are stated has the advantage of simplicity of application.

It appears that this is a matter in which a public hearing is not necessary. As stated in Decision No. 33738, supra, the charges established thereunder to become effective February 1, 1941, would be unreasonably high if applied to applicant's transportation of split pickup and delivery shipments for Sperry Flour Company. Under the circumstances of record, applicant should be permitted to continue to observe the existing bases. As it is possible, however, that the conditions under which the service is rendered may change at any time, this permission will be limited to a one-year period, unless sooner cancelled, changed or extended. The application will be granted.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Ira P. Lamb be and he is hereby authorized to assess and collect rates less than those established by Decision No. 31606 of December 27, 1938, as amended, but not less than those provided in Appendix "A" attached hereto and by this reference made a part hereof, for the transportation of split pickup and split delivery shipments of grain, grain products and related articles as described in Items Nos. 652, 652 $\frac{1}{2}$ and 653 series, of Appendix "D" to said Decision No. 31606, as amended.

The authority herein granted shall expire February 1, 1942, unless sooner cancelled, changed or extended by appropriate

order of the Commission.

This order shall become effective February 1, 1941.

Dated at San Francisco, California, this 28th day of
January, 1941.

W. B. Baker
Raymond A. B. Baker
Ray L. Riley
Justin J. Caseman
Frank R. Havenor
Commissioners

APPENDIX "A"

ITEM NO. 1 - SPLIT PICKUP

The charge for a split pickup shipment shall be the charge applicable for transportation of a single shipment of the same kind and quantity of property for the distance from the first point of origin to point of destination, using the shortest constructive highway route via the several points of origin plus the additional charges provided in paragraph (1). If all component parts are picked up at points taking the same rates within the corporate limits of a single incorporated city, the charges provided in paragraph (1) shall be in addition to the rate applicable from points within such city.

- (1) An additional charge of 1 cent per 100 pounds, minimum 25 cents per pickup in excess of one, shall be assessed.
- (2) Prior to the first pickup the carrier shall be furnished with manifest or written shipping instructions showing the name of each consignor, the point of origin and the kind and quantity of property in each component part.
- (3) No shipment shall be accorded both split pickup and split delivery.

ITEM NO. 2 - SPLIT DELIVERY

The charge for a split delivery shipment shall be the charge applicable for transportation of a single shipment of the same kind and quantity of property for the distance from point of origin to last point of destination, using the shortest constructive highway route via the several points of destination, plus the additional charges provided in paragraph (1). If all component parts are delivered to points taking the same rates within the corporate limits of a single incorporated city, the charges provided in paragraph (1) shall be in addition to the rate applicable to points within such city.

- (1) An additional charge of 1 cent per 100 pounds, minimum 25 cents per delivery in excess of one, shall be assessed.
- (2) At time of tender of shipment carrier shall issue a single bill of lading or shipping document for the composite shipment, and be furnished with manifest or written delivery instructions showing the name of each consignee, the point of destination, and the kind and quantity of property in each component part.
- (3) No shipment shall be accorded both split pickup and split delivery.

(End of Appendix)