

Decision No. 42031

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation }
into the rates, rules, regulations, }
charges, allowances and practices }
of all common carriers, highway }
carriers and city carriers relating }
to the transportation of property. }

Case No. 4808

ORIGINAL

Appearances

Russell Bevans and Frank Loughran for
San Francisco Movers, Inc.
Willard S. Johnson for Hills Transportation
Company, J. Christenson Company and
Lindeman Brothers, all permitted
carriers
Marvin Handler and Russell Bevans, for
San Francisco Draymen's Association, Inc.
Larry Fites and T. J. Champion, for Truck
Owners Association of California
Gordon, Knapp and Hennessy, for Pacific
Freight Lines and Pacific Freight Lines
Express
Douglas Brookman, for California Motor
Express, Ltd.
E. J. Muzio, for Motor Transport System
Paul Jacobson, interested party
J. E. Francis, Continental Freight Lines
L. R. Guerra, Western Truck Lines, Ltd.
H. J. Bishoff, Southern California Freight
Lines

SUPPLEMENTAL OPINION AND ORDER

This phase of the above entitled proceeding deals with rates, rules and regulations for the transportation of property for the United States, State, county or municipal governments and their contractors.

Common carriers subject to the provisions of the Public Utilities Act may transport such property at free or at reduced rates.¹ Such rates, the Commission has held, need not be filed with it.² Minimum rates established for radial highway common,

¹ Sections 17(a)4 and 17.5 of the Public Utilities Act.

² County of Los Angeles vs. A.T. & S. Fe Railway Co., et al,
32 C.R.C. 296 and 308.

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highway contract and city carriers (sometimes hereinafter referred to as permitted carriers) may not exceed the current rates of common carriers by land subject to the provisions of the Public Utilities Act.³

The Commission has heretofore established minimum rates from which permitted carriers may not deviate unless they first secure authority to do so. No provision is contained in the acts dealing with these classes of carriers which permit them to grant free or reduced rates on government traffic.

In transporting government traffic, therefore, a permitted carrier has a legal right to meet the lowest rate of a common carrier operating under the Public Utilities Act, but has no way of knowing what that rate is. Moreover, there is no practical way that the Commission can inform a carrier what the minimum rate is, or make certain whether the rate charged is lower than the lawful minimum rate.

For the purpose of inquiring into this matter, the Commission scheduled a public hearing which was held before Commissioner Potter and Examiner Lake at San Francisco on August 17 and 18, 1948 and at Los Angeles on August 26, 1948.

At the hearing in San Francisco an associate transportation rate expert testified that he believed that inequalities existed and that permitted carriers were disadvantaged in competing with common carriers for government traffic. To alleviate this condition he suggested that the permitted carriers be accorded the privileges now enjoyed by the common carriers. He recommended that the minimum

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Section 10 of the Highway Carriers' Act.

rate tariffs be amended by incorporating therein provisions similar to those provided in Sections 17(a)4 and 17.5 of the Public Utilities Act. He suggested, however, that the privilege of granting free or reduced rates by permitted carriers be limited to movements where competition between common and permitted carriers is actual rather than merely potential.

The views of other witnesses varied considerably.

Generally speaking, the permitted carrier witnesses favored the proposal. They contended that their class of carriers should be accorded the same consideration in bidding for government traffic as is enjoyed by the common carriers. They also urged that the privilege be limited to traffic where actual competition exists, in order to prevent the unnecessary nullification of minimum rates. These witnesses declared that the principal competition was in the movement of property for the armed forces. There was little if any competition, it was asserted, in transportation performed for state, county or municipal agencies, nor in the movement of livestock, fresh fruits and vegetables, property transported in dump or tank truck equipment, or in city drayage operations.⁴

The highway common carrier representatives, on the other hand, opposed the adoption of the proposal, alleging that it would be unsound from a standpoint of transportation economics and would not be consistent with good regulatory practice. They contended that if permitted carriers were authorized to depart from the minimum rates on government traffic, unwarranted rate reductions would be made by all classes of carriers for this traffic. The consequence, they said, would be an unnecessary breakdown of the minimum rate

⁴ The transportation of used household goods, personal effects and related property for government agencies is exempt from minimum rates.

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structures established by the Commission. They conceded that such a condition could arise on traffic handled by the highway common carriers, but stated that it had not developed for the reason that these carriers were not using the rate-reduction privileges accorded them by the statutes. Some of the common carrier representatives urged, as an alternative to the proposal of the Commission witness, that rules be established which would require common carriers to publish and file with the Commission any free or reduced rates which they might offer on government traffic.

From the evidence of record it is apparent that radial highway common, highway contract and city carriers are disadvantaged by the statutory privileges accorded only to common carriers in the transportation of government traffic. An equal opportunity to compete freely from a minimum rate standpoint for the movement of competitive government shipments should be accorded all classes of carriers. No necessity appears, however, for authorizing general departures from minimum rates on government traffic for which there is little if any competition between common and permitted carriers. With this limitation the proposal of the Commission witness appears to be reasonable, and will be adopted. Should it develop that the competitive situation hereinbefore discussed exists in connection with other traffic the matter should be brought to the Commission's attention. The alternative suggestion of the common carriers that filing of government rates be required has not been shown to be practicable. Under this plan carriers subject to the provisions of the Public Utilities Act would retain the privilege of determining the volume of rates on government traffic. Permitted carriers could not deviate from the established minimum rates until rates below the minimum level were published by other carriers. This would not accord them an equality of opportunity. The plan will not be adopted.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Decision No. 31606, as amended, in Case No. 4246, be and it is hereby further amended by incorporating in Highway Carriers' Tariff No. 2 (Appendix "D" of said Decision No. 31606, as amended), "Seventh Revised Page 13 cancels Sixth Revised Page 13," attached hereto and by this reference made a part hereof.

In all other respects the aforesaid Decision No. 31606, 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 14th day of September, 1948.

R. B. Ingraham
Justice J. C. Cramer
Grant L. Sweeney
Harold H. Kils
Samuel R. Potter
Commissioners

cancel

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
<p>*20-A Cancels 20</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 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>*Radial highway common carriers and highway contract carriers may deviate from the minimum rates named in this tariff in connection with the transportation of property for the armed forces of the United States.</p>
<p>30-F Cancels 30-E 7-12-48</p>	<p style="text-align: center;">APPLICATION OF TARIFF - TERRITORIAL</p> <p>Rates in this tariff apply for transportation of shipments between all points within the State of California, except:</p> <p>(a) Shipments having point of origin in Alameda, Albany, Berkeley, Emeryville, Oakland or Piedmont, and point of destination in another of those cities;</p> <p>(b) Shipments between San Francisco and South San Francisco;</p> <p>(c) Shipments having both 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. 35055, in Cases Nos. 4246 and 4434);</p> <p>(d) Shipments having both point of origin and point of destination within the Los Angeles Drayage Area, as described in Items Nos. 30 to 33 series, inclusive, of City Carriers' Tariff No. 4 and Highway Carriers' Tariff No. 5 (Appendix "A" of Decision No. 32504 in Case No. 4121);</p> <p>(e) Shipments (1) between Sacramento and North Sacramento; (2) between Sacramento and West Sacramento; (3) between said cities on the one hand and the adjacent plants of the Lumbermen's Supply, Inc., Swanston & Son, Sacramento Wool Company, Sacramento Feed Company, Essex Lumber Company and Campbell Soup Company on the other hand; (4) between said cities and plants on the one hand and the Sacramento Air Depot, the Sacramento Municipal Airport and the Sacramento Signal Depot on the other hand; and (5) between the Sacramento Air Depot, the Sacramento Municipal Airport and the Sacramento Signal Depot;</p> <p>(f) Shipments between Marysville and Yuba City and between said cities on the one hand and the adjacent plant of the Harter Packing Company on the other hand;</p> <p>(g) Shipments between the Sonora Freight depot of the Sierra Railroad Company and Sonora.</p>

* Change, Decision No.

EFFECTIVE OCTOBER 4, 1948.

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

Correction No. 356

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS
PRISON INDUSTRY AUTHORITY

**Certificate of Individual Microfilm or
Other Photographic Reproduction**

Section 14756, Government Code

I, the undersigned, hereby certify to the following in connection with the accompanying microfilm (photographic reproduction):

That I, Thomas Coupe', Industrial Supervisor, P.I.A. Micrographics or B-80311 an employee in the charge of Mr. Coupe', have been provided with access to the records, documents, instruments, plans, books or papers (hereinafter referred to as "records") of C.P.U.C. at Vacaville, California for the purpose of microfilming; that such access was provided with the consent of said person or entity; that such records are reproduced in the accompanying microfilm; and that each Department of Corrections P.I.A. of the State of California reproduction includes the following identifying symbol, roll number Vol # 447.

That pursuant to delegation of the Department of Corrections P.I.A., I am authorized to direct and control the reproduction of documents and records of the Department or of other persons and entities in the manner authorized by Section 14756 of the Government Code, and Section 1551 of the Evidence Code; to execute certificates as required by Section 1531 and 1551 of the Evidence Code; and to certify under the official seal of the Department.

That this microfilm of the above described records was taken under my direction and control on the date hereof and that it is a complete, true and correct copy thereof;

That the microfilming or other photographic processes were accomplished in a manner and on film which meet with the standard specification of the United States National Bureau of Standards and A.N.S.I.

That this certificate was made at the time of the taking of this microfilm.

WITNESS my hand and the seal of the Department of Corrections Prison Industry Authority

26, day of Sept, 1985

Thomas R Coupe'
(name)

california



prison
industry
authority

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS
PRISON INDUSTRY AUTHORITY

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california



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