

ORIGINAL

Decision No. 34351

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 highway carriers as defined in Chapter 223, Statutes of 1935, as amended, for the transportation, for compensation, or hire, of any and all commodities.)

Case No. 4246

Additional Appearances

- D.L. McNaughton, for San Diego and Arizona Eastern Railway Company,
- C.A. Hodgman, for San Diego Chamber of Commerce,
- H.M. Anderson, for Coronado Rapid Transfer,
- A.A. Nosler, for Pacific Transfer, Van and Truck Company, Inc.,
- R.S. Stowell, for Western Parcel Service.

BY THE COMMISSION:

SUPPLEMENTAL OPINION AND ORDER

The Truck and Warehouse Association of San Diego and Imperial Counties asks that minimum rates, rules and regulations provided in Highway Carriers' Tariff No. 2 for the transportation of property between North Island¹ and the cities of San Diego, Coronado, Chula Vista and National City be revised to conform in general with those now applicable within and between those cities under Decision No. 30021, commonly referred to as the "San Diego drayage order."²

¹ North Island, it appears from the record, is the tip of a peninsula, being located immediately west of the city of Coronado and connected with that city by a narrow strip of sand. It is also connected by a bridge over which all vehicular traffic must move. North Island is property of the Federal Government, and is devoted to military purposes.

² Highway Carriers' Tariff No. 2 is Appendix "D" to Decision No. 31606, as amended, in this proceeding (41 C.R.C. 671). This tariff names minimum rates, rules and regulations for the transportation of general commodities between points in this state, but does not govern transportation locally within or between the cities of San Diego, Coronado, Chula Vista and National City. Decision No. 30021, issued August 9, 1937 in Cases Nos. 4135, 4139 and 4088, Part "K", provides minimum rates for the latter transportation.

Public hearing was had before Examiner Bryant at San Diego on May 20, 1941.

The executive secretary of the Association, and three highway carrier witnesses, testified in support of the petition. From this testimony it appears that some dissatisfaction has resulted in the San Diego area from the fact that transportation between San Diego and North Island is governed by Highway Carriers' Tariff No. 2, while that between San Diego and Coronado is governed by the San Diego drayage order. The witnesses pointed out that each set of rates is subject to different rules, regulations and minimum charges, and declared that these differences have caused confusion and complaints on the part of carriers and shippers. They said that local transportation to and from North Island was more nearly comparable to city drayage than to line-haul trucking, and urged that for this reason it should be governed by the drayage order. They testified that the rates should be somewhat higher than those applying between San Diego and Coronado, in order to compensate for higher costs occasioned principally by delays involved in complying with restrictions imposed by military authorities or civilians entering North Island.

A schedule of proposed rates was set forth in the petition but no substantial evidence was offered in support of this particular schedule, and the witnesses admitted some doubt as to whether it should be prescribed without modification. They indicated that they would be satisfied with any appropriate revision or modification of the proposed rates which would accomplish the principal object of their proposal, that is, uniformity between North Island and the San Diego drayage area.

No one specifically opposed granting of the petition, but the San Diego Chamber of Commerce and the San Diego and Arizona Eastern Railway Company appeared and participated in the cross examination of witnesses. The traffic manager of the Chamber of Commerce stated that the Chamber had no objection to the proposal,

"except that it would like to have the Commission consider the inconsistencies and differentials in the proposed rates." This witness introduced an analytical rate comparison for the purpose of "exposing for the Commission some of the inconsistencies and differentials." The railroad questioned the jurisdiction of the Commission over the transportation of property to and from North Island, and the operative rights of highway common carriers serving that area. It offered no analysis or argument in connection with these questions, however, and explained that it neither opposed nor concurred in the granting of the petition here involved.

The record is persuasive that reasonable uniformity between rates, rules and regulations applicable within and between the cities of San Diego, Coronado, Chula Vista and National City, and those applicable for transportation between those cities and North Island, would be desirable; and that North Island might with advantage be considered a part of the San Diego drayage area for the purpose of rate making. However, the rates proposed by petitioner would result in reductions under those now provided in Highway Carriers' Tariff No. 2 as great as 40 percent (in connection with small shipments), and in increases of nearly 300 per cent (in connection with large shipments). Moreover, as pointed out by the witness for San Diego Chamber of Commerce, the proposed rates would produce widely varying differentials over the present drayage rates from and to Coronado and the propriety thereof has not been shown.

Clearly, rate revisions of a radical nature such as here proposed should not be made except upon the basis of substantial evidence, which, in this case, is completely lacking. Therefore, even though greater uniformity between the North Island rates and those governed by the San Diego drayage order might be desirable, the evidence developed by petitioner is inadequate to enable the Commission to accomplish the desired uniformity at this time.

Under these circumstances it is concluded that the petition here under consideration should be denied, but without prejudice to further consideration if and when petitioner informs the Commission that it is prepared to suggest a more appropriate basis of rates, and to offer substantial testimony in support thereof.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that the petition filed by the Truck and Warehouse Association of San Diego and Imperial Counties on March 10, 1941, in Cases Nos. 4135, 4139 and 4088 (Part "K") be and it is hereby denied without prejudice.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 24th day of June, 1941.

W. L. Latta
Ray & Wiley
Justin F. Coe
Francis V. Haven
Richard L. Lusk
Commissioners.