

Decision No. 40894**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 VALLEY EXPRESS CO., a corporation,)
 and VALLEY MOTOR LINES, INC., a) Application No. 28823
 corporation, for authority to extend)
 the application of certain local and)
 joint rates.)

OPINION AND ORDER

Valley Motor Lines, Inc. is a highway common carrier operating principally from, to and between points in the San Joaquin and Sacramento Valleys. Valley Express Co. is an express corporation serving these and other points. Decision No. 39545, as amended, in Application No. 27804, authorized them to make a temporary general increase of $12\frac{1}{2}$ per cent in their rates. These increases were published to become effective November 1, 1946, and to expire October 31, 1947.

During the above described period, minimum rates on "general commodities" were subjected to greater aggregate increases than $12\frac{1}{2}$ per cent (Decisions Nos. 39945 of February 4, 1947 and 40557 of July 22, 1947).¹ Valley Motor and Valley Express adjusted their rates on these commodities accordingly. Rates on commodities exempted from the minimum rates, as well as rates lower than the general minimum rate level and established to meet competition with carload railroad service, were not so adjusted.

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With exceptions named in Items Nos. 40 and 41, series, the rates set forth in Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended, in Case No. 4246) apply to the transportation of all commodities. The first increase on these tariff rates amounted to 8 per cent on shipments subject to minimum weights of 20,000 pounds or more, and 12 per cent on shipments subject to lower minimum weights. An additional increase of 3 cents per 100 pounds was also provided for in "any-quantity" rates. The second adjustment further increased commodity rates by 10 per cent and class rates by 7 per cent plus amounts in cents per 100 pounds ranging from 4 cents in the "any-quantity" to $\frac{1}{2}$ cent in the truckload brackets.

By this application, filed October 27, 1947, authority is sought to extend the temporary 12½ per cent increase on the exempted and competitive rates for an additional period of six months.²

With respect to the exempted commodities, applicants, like other highway common carriers and express corporations, were authorized but not required by Decisions Nos. 39945 and 40557, supra, to establish increases commensurate with those prescribed for general commodities. They did not elect to do so within the time allowed to exercise this option.

In regard to the rates established to meet carload railroad competition, applicants point out that some of these rates are now below the carload rate level and, therefore, are required to be adjusted. They also point out that a proposed further increase in rail rates seeking the same interim adjustment as that authorized by the Interstate Commerce Commission in Ex Parte 166 is before the Commission in Application No. 28744 and that greater permanent rail rate increases are being sought.³

It appears that this is a matter in which a public hearing is not necessary and that authority to reinstate the rates in question on the exempted commodities has been justified and should be granted. In so far as the rates established to meet railroad competition are concerned, Decision No. 40893 entered today in Case No. 4808 authorizes and directs adjustment of these rates to such increased bases as the rail lines may establish pursuant to Decision No. 40892, in Application No. 28744, also entered today. Applicants have not established that greater increases in

² As the increased rates have expired, this request will be treated as an application for their reinstatement.

³ Decision No. 40892, issued today in Application No. 28744, authorizes an interim increase of 10 per cent in rail rates. This corresponds with the increase granted by the Interstate Commerce Commission on interstate traffic.

their competitive rates are justified.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Valley Express Co. and Valley Motor Lines, Inc. be and they are hereby authorized to reinstate, on not less than one (1) day's notice to the Commission and the public, the increases in rates and charges authorized by Decision No. 39545, as amended, in Application No. 27804, to the extent that such rates and charges were applicable to the transportation of commodities exempted from outstanding minimum rate orders on October 31, 1947, under tariffs on file with the Commission; that the increases herein authorized, if established by applicants, shall be published and filed to expire six (6) months after the date they become effective, unless sooner changed, cancelled or extended by order of the Commission; that applicants be and they are hereby authorized to depart from the provisions of Tariff Circular No. 2, General Order No. 80, Section 24(a) of the Public Utilities Act and Article XII, Section 21 of the Constitution of the State of California, to the extent necessary to carry out the effect of the order herein; and that in all other respects the above entitled application be and it is hereby denied.

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

Dated at San Francisco, California, this 12th day of November, 1947.

Harold J. Kule
Justice J. C. Coe
W. H. Powell
A. J. Drury
Commissioners