ORIGINAL

Decision No. 36880

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA FREIGHT LINES, a corporation, and SOUTHERN CALIFORNIA FREIGHT FORWARDERS, a corporation, for authority to increase their rates of charges.	Application No. 25753
In the Matter of the Application of VALLEY EXPRESS CO., a corporation, and VALLEY MOTOR LINES, INC., a corporation, for authority to increase their rates of charges.	Application No. 25784
In the Matter of the Application of PACIFIC FREIGHT LINES, a corporation, and PACIFIC FREIGHT LINES EXPRESS, a corporation, for authority to increase rates.	Application No. 25841

BY THE COMMISSION:

Appearances

H. J. Bischoff and H. P. Merry for Southern California Freight Lines and Southern California Freight Forwarders.
Hugh Gordon and Fred H. Chesnut for Pacific Freight Lines and Pacific Freight Lines Express.
Harold Frasher, Hugh Gordon, Fred H. Chesnut and Marvin Handler for Valley Express Co. and Valley Motor Lines, Inc.
Abraham Gottfried and Frank H. Sloss for the Office of Price Administration.
J. J. Deuel for California Farm Bureau Federation.
C. A. Hodgman for San Diego Chamber of Commerce, protestant.
L. A. Bey for William Volker & Company, Western Shade Cloth Company of California and Los Angeles Traffic Managers Conference.
A. H. Valentine for Interstate Bakeries Corporation.
R. A. Henderson for Pioneer Flintkote Company.
H. E. Noyes for Lockheed Aircraft Corporation and Western Region Aeronautical Chamber of Commerce of America.
W. E. Paul and J. D. Rearden for Union Oil Company of California.
T. F. McCue for Crane Company.
H. E. Smith for Western Auto Supply Company, Western Traffic Conference, Los Angeles Wholesale Institute and California Shippers Associates.
Harry Helfrich for American Fruit Growers, Inc.
R. T. Hunt for Richfield Oil Corporation.
Arlo D. Poe for a group of 42 common carriers named in Application No. 25934, as interxenors in support of the applications.
R. E. Wedekind and M. J. Smith for Pacific Motor Trucking Company.
Starr Thomas and George T. Hurst for Santa Fe Transportation Company.
F. H. Powers for Sears Roebuck Company.

W. G. Stone for Sacramento Chamber of Commerce.
Milton O'Donnel for Johnson & Johnson and
Allied Drug Distributors Association.
E. A. Reed for Oakland Chamber of Commerce.

OPINION

Applicant corporations are common carriers as defined in the Public Utilities Act of California. By these proceedings they seek authority under Section 63(a) of that Act to make a blanket increase of 12½ per cent in all of their rates and charges.[1]

The matters were heard on a consolidated record at Los Angeles and San Francisco before Examiner Freas, and were submitted for decision on December 20, 1943.

Southern California Freight Lines is a highway common carrier. Southern California Freight Forwarders is an express corporation and freight forwarder operating principally over Southern California Freight Lines. The management and ownership of the two companies are substantially identical and their records were consolidated for the purpose of these proceedings. For convenience, the two companies collectively will be referred to as "Southern."

Similarly, Pacific Freight Lines is a highway common carrier, and Pacific Freight Lines Express is an express corporation

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[1] Applicants originally requested an increase of 10 per cent. The change from 10 per cent to 12½ per cent was made at the close of the hearing, after the taking of evidence had been concluded.

operating over the lines of various highway common carriers in California, including Pacific Freight Lines. These companies are closely affiliated, a combined showing was made, and they will be referred to as "Pacific."

Valley Motor Lines, Inc. is a highway common carrier. Valley Express Co. is an express corporation whose principal underlying carrier is Valley Motor Lines, Inc. These companies have substantially identical ownership and management, and made a consolidated showing in these proceedings. They will be referred to as "Valley."

Applicants are among the largest highway carriers in the state, each having gross annual revenue well in excess of a million dollars.[2] The express tariffs are virtually state-wide in application, but in a general way the operations of Southern and Pacific cover southern California, while Valley serves the San Joaquin and Sacramento Valleys and the San Francisco Bay area.

Several shipper organizations in the southern part of the state stated that they opposed any increase in transportation rates.[3]

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[2] According to exhibits of record, Southern's gross revenue for the first six months of 1943 was $1,179,540; for the first eight months of the year Pacific's operating revenue was $2,571,165, and Valley's was $1,266,038.

[3] The protestants here referred to are Los Angeles Traffic Managers Conference, Western Traffic Conference, Los Angeles Wholesale Institute, California Shippers Associates, William Volker & Company, Western Shade Cloth Company of California, Interstate Bakeries Corporation, Pioneer Flintkote Company, and Western Auto Supply.

These protestants did not offer factual evidence, but in explanation of their position asserted that manufacturers could not afford to absorb any further increase in costs, nor, because of price ceilings, could they transfer added costs to the consumers. The Office of Price Administration, in a statement of its position, emphasized the importance of these proceedings in their possible effect upon the federal price stabilization program. Without undertaking to judge whether any increase should be found justified on this record, it urged that the proofs be closely scrutinized, and that any increase be limited to that which was shown to be necessary to preserve an essential transportation service under war-time standards.

The applications were separately filed and each will be judged on its merits, but several features which they have in common may be stated first. All of the applicants introduced evidence to show that they have experienced increased and increasing operating expenses. These increases were attributed principally to higher labor costs, to higher cost of maintaining and repairing equipment, to higher prices and lowered quality of tires and tubes, to higher mileage cost of fuel due to lowered quality and to decreased efficiency of vehicles, and to increased cost of claims for loss and damage of freight. The higher labor cost was attributed to recent wage increases, to new agreements affecting working conditions, and to the necessity of employing inexperienced and less efficient help to replace employees who have entered the armed forces or transferred to war industries.

All of the applicants stated that their available equipment is being operated at or near capacity, and that much of the traffic is directly related to the war effort. They declared that they have made every possible effort to reduce expenses, to bring about more efficient operations, and to effect economies. They asserted, however, that the present difficulties are in large measure due to war time conditions which are entirely beyond their control, and indicated that unless the increased operating expenses can be met by an increase in revenues it was questionable how long they would be able to continue to provide their present essential transportation services.

Applicants argued that their rates should not be fixed upon the basis of return on the value of the properties. In support of this contention it was urged that theirs is primarily a service industry, that the value of the operating properties is low in relation to the annual gross revenues, and that these carriers do not enjoy the virtual monopolies under which the rates of return to telephone companies, gas and electric corporations, and similar utilities are regulated according to determined valuations. Applicants contended that the rate levels should be measured by the percentage relationship which operating expenses bear to operating revenues, commonly termed the "operating ratio." However, the evidence offered, as will be explained, was not predicated upon an analysis of operating ratios. Southern relied largely upon a study of the cost of transporting shipments of various weights for various distances, and Pacific and Valley undertook to show the revenue increase necessary to return an assumed net profit on the invested capital.

Before referring more specifically to the separate showings of the applicant carriers, reference may be made to the background of their existing rates and charges. In accordance with provisions of the Highway Carriers' Act, City Carriers' Act and Public Utilities Act, this Commission has established minimum rates for the transportation of property by radial highway common and highway contract carriers, and has in most cases fixed the same rates as the minimum reasonable and sufficient rates for common carriers. These rates were established for the most part prior to 1940, and were increased by approximately 6 per cent in April, 1942. Applicants, in common with most of the tariff-filing carriers in California, have maintained their rates on these minimum levels. However, the minimum rates were not established upon the cost experience of any one carrier, or even of all of the carriers, but upon the best evidence available at the time which consisted primarily of studies and estimates of the reasonable cost to an efficient carrier of performing the various transportation services. In view of this history, it will be apparent that the question whether higher rates should be authorized for any particular carrier cannot be answered by reference only to increased operating costs, but must depend upon the actual experience of that carrier under its existing rates.

Southern

Southern, through H. J. Bischoff, the principal officer and controlling stockholder, introduced a detailed study of the costs of operation as of December 1, 1943; a consolidated operating statement for six months ended June 30, 1943; and separate and consolidated comparative balance sheets.

The cost study, although developed in large part from the carrier's records, is based to some extent upon studies made in previous years, upon the experience of other carriers, and upon personal judgment. It shows that many of the separate items of cost have increased substantially since 1939, but cannot be said to show the actual over-all result of Southern's operations, either for a period in the immediate past or projected into the immediate future. In spite of detailed care and attention apparently given to its preparation, the study is of limited value for the purpose of judging whether or not a blanket rate increase is justified. It is primarily a judgment estimate of the average cost to Southern, per 100 pounds, of transporting shipments of various weights for various distances up to 150 miles, based upon current conditions. If accepted at its full face value, it would serve to show that existing rates of Southern are not closely related to the costs of performing the several services, and would suggest that various readjustments of the rates might properly be made. However, the net financial result of any such adjustments could not be predetermined without resort to further theory and speculation. The exhibit would be of considerable assistance if we were concerned with the development and initial establishment of rate scales, but no direct connection can be traced between the costs as developed in this study and the sought blanket increase of 12½ per cent in all rates and charges.

Balance sheets and operating statements submitted by Southern are more informative for present purposes. According to the books as of June 30, 1943, Southern's total operating expenses for the first six months of the year were $1,141,489.[4] Witness

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[4] Figures after June 30, 1943 were not included, presumably having not been available at the time the exhibits were prepared.

Bischoff estimated that this total should be increased to $1,223,999 in order to be properly representative of current conditions. His adjustments included the addition of $25,161 to cover deferred maintenance and garage expenses; $22,685 to cover an increase in unpaid claims and in vehicle insurance; $17,500 to cover wages due under a retroactive labor agreement; and $17,164 to offset a terminal handling expense which was not incurred during the period.

The two items last stated require special explanation and comment. It appears that the new labor agreement contains provisions under which straight-time adjustments were retroactive to March 1, 1943, and overtime adjustments were retroactive to August 7, 1943. We conclude from evidence available in the record that the wage item of $17,500 may properly be increased to approximately $40,000 in order to reflect current wage conditions for the full six-months' period. The other item represents the estimated cost which would have been incurred by Southern if it had been required to perform a complete service on a substantial tonnage which was transported for the Army under conditions not requiring either loading or unloading service. We conclude that this adjustment in estimated costs should not be included, inasmuch as there is no showing that Southern's experience in connection with shipments of this kind will be different in the future than it was during the period in question.

With these changes, the estimated operating expenses for the six-months' period would be $1,229,334, or $2,458,668 projected for a full year. Since the total revenue shown for the six months was $1,179,539.70, or $2,359,079 projected for a full year, it appears from these figures that a revenue increase of approximately 4.22 per cent would be necessary to offset the estimated loss, without provision for profit.

Witness Bischoff declared that if earnings were to be measured by a rate base rather than upon a percentage of gross revenue, Southern should be permitted to earn a fair return on its total assets, or on the total assets less current liabilities. The difference between total assets and current liabilities on June 30, 1943, was $778,914, which includes the appraised value for insurance purposes of the revenue freight equipment, and $96,267 as the unamortized cost of perfecting and acquiring operative rights. For purposes of this proceeding the latter item must in any event be reduced to the amount actually paid to the State or to political subdivisions thereof as the consideration for the grant of such rights, which it may reasonably be assumed would not exceed $5,000.[5] The resulting difference between total assets and current liabilities would be $687,647. No argument was advanced in support of the contention that fair return should be allowed on the amount represented by this difference, but since it appears that the invested capital represented by book value of the tangible properties plus the statutory provision for operative rights and a reasonable allowance for working capital would be somewhat higher, it may be assumed on this record that Southern is entitled to expect a fair return on value of approximately $700,000.

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[5] Section 52(b) of the Public Utilities Act provides, among other things, that the Commission shall have no power to authorize the capitalization of the right to be a corporation, or to authorize the capitalization of any franchise or permit whatsoever or the right to own, operate. or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the state or to a political subdivision thereof as the consideration for the grant of such franchise, permit or right.

Pacific and Valley

Pacific and Valley, through Fred H. Chesnut, a consulting engineer engaged for the purpose, introduced what were termed "revenue studies." In view of similarities in development of the evidence, the showings of these two applicants may conveniently be discussed together.

The two studies consisted essentially of statements of invested capital and operating statistics for the years 1939 to 1942, inclusive, and the first eight months of 1943. Later data were not available, and the witness made various adjustments and projections for the purpose of estimating the expenses for a full year based upon the current rate of expenditure. In the case of Pacific the adjustments included the wage increase to which reference has been made, additional depreciation, deferred maintenance, and higher mileage cost for tires. The Valley adjustments included additional depreciation, higher average hourly wage at the end of the period, and higher tire costs. According to the exhibits, in order to return 8 per cent per annum on the invested capital without making any provision for federal income taxes, Pacific would require an increase in revenue of 12.14 per cent and Valley would require an increase of 10.52 per cent. The following tables illustrate how these figures were developed in the exhibits of record:

TABLE 1 - PACIFIC

Invested Capital as of August 31, 1943, $1,907,959

		Per Cent of Revenue
Estimated Revenue.	$3,640,642	100.00
Estimated Expense.	3,929,882	107.95
Estimated Loss	289,240	7.95
8% of Capital Investment	152,637	4.19
Increase in revenue needed to cover estimated loss and to yield 8% on capital investment without provision for Federal income taxes. .	$ 441,877	12.14
Provision for Federal income taxes, 42% of net income.	110,529	3.04
Increase in revenue needed to yield 8% return on capital investment after payment of Federal income taxes.	$ 552.406	15.18

TABLE 2 - VALLEY

Invested Capital as of August 31, 1943, $750,240

		Per Cent of Revenue
Estimated Revenue.	$1,899,057	100.00
Estimated Expense.	2,038,801	107.36
Estimated Loss	139,744	7.36
8% of Capital Investment	60,019	3.16
Increase in revenue needed to cover estimated loss and to yield 8% on capital investment without provision for Federal income taxes.	$ 199,763	10.52
Provision for Federal income taxes, 40% of net income.	40,012	2.11
Increase in revenue needed to yield 8% return on capital investment after payment of Federal income taxes.	$ 239,775	12.63

A number of corrections and revisions must be made in foregoing tables before they may be made the subject of further consideration. The "invested capital" represents the depreciated book value of the operating property, plus working capital and certain other items hereinafter mentioned. It includes $58,064 for Pacific and $44,813 for Valley as the unamortized

cost of perfecting and acquiring operative rights. For purposes of the present applications these items should be reduced to the amounts actually paid to the state or to political subdivisions thereof as the consideration for the grant of such rights.[6] The amounts so paid are not a matter of record in these proceedings, but based upon statutory filing fees it may reasonably be assumed that the total would not exceed $5,000 for either of the applicants. Prepayments and deferred charges, totaling $65,612 in the case of Pacific and $42,365 in the case of Valley, should be deducted from invested capital for the reason that these headings generally involve expense items such as those for which provision was made in connection with the estimated expense of conducting the operations.[7] The invested capital figures include a provision for working capital on the basis of operating expenses for one month, less depreciation. Due to necessary adjustments in the operating expenses, hereinafter explained, the allowance for working capital may be increased from $292,000 to $303,900 for Pacific, and from $156,000 to $160,767 for Valley.

In adjusting the estimated expenses the witness made provision for further depreciation on vehicles which had already been fully depreciated on the books, but which the carriers were unable to replace because of war-time restrictions. Depreciation should not be allowed as an operating expense after the investment in property against which depreciation accruals are accumulated has been fully depreciated. (Decision No. 36613 of September 21, 1943, in the Application of Mare Island Ferry, 44 C.R.C. 802).

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6 See footnote 5.

7 The witness was unable to specify the details included under the headings of "prepayments" and "deferred charges."

The depreciation items to be deducted for this reason are $40,234 in the case of Pacific, and $32,610 in the case of Valley. A further deduction of $40,663 must be made from the Pacific expenses in order to correct on obvious error made by the witness in his calculation of estimated wages.[8]

The net effect of these several changes is to reduce the invested capital and the estimated expenses, and consequently to reduce the amount of revenue increase which would be required. The revised tables would appear as follows:

TABLE 1 (Revised) - PACIFIC

Invested Capital as of August 31, 1943, $1,801,185

		Per Cent of Revenue
Estimated Revenue.	$3,640,642	100.00
Estimated Expense.	3,848,985	105.72
Estimated Loss	208,343	5.72
8% of Capital Investment	144,095	3.96
Increase in revenue needed to cover estimated loss and to yield 8% on capital investment without provision for Federal income taxes.	$ 352,438	9.68
Provision for Federal income taxes, 42% of net income.	104,345	2.87
Increase in revenue needed to yield 8% return on capital investment after payment of Federal income taxes.	$ 456,783	12.55

8 The witness increased the estimated additional cost of straight time pay for the months from March to August, inclusive, by 50 per cent in projecting the expenses for a full year. This item should not have been increased, inasmuch as straight time for the balance of the year was fully provided for in his Exhibit 4 and in Schedule IX of Exhibit 3.

TABLE 2 (Revised) - VALLEY

Invested Capital as of August 31, 1943, $672,829

		Per Cent of Revenue
Estimated Revenue.	$1,899,057	100.00
Estimated Expense.	2,006,191	105.64
Estimated Loss	107,134	5.64
8% of Capital Investment	53,826	2.84
Increase in revenue needed to cover estimated loss and to yield 8% on capital investment without provision for Federal income taxes. .	$ 160,960	8.48
Provision for Federal income taxes, 40% of net income.	35,884	1.89
Increase in revenue needed to yield 8% return on capital investment after payment of Federal income taxes.	$ 196,844	10.37

It should be understood, of course, that these tables were developed directly from applicants' exhibits and should not be interpreted as representing our final conclusions. A more complete record would possibly disclose the necessity of making further revisions, either upward or downward. For example, in addition to the traffic involved in these proceedings both Pacific and Valley transport some quantities of (a) interstate traffic, (b) traffic moving under through joint rates with carriers not parties to these proceedings, and (c) traffic handled under radial highway common, highway contract carrier, or city carrier permits. It does not appear that any attempt was made to eliminate from the exhibits the revenues, expenses or investments properly assignable to these extraneous classes of traffic. Moreover, from a study of the exhibits it appears that the capital used for Pacific may include some investment in tank vehicles, although the record on this point is not clear. The net effect which elimination of these several items would have on the

amount of revenue required is perhaps not great, but the factor is one which cannot be measured from the evidence of record.

Even as to matters fully covered by applicants' exhibits, the amount of revenue required can be only approximated at best. Cost of deferred maintenance claimed for Pacific, higher cost per mile of war tires for both applicants, and a number of other factors were of necessity questions of judgment. In the case of Pacific, the effect of the new wage agreement, which accounted for more than six per cent of the total adjusted expense and amounted to nearly seven per cent of the revenue, was necessarily estimated.[9] It must be recognized that a considerable margin for error must always be allowed in any attempt to predict future revenues and expenses under unstable conditions such as those encountered by the applicant carriers during the war emergency.

Conclusions

We cannot subscribe to the contention that applicants' rate levels should be judged solely by the relationship between revenues and expenses. If that contention were accepted, the net profit required would be measured by the gross expenses on what might well be termed a "cost plus" basis, and could not be related in any direct manner to the value of the properties. On that theory the rate of return would have to be much greater when expenses were high than when they were low. We do not intend to state here that establishment of

[9] Witness Chesnut stated: "This is, frankly, an estimate. It is not possible within probably the next couple of months, and perhaps longer, to get an absolutely accurate figure of what must be paid by this applicant to the line-haul drivers, the platform labor and the pickup drivers because of the wage agreement, so far as the back pay is concerned."

a rate base is always requisite to the determination of reasonable rate levels for common carriers, but certainly where the general level of rates for a particular carrier is being considered, the probable fair value of the properties cannot be ignored.

By whatever standard or rule of measurement the evidence is judged, however, there can be no doubt on this record that each of the applicants is entitled to an increase in revenue. This is necessarily so, since the record is convincing that each of the applicants will suffer an actual operating loss if required to continue at the present rates. It can not be questioned that applicants are performing essential transportation services, and certainly it is in the furtherance of the war effort and in the interest of the public that these carriers be permitted to establish rates which may reasonably be expected to return the cost of operation plus some measure of profit.

To restore to Southern its 1939-1941 average operating ratio of 92.41, as witness Bischoff suggested, would require an increase in revenue of approximately 12.78 per cent; but, under Southern's present high level of receipts and expenses, an increase of this amount would return almost 29 per cent per annum, before income taxes, on a value of $700,000. Under the requested rate increase of 12½ per cent the return would be nearly 28 per cent per annum. This may be compared with a 1939-1941 average return on the difference between total adjusted assets and current liabilities, computed from exhibit 9 of record, of approximately 16.72 per cent per annum before payment of income taxes.

In the case of Pacific, the evidence indicates that the requested rate increase of 12½ per cent would return 13.73 per cent per annum on the invested capital before payment of income taxes, or

approximately 8 per cent per annum after income taxes. This is to be compared with an average return for the years 1939, 1940, and 1941, before payment of income taxes, of less than 7 per cent on the invested capital (Exhibit 3, Schedule II).

The requested rate increase of 12½ per cent would apparently return to Valley some 19.36 per cent per annum on the invested capital before payment of income taxes, or 11.61 per cent per annum after making provision for an income tax of 40 per cent on the net profit. Valley's average return for the years 1939, 1940, and 1941, before payment of income taxes, was about 9.5 per cent on the invested capital (Exhibit 7, Schedule II).

The conclusion is inescapable, therefore, that the proposed rate of increase of 12½ per cent would produce revenues for each of the applicants sufficient to pay all of the operating expenses and to also return a substantially greater profit, in terms of capital, than was enjoyed in the three prewar years. From the evidence of record it appears that revenue increases of 9.18 per cent for Southern, 9.08 per cent for Pacific, and 9.01 per cent for Valley would restore the rate of profits, in terms of capital, to the averages experienced by applicants in the years 1939, 1940, and 1941. A rate of profit somewhat below the prewar normal, if otherwise reasonable, would be in harmony with the present national policy, with respect to price stabilization. Carriers rendering an essential service during time of war must be permitted to earn revenue sufficient to insure their continued operation, and applicants are entitled to rates which will return a reasonable profit, but they should not expect to increase their rates to the point that the revenues will meet all actual and anticipated operating expenses and will in addition yield a profit in excess of a normal reasonable profit for carriers of the same class during normal periods. We do not mean to be understood as concluding that

earnings on capital invested in a business of this nature should be limited to those which the record indicates may be earned by certain of the applicants under rates hereinafter authorized. However, where infirmities and deficiencies are found in the evidence submitted by applicants in application proceedings, they must expect that the resulting doubts will be resolved against them. Under these circumstances we do not deem it prudent to allow increases which might prove to be excessive in some cases, nor do we deem it advisable under the circumstances to allow different rates of increase between the present applicants. If it subsequently appears on the basis of experience, or from more complete data, that one or more of the carriers is entitled to rates higher than those herein found justified, the matter should be brought to the attention of the Commission for further consideration.

Upon careful consideration of all of the facts and circumstances of record, we find as a fact that an increase of eight per cent in the rates and charges of Southern California Freight Lines, Southern California Freight Forwarders, Pacific Freight Lines, Pacific Freight Lines Express, Valley Express Co., and Valley Motor Lines, Inc. will be justified. Where joint rates are maintained between two or more of the applicants the increase may be applied. It should be understood, however, that no increase is herein authorized in joint rates where one of the participating carriers is not an applicant.

ORDER

The above entitled applications having been duly heard and submitted, full consideration of the matters and things involved having been had, and the Commission now being fully advised.

IT IS HEREBY ORDERED that Southern California Freight Lines, Southern California Freight Forwarders, Pacific Freight Lines, Pacific

Freight Lines Express, Valley Express Co., and Valley Motor Lines, Inc. be and they are, and each of them is, hereby authorized to establish, on not less than ten (10) days' notice to the Commission and to the public, an increase of eight (8) per cent in all rates and charges.

IT IS HEREBY FURTHER ORDERED that the increase hereinbefore authorized may be established in connection with joint rates as well as local rates, except that no increase shall be made in joint rates in which carriers other than applicants participate.

IT IS HEREBY FURTHER ORDERED that fractional parts of a cent resulting from the percentage increases herein authorized shall be disposed of and published according to the following rule: Fractions of less than one-quarter of a cent shall be dropped; fractions of one-quarter of a cent or more, but less than three-quarters of a cent shall be changed to one-half cent; fractions of three-quarters of a cent or more shall be increased to the next whole cent.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that applicants herein will never urge before this Commission in any proceeding under Section 71 of the Public Utilities Act, or in any other proceeding, that the opinion and order herein constitute a finding of fact of the reasonableness of any particular rate or charge, and that the filing of rates and charges pursuant to the authority herein granted will be construed as consent to this condition.

The authority herein granted shall be void unless the rates and charges authorized in this order are published, filed, and made effective within ninety (90) days from the effective date hereof.

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

Dated at Los Angeles, California, this 15th day of February, 1944.

Commissioners