

ORIGINAL

Decision No. 40780

BEFORE THE PUBLIC UTILITIES 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

Howard M. Jones and Paul Douma, for
United Dairy Workers, Inc., petitioner.

(Appearances shown above are those entered in the instant phase of this proceeding. For earlier appearances, see previous decisions in this case.)

SUPPLEMENTAL OPINION

By prior orders in this proceeding the Commission established minimum rates, rules and regulations governing the transportation of livestock within California. The present rates are set forth in Highway Carriers' Tariff No. 3 (Appendix "C" of Decision No. 31924 of April 11, 1939 (41 C.R.C. 836), as amended). United Dairy Workers, Inc., petitioners herein on behalf of certain highway carriers transporting livestock principally within Los Angeles and Orange Counties, seeks increases in the minimum rates established for the transportation of dairy cattle within and between designated zones in those counties.

Public hearing on the petition was had before Examiner Bryant at Los Angeles on September 29, 1947.

Petitioner alleges that operating costs have increased since the rates involved herein were established, and that the rates no longer return revenues sufficient to meet expenses and to provide

a reasonable profit.¹ Carrier witnesses testified that certain of their operating expenses have risen, and cited some specific examples of increased expenses. The carriers did not have revenue and expense figures available to disclose results of their operations under current conditions, nor did they submit figures to show estimated operating results from the rates they seek to have established.

A Commission engineer testified that he had undertaken to make an analysis of the carriers' records, but had found them so incomplete that he was unable to draw conclusions therefrom. He stated from his knowledge of carriers' operations in general that various costs have increased in recent years.

The record is persuasive that certain of the carriers' operating expenses have advanced since the present minimum rates were established. The cost increases suggest a need for rate increases, but the need itself cannot be satisfactorily measured without reference to over-all costs or operating results. Such need as the carriers may have for rate increases is obscured by the fact that they have, as shown by this record, in a number of instances charged less than minimum rates. The carriers testified that competition amongst themselves has brought about rate-cutting practices. Since the record shows that rates less than the minimum are now being charged in a number of instances, it is difficult to conclude that the revenues which the minimum rates would themselves return are insufficient to meet current expenses. If, in fact, present rates are too low, the amount of the increase that may be justified cannot be determined from the evidence of record. Under the

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The rates in question were made effective July 15, 1940 (Decision 33266 in Case No. 4293), and have continued unchanged since that date.

circumstances there is no alternative but to deny the petition. If petitioner, after consideration of the evidentiary infirmities pointed out in this opinion, is prepared to make a complete factual showing, it should request that a further hearing be scheduled to afford it an opportunity to do so.

O R D E R

A public hearing having been had and the matter submitted, and based upon the evidence of record, and upon the conclusions set forth in the preceding opinion,

IT IS HEREBY ORDERED that the petition of United Dairy Workers, Inc. for an increase in minimum rates for the transportation of dairy cattle be and it is hereby denied.

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

Dated at San Francisco, California, this 6th day of October, 1947.

Harold P. Hills
Justus J. Coe
Earl H. Russell
R. J. [Signature]

Commissioners