

Decision No. 35370

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of )  
maximum and minimum, or maximum or )  
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 )  
Statutes 1935, Chapter 223, as amended, )  
for the transportation for compensation )  
or hire, of any and all agricultural )  
products. )

Case No. 4293

BY THE COMMISSION:

Additional Appearance

Harry A. Encell, for Clayton L. Conrow,  
doing business as Arroyo Grande Trucking Co.

SUPPLEMENTAL OPINION

By prior orders in this proceeding minimum rates, rules and regulations have been established for the transportation of fresh fruits and vegetables by common and highway carriers between points in southern California and from points in southern California to San Francisco Bay points.<sup>1</sup> Transportation of these commodities from Santa Barbara County points is within the scope of the prescribed rate structure but transportation from San Luis Obispo County points is not. Representations having been made to the

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<sup>1</sup> These rates, rules and regulations have been prescribed by Decision No. 33977 of March 11, 1941, as amended. They have been incorporated in Highway Carriers' Tariff No. 8, Appendix "C" of Decision No. 33977. The southern California territory embraced by the tariff consists of the counties of Imperial, San Diego, Riverside, San Bernardino, Orange, Los Angeles, Ventura and Santa Barbara; the San Francisco Bay territory consists of an area extending northerly from San Jose to San Francisco and from San Jose to Richmond.

Commission that an important producing area consists of territory situated partly in northern Santa Barbara County and partly in southern San Luis Obispo County, an adjourned public hearing was scheduled for the receipt of evidence relative to the extent to which, if at all, the established rate bases should be extended into San Luis Obispo County. This hearing was had at San Luis Obispo on April 14, 1942 before Examiner Mulgrew.

It is not disputed and evidence submitted at the hearing establishes that the production of fruits and vegetables in San Luis Obispo County in marketable quantities is confined to the coastal area in the southwestern portion of the county; that this area has long been identified with and considered a part of a greater production area extending southward along the coast into Santa Barbara County; and that transportation characteristics surrounding the handling of fruits and vegetables are substantially the same throughout this greater area. Carriers serving this territory and specializing in produce hauling contend that because of the similarity in transportation conditions and because produce from the entire area is disposed of in common markets, rates on the bases heretofore prescribed for transportation within and from the territory consisting of Santa Barbara and other southern California counties should also be made applicable to transportation within and from San Luis Obispo County. <sup>2</sup> Although generally speaking the production area involved is confined to the southwestern area of San Luis Obispo County the carriers represent that a clear and adequate designation of the boundaries of this area would be impracticable and that in the interest of

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Certain proposals were also made with respect to the form of shipping document heretofore prescribed and with respect to rates for multiple deliveries in more than one of the three Los Angeles market areas. These proposals, however, appear to raise questions not peculiar to the territory here in issue and for this reason should be considered in a phase of this proceeding involving all of the territory for which rates have been prescribed. A request for such consideration should be made in the event the parties concerned with the proposed changes desire to pursue these matters further.

having a precise and readily located boundary the entire county should be included in the prescribed rate structure.

According to the carriers advocating this extension of the established rate structure, highway contract carriers have been enjoying some 75 per cent of the market hauling. Assertedly, there has been no uniformity in the rates charged, which, generally speaking, have been lower than the minimum rates established elsewhere for like transportation. For the remainder of the market hauling, allegedly consisting chiefly of produce in less-truckload quantities and often aggregating less than full truckloads, the growers have used common carrier service. During off-peak periods the contract carrier service is said to be severely curtailed because the smaller volume of traffic makes that hauling less attractive. At such times, it is pointed out, the growers must rely almost entirely upon the common carriers to move the produce to market.

It is argued that the common carriers have not been able to secure a fair share of the substantial quantities of produce transported during the peaks of the various seasons because contract carriers have then maintained service at lower rates than those applicable over the lines of the common carriers; that the off-peak hauling must be performed in conjunction with the hauling of heavier loads during peak periods in order to render satisfactory service on a profitable basis under the proposed minimum rates; and that the sought rate equality for common and contract carrier service would tend to permit the continuance of adequate service by stabilizing rates at a reasonable level.

No one opposed the proposed enlargement of the scope of the established minimum rate structure.

On this record it appears that the conditions surrounding the transportation of shipments of fresh fruits and vegetables with-

in and from San Luis Obispo County are in all important respects similar to conditions surrounding the transportation of like shipments within and from the southern California counties within the territorial scope of prior orders in this proceeding. From the showing made it also appears that the proposed extension of the rates established by these orders would provide reasonable and non-discriminatory rates for the traffic in question and at the same time provide the equality of transportation opportunity for common and contract carriers which appears necessary to insure the maintenance of adequate and dependable service.

Upon consideration of all the evidence of record, we are of the opinion and find that minimum rates, rules and regulations for the transportation of fresh fruits and vegetables by common and highway carriers should be established from, to and between points in San Luis Obispo County on the same bases as, and to the same extent as, minimum rates, rules and regulations have heretofore been established from, to and between points in Santa Barbara and other designated southern California counties.

#### O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Decision No. 33977 of March 11, 1941, as amended, in this proceeding, be and it is hereby further amended by substituting in Highway Carriers' Tariff No. 8 (Appendix "C" of said Decision No. 33977), to become effective July 1, 1942, Second Revised Page 6 Cancels First Revised Page 6, attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that the tariff publications

to be made by common carriers as a result of the further amendment herein of the aforesaid Decision No. 33977, as amended, shall be made on or before July 1, 1942, on not less than three (3) days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that in all other respects the aforesaid Decision No. 33977, as amended, shall remain in full force and effect.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of May, 1942.

Justin F. Coe  
Ray L. Rice

Arthur Jackson  
Commissioners

<p>Item No.</p>	<p>SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)</p>
<p>20 5-1-41</p>	<p style="text-align: center;">APPLICATION OF TARIFF - CARRIERS</p> <p>Rates provided in this tariff are minimum rates, established pursuant to the Highway Carriers' Act (Chapter 223, Statutes of 1935, as amended) and apply for the transportation of property by radial highway common carriers and highway contract carriers, as defined in said Act.</p> <p>When property in continuous through movement is transported by two or more such carriers, the rates (including minimum charges) provided herein shall be the minimum rates for the combined transportation.</p>
<p>30-B Cancels 30-A</p>	<p style="text-align: center;">APPLICATION OF TARIFF - TERRITORIAL (Items Nos. 30 and 31 series)</p> <p>Subject to Exceptions 1 and 2, rates in this tariff shall apply as follows:</p> <ol style="list-style-type: none"> <li>1. *Between points of origin and points of destination located in Imperial, San Diego, Riverside, San Bernardino, Orange, Los Angeles, Ventura, Santa Barbara and San Luis Obispo Counties;</li> <li>2. From points of origin in the above described territory on the one hand to points of destination located in San Francisco territory as described in Item No. 230 series, on the other hand, except that rates on empty containers as described in Item No. 40 series also apply from points of origin in San Francisco territory as described in Item 230 series to points of destination described in paragraph 1 hereof.</li> </ol> <p>EXCEPTION 1. - Rates in this tariff do not apply to shipments having point of origin and point of destination within the San Diego Drayage Area as described in Items Nos. 30 and 31 series of City Carriers' Tariff No. 7 - Highway Carriers' Tariff No. 9 (Appendix "A" of Decision No. 35035, in Cases Nos. 4246 and 4434).</p> <p>EXCEPTION 2. - Rates in this tariff do not apply to shipments having point of origin and point of destination within the Los Angeles Drayage Area, as described in Item No. 31 hereof.</p>
<p>* Change, Decision No. 35370</p>	
<p style="text-align: right;">EFFECTIVE JULY 1, 1942</p>	
<p style="text-align: center;">Issued by The Railroad Commission of the State of California, San Francisco, California.</p> <p>Correction No. 24</p>	