

Decision No. 40561

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Establishment of just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates, rules, classifications, and regulations for the transportation of property for compensation or hire over the public highways of the City of Los Angeles.

Case No. 4121

Arlie D. Poe, for The Motor Truck Association of Southern California, petitioner.

W. G. O'Barr, for Los Angeles Chamber of Commerce, interested party.

O P I N I O N

By a petition filed in this proceeding The Motor Truck Association of Southern California seeks revision of certain minimum rates for the delivery within the Los Angeles Drayage area of shipments unloaded from rail pool cars at terminals of the local draymen. The matter was submitted at a public hearing held in Los Angeles on June 27, 1947, before Examiner Bryant.

Briefly stated, petitioner's proposal is that terminals of the draymen, regardless of actual location within any of the eight drayage zones, be deemed to be located within Zone 1-A for the purpose of assessing transportation charges on shipments unloaded from rail pool cars at such terminals. The stated objective is to establish competitive equality between carriers.

Evidence in support of the petition was introduced by a consulting transportation engineer employed by the Association, and by representatives of several carriers specializing in pool-car distribution.¹ From their testimony it appears that Zone 1-A is centrally located among the eight drayage zones, that it is the site of a heavy concentration of commercial and warehouse activities, and that most of the pool cars coming into the drayage area are unloaded and distributed within this zone. A few carriers, probably not exceeding five in number, have terminals within other of the drayage zones at which rail pool cars are spotted for distribution. Since minimum transportation rates within the drayage area are higher for inter-zone than for intra-zone movements, freight unloaded at the latter terminals and trucked to destinations within Zone 1-A is subject to higher charges than would apply were the car unloaded within the zone. Thus motor carriers distributing pool-car shipments from terminals located outside of Zone 1-A are required to assess higher charges on a substantial portion of the deliveries than are available to carriers distributing such shipments from terminals located within the zone.

Petitioner pointed out that the proposed tariff revision would affect only the relatively small portion of the pool-car shipments which are unloaded at terminals outside of Zone 1-A;

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For a description of the service of unloading, segregating and distributing pool-car shipments, see Decision No. 36958 of March 28, 1944, in Case No. 4121 (45 C.R.C. 306). The minimum rates within the Los Angeles drayage area are provided in City Carriers' Tariff No. 4, Highway Carriers' Tariff No. 5, which is Appendix "A" of Decision No. 32504, as amended (42 C.R.C. 239). Item No. 165 series of the tariff provides charges for the service of unloading and segregating property tendered to the carrier in pool cars.

that carriers may obtain the desired rate equality under the present tariff by establishing terminals within the central zone; and that the shipping public may already obtain the sought rates by consigning the pool cars to motor carriers having depots so located. The proposed tariff rule, it was urged, would permit the drayage carriers to compete on basis of rate equality without the necessity of re-locating their terminals.

As indicative of the manner and extent to which transportation charges would be affected by the proposal, a consulting transportation engineer for the Association introduced an exhibit showing rate and weight details on 52 rail pool cars received during February and March, 1947, at a motor terminal located within Zone 1-D.² According to this exhibit, 46 per cent of the tonnage consigned to the drayage area was delivered within Zone 1-A, 27 per cent within Zone 1-B, 16 per cent within Zone 1-D, and the balance within the other zones. Total transportation charges for deliveries within the drayage area were \$2,448, and would have been \$2,322 had the proposed tariff rule been in effect.

A tariff publishing agent testified that he has on file with the Interstate Commerce Commission an interstate tariff covering the drayage area herein involved; that approximately 40 motor carriers participate in this tariff; that about six years ago, at request of the participating carriers, he published in this tariff a rule similar to the one herein sought; that the rule has been continued in effect to the present time without change; that no objections to the rule have been received from carriers or shippers;

² Zone 1-D is south of, and adjacent to, Zone 1-A.

and that to the best of his knowledge it has proved satisfactory to all parties affected thereby.

No one opposed the granting of the petition herein involved. The record indicates that the proposal has the approval or support of all carriers specializing in pool-car distribution within the Los Angeles drayage area.

The record is convincing that the interests of carriers and shippers will be served by adoption of the rate change herein considered. Both increases and reductions in charges will result, but it appears that the principal effect will be downward. In view of the unanimity of opinion among the carriers, the absence of objection from the shippers, and the satisfactory record of experience under the interstate tariff, together with other considerations hereinbefore indicated, we are of the opinion that the "pool-car" item of the Los Angeles drayage tariff should be amended substantially as proposed by The Motor Truck Association of Southern California. The following order will so provide:

O R D E R

Adjourned public hearing having been held in the above entitled proceeding, and based upon all of the evidence and upon the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED that City Carriers' Tariff No. 4, Highway Carriers' Tariff No. 5 (Appendix "A" of Decision No. 32504, as amended, in this proceeding) be and it is hereby further amended by substituting therein to become effective August 31, 1947, Fourth Revised Page 20 (Cancels Third Revised Page 20) attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that tariff publications required to be made by common carriers as a result of the amendment

herein of the aforesaid tariff shall be made effective August 31, 1947, on not less than three (3) days notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that common carriers be and they are, and each of them is, hereby authorized to depart from the provisions of Section 24(a) of the Public Utilities Act and of Article XII, Section 21, of the State Constitution, to the extent necessary to carry out the effect of the order herein.

In all other respects said Decision No. 32504, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 29th day of July, 1947.

James P. Hule

Justice J. Gallivan

John H. Kinnell

Commissioners

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)										
<p>*165-C Cancels 165-B</p>	<p style="text-align: center;">POOL CARS</p> <p>(a) For the service of unloading, segregating, or unloading and segregating property tendered to the carrier in pool cars, the following charges shall be made in addition to transportation charges:</p> <p style="margin-left: 40px;">(1) Merchandise classified as</p> <table style="margin-left: 100px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Rates in cents per 100 pounds</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">First Class</td> <td style="text-align: right;">15</td> </tr> <tr> <td style="padding-left: 20px;">Second Class</td> <td style="text-align: right;">12</td> </tr> <tr> <td style="padding-left: 20px;">Third Class</td> <td style="text-align: right;">9</td> </tr> <tr> <td style="padding-left: 20px;">Fourth Class, or lower</td> <td style="text-align: right;">8</td> </tr> </tbody> </table> <p style="margin-left: 40px;">(1) Subject to minimum charge of 38 cents for each point of destination involved.</p> <p>(b) The term "Pool Car" as used in this item means a rail car or motor vehicle (other than carrier's equipment) containing property intended for delivery to two or more points of destination located within the zones described in Items Nos. 30 to and including 33 series.</p> <p>(c) Classification ratings shall be based upon the L.C.L. (less than carload) ratings in the Western Classification, Exception Sheet or this tariff.</p> <p>(d) Articles taking a rating higher than first class shall be computed upon the percentage of the first class rating, as set forth in the Western Classification, Exception Sheet or this tariff.</p> <p style="text-align: center;">*</p> <p>(e) When rail pool cars are unloaded and segregated at and deliveries made from carrier's established depot, said depot will be considered as being located within Zone 1-A for the purpose of assessing transportation charges under this tariff, and transportation rates shall be applied from Zone 1-A as point of origin.</p>		Rates in cents per 100 pounds	First Class	15	Second Class	12	Third Class	9	Fourth Class, or lower	8
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<p>170</p> <p>1-1-40</p>	<p style="text-align: center;">DELAYED DELIVERY OF SHIPMENTS</p> <p>(a) Where carrier cannot effect delivery upon arrival of shipment at point of destination, a free storage period of 48 hours from the first 7:00 A.M. thereafter may be allowed. After said free storage period, storage charges shall be assessed at not less than 1½ cents per 100 pounds per day for each of the first five days and at not less than 3 cents per 100 pounds per day for the sixth and each succeeding day until such time as instructions regarding disposition of the shipment are received by the carrier. In computing time, Sundays and legal holidays shall be excluded.</p> <p>(b) Subsequent delivery of the property from point of storage shall constitute a new shipment.</p>										

DISPOSITION OF FRACTIONS

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In computing a rate based on a percentage of another rate, the following rule shall be observed in the disposition of fractions:

1-1-40

Fractions of less than $1/2$ or .50 of a cent, omit.
Fractions of $1/2$ or .50 of a cent or greater, increase to next whole figure.

* Change, Decision No. 40561

EFFECTIVE AUGUST 31, 1947

Correction No. 79

Issued by the Public Utilities Commission
of the State of California
San Francisco, California