

ORIGINAL

Decision No. 43790

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Signal Trucking Service, Ltd., a)
corporation, for authority to depart)
from the rates, rules and regulations)
of Highway Carriers' Tariff No. 2,)
under the provisions of the Highway)
Carriers' Act.)

Application No. 27769
(Fourth Supplemental)

Appearances

Edward M. Berol, for applicant.

Laird M. Hail, for Southern California Freight Lines
and Southern California Freight Forwarders, interested
parties.

Hugh Gordon and E. T. Longenecker, for Pacific Freight
Lines and Pacific Freight Lines Express, protestants.

SIXTH SUPPLEMENTAL OPINION

By prior orders in this proceeding, Signal Trucking Service, Ltd., has been authorized to deviate from established minimum rates in the transportation of iron and steel structural materials for Joseph T. Ryerson & Son, Inc., between certain points within southern California. It now seeks extension of the authority to include additional territory, and continuation of the authority beyond the scheduled expiration date of April 1, 1950.

Public hearings were had before Examiner Bryant in Los Angeles on January 10 and 23, 1950. The matter is ready for decision.

The authorized rates are stated in dollars per vehicle for a period of 25 successive days, with added charges for miles in excess of 1,250 during the period, and for hours in excess of eight in any one day. These rates are the same as the minimum vehicle-unit rates.

established by the Commission for services performed within the Los Angeles Drayage Area. The minimum rates established for transportation beyond the drayage area, by carriers generally, are stated in cents per 100 pounds, and vary with the commodity transported, the length of haul, and weight of the shipment.

The rates heretofore authorized in this proceeding apply only between the plant of Joseph T. Ryerson & Son, Inc., located at 4310 East Bandini Boulevard in Los Angeles County, and other points in Los Angeles, Orange, and San Diego counties. Under the present supplemental application the rates would be extended to the additional counties of Kern, Riverside, San Bernardino, and Ventura.

Reasons for need for the specialized services performed by applicant have been set forth in prior orders in this proceeding.¹ On the present record an official of the Ryerson Company testified and further explained the current rate and service requirements of his company. He said that this company is a jobber rather than a manufacturer, and considers that its success depends upon its ability to supply customer requirements on short notice; that efficient transportation of iron and steel structural materials requires the use of special vehicles and experienced drivers; and that, in order to meet service requirements, his company must have the exclusive use of such delivery equipment.

This witness was of the opinion that transportation charges at vehicle-unit rates in the extended territory would probably approximate or exceed those which would accrue under the

¹Decision No. 39544 of October 22, 1946, and Decision No. 40388 of June 10, 1947.

established minimum weight rates. He indicated that his company is concerned primarily with service and only secondarily with the basis of rates and charges. He explained that the steel company is now supplying customers in the additional counties and has requested that applicant extend its service at the vehicle-unit rates. The witness said that deliveries are now made in the extended territory by common carriers, and that his company will continue to use such carriers for some traffic not requiring expedited delivery. He declared that unless the required service could be met by applicant, his company would be forced to acquire and operate its own vehicles. If this were done, he said, the vehicles would be used locally as well as for the more distant deliveries.

Applicant's president testified that the present rates are satisfactory and compensatory and, with a factor added for higher drivers' wages, would be similarly compensatory for deliveries in the extended territory. He explained that drivers' wages are now from ten to twenty cents per hour higher for deliveries in the counties beyond Los Angeles and Orange; that the additional wages had been added voluntarily to the authorized rates in connection with movements to San Diego County; and that a similar arrangement was planned in connection with Kern, Riverside, San Bernardino, and Ventura counties. He was agreeable to such a condition being included in the authority herein sought. The witness stated that the charges proposed for excess miles and hours would fully compensate for the additional distance and time involved in providing the extended service. He did not supply supporting cost figures, but asserted that the proposed rates would produce an operating ratio of 93 per cent or better.

One highway common carrier and its allied express corporation appeared as protestants, and two other carriers entered appearances as interested parties. Protestants' general manager testified that his companies provide daily service from the Los Angeles area to various points in the counties herein involved. He said that he was not greatly concerned with the present application, involving, as it does, only one shipper and one type of commodity, but was opposed in principle to extensions of vehicle-unit rates. He said that such extensions tended to break down the minimum rates and he was fearful that they would eventually be extended to other commodities and shippers. This witness believed that his own companies would probably receive less traffic if the supplemental application were granted than they would if Ryerson put on its own vehicles.

The evidence is persuasive that the vehicle-unit rates authorized by Decision No. 40388, supra, as amended, will be compensatory and otherwise reasonable as applied to deliveries in Los Angeles and Orange counties, and that the addition of an appropriate factor for wage differences will make them similarly compensatory in the other counties herein involved. The record is convincing that the granting of the supplemental application is necessary in order to retain the traffic to for-hire carriers. It is recognized, as protestants contend, that unwarranted extension of vehicle-unit rates may tend to break down the minimum rates. However, the operation herein involved is a limited and specialized one. It does not appear that the limited extension herein proposed will have any adverse effect upon the established minimum rates.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds as a fact that the rates set forth in Appendix "A" hereof will be reasonable within the meaning of Section 11 of the Highway Carriers' Act for transportation of iron and steel structural materials and babbitt metal between the Los Angeles County plant of Joseph T. Ryerson & Son, Inc., and points within Los Angeles, Kern, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. Due to the fact that the conditions which justify authorization of the sought rates may change at any time, the authority will be limited to a period of one year, subject to earlier cancellation, revision, or extension.

O R D E R

This supplemental application 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

1. Signal Trucking Service, Ltd., be and it is hereby authorized to transport iron and steel structural materials and babbitt metal for Joseph T. Ryerson & Son, Inc., at the rates and subject to the rules, regulations, conditions, and restrictions set forth or specifically referred to in Appendices "A" and "B" attached hereto and by this reference made a part hereof.

2. The authority herein granted shall be in lieu of and in substitution for that granted by Decision No. 40388 of June 10, 1947, as amended in this proceeding.

3. The authority herein granted shall expire with February 28, 1951, unless sooner canceled, changed, or extended by appropriate order of the Commission.

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

Dated at San Francisco, California, this 7th day of February, 1950.

R. T. Anderson
Justice J. Casanova
James H. [unclear]
Harriet A. [unclear]
Penelope [unclear]
Commissioners

APPENDIX "A" TO DECISION NO. 42790UNIT RATES, RULES AND REGULATIONS (1)

<u>Weight in Pounds (2)</u>	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
2,500 or less	459	6	287
Over 2,500 but not over 5,000	492	7½	287
Over 5,000 but not over 8,000	506	8	287
Over 8,000 but not over 12,000	551	8½	287
Over 12,000 but not over 20,000	598	10½	309
Over 20,000 but not over 30,000	639	11	309
Over 30,000	782	13½	317

COLUMN A - Rates in dollars per unit of carrier's equipment for a period of twenty-five successive days or, when the equipment is not operated on Sundays and holidays, for a period of twenty-five successive days, exclusive of Sundays and holidays, or any portion of such periods. When equipment is operated in excess of 1,250 miles during the period, add rates provided by Column B. When equipment is operated in excess of 8 hours in any one day, add rates provided by Column C.

COLUMN B - Rates in cents per mile to be added to the Column A rates when the unit of carrier's equipment is operated in excess of the maximum mileage allowed thereunder.

COLUMN C - Rates in cents per hour to be added to the Column A rates when the unit of carrier's equipment is operated in excess of the maximum hours allowed thereunder.

(1) Charges for deliveries in Kern, Riverside, San Bernardino, San Diego, and Ventura counties shall be constructed by adding to the charge computed at the rates provided in Columns A, B, and/or C any charge accrued or paid for drivers' wages which is in excess of the charge which would have accrued at the regular and/or overtime wage rates in effect on February 1, 1950, for drivers making deliveries in the Los Angeles Drayage Area, as described in Items Nos. 30, 31, 32, and 33 series of City Carriers' Tariff No. 4 - Highway Carriers' Tariff No. 5 (Appendix "A" to Decision No. 32504, as amended).

(2) Weight in pounds is the gross weight of the property transported by the unit of carrier's equipment at the time the equipment is transporting the greatest (heaviest) load during the period covered by the transaction. No allowance shall be made for weight of containers.

(End of Appendix "A")

APPENDIX "B" TO DECISION NO. 40730

The rates authorized by this decision are subject to the following rules, regulations, conditions, and restrictions:

1. Rates apply only for the transportation of iron and steel structural materials and babbitt metal for Joseph T. Ryerson & Son, Inc., between its plant located at 4310 East Bandini Boulevard in Los Angeles County and other points in Los Angeles, Kern, Orange, Riverside, San Bernardino, San Diego, and Ventura counties.

2. Rates are subject to Items Nos. 10, 11, 150, 160, and 401 series of City Carriers' Tariff No. 4 - Highway Carriers' Tariff No. 5 (Appendix "A" to Decision No. 32504, as amended in Case No. 4121).

3. Signal Trucking Service, Ltd., shall issue, for each vehicle furnished, a shipping document containing a certification that during the period covered by the document the vehicle was operated only in transportation service for which rates are provided by this decision (or full explanation of other operations, with reference to shipping documents covering), showing rates and charges assessed, and containing all such information respecting each of the factors entering into the computation of the charges as may be necessary to verify the lawfulness of the charges assessed. Signal Trucking Service, Ltd., shall retain and preserve a copy of each such shipping document, subject to the Commission's inspection, for a period of not less than three (3) years from the date of its issuance.

(End of Appendix "B")