

ORIGINAL

Decision No. 44095

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 )	Case No. 4808
all common carriers, highway carriers)	
and city carriers relating to the )	
transportation of property. )	

Appearances

James F. Bartholomew, H. J. Bischoff,  
Martin C. Colvin, Preston W. Davis,  
E. T. Hunter, Wyman C. Knapp, H. P.  
Merry, R. B. Meyers, Arlo D. Poe,  
Sanford Waugh and Nat H. Williams,  
for various carriers and carrier  
organizations.

Jess J. Bradley, Theodore W. Brandes,  
Ralph Crandall, John F. Kirkman,  
W. E. Maley, J. D. Masters, Henry E.  
Manker, Joseph R. Naddeo, W. G. O'Barr,  
L. E. Olson, L. E. Osborne, A.L. Russell,  
A. F. Schumacher, J. A. Sullivan, A. K.  
Vollmer, K. L. Vore, A. E. Wallich,  
and Robert K. Wilson, for various  
shippers and shipper organizations.

SUPPLEMENTAL OPINION

City Carriers' Tariff No. 4 - Highway Carriers' Tariff  
No. 5 names minimum rates for the transportation of property within  
the Los Angeles drayage area.<sup>1</sup> It provides class rates of general  
application (rates differing according to the classification assigned  
to the article shipped). It also provides commodity rates lower than  
the corresponding class rates for specified articles. The class and  
commodity rate scales vary with the weight of individual consign-  
ments. Additionally, the tariff provides monthly, weekly and hourly  
vehicle unit rates which vary, not according to the article shipped

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<sup>1</sup>  
This tariff is Appendix "A" of Decision No. 32504, 42 C.R.C. 239  
(1939), as amended.

or the weight of the consignment, but according to the period of time involved and the heaviest gross load handled by the vehicle unit during that period. The vehicle unit rates do not alternate with the class and commodity rates. They apply only at the shipper's option, exercised in advance of shipment. Charges thereunder may be greater or less than the charges which would otherwise be applicable.

Transportation within Los Angeles and Orange Counties beyond the Los Angeles drayage area's limits is subject to minimum rates of state-wide application set forth in Highway Carriers' Tariff No. 2.<sup>2</sup> That tariff does not provide vehicle unit rates. Its class and commodity rates are similar in form to like rates in the drayage tariff. Los Angeles Traffic Managers' Conference urges that the drayage area's vehicle unit rates be made applicable to operations throughout Los Angeles and Orange Counties.

Public hearings were had at Los Angeles before Examiner Mulgrew.

Shipper witnesses testified that vehicle unit rates restricted to operations within the drayage area do not meet their transportation requirements. They explained that goods which might be moved under such rates include merchandise being delivered to stores and customers and stock being received from suppliers. This transportation, they said, is not confined to the drayage area. The available for-hire transportation service requires, according to the shipper witnesses, packaging, billing and classification of the property, with attending expense, delay and inconvenience. As a result, they claimed, proprietary operations are maintained and for-hire carriers have no opportunity to obtain the business. The

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Appendix "D" of Decision No. 31606, 41 C.R.C. 671 (1938), as amended.

inapplication of the vehicle unit rates beyond the drayage area, they also said, accounts for limited use of those rates within that area.

One of the shipper witnesses stated that his company operates 33 units of proprietary trucking equipment in making deliveries to its southern California stores, that this equipment handles approximately 17,000,000 pounds per year, and that most of the deliveries are to stores in Los Angeles and its immediate vicinity. He also stated that the company would not use for-hire carrier service for some of its deliveries and proprietary service for the remainder. As he put it, the company "doesn't want to operate half fish and half fowl." He explained that the company is seriously interested in for-hire carrier service, but only if vehicle unit rates broad enough in their application to cover deliveries to the company's Los Angeles and Orange County stores are established. The use of such rates and service, he said, would involve turning over the remainder of the company's southern California deliveries to common carriers.

Similarly, other shipper witnesses stressed the necessity of the establishment of the proposed vehicle unit rates as a prerequisite to their further consideration and determination of whether proprietary operations would be replaced by for-hire carrier service.

The shipper witnesses pointed out that the limits of the drayage area were fixed several years ago. They said there has been substantial growth of population and commercial activity since that time; that numerous stores, customers and suppliers are located in Los Angeles and Orange County territory beyond the drayage area's limits; and that these two counties are treated as the Los Angeles Metropolitan Area by the United States Department of Commerce in its census of manufacturers.<sup>3</sup>

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<sup>3</sup> They suggested that, if there were instances where county boundary lines ran through a community, the proposed rates be made applicable also to the territory involved outside of Los Angeles and Orange Counties. The witnesses said that there was a possibility that some community would be so situated but that they knew of no specific instance.

The shippers claimed that vehicle unit rates of the same volume as those in effect for the drayage area should be compensatory. They pointed out that the same drivers' wages are paid for operations throughout the two counties, and that additional charges are provided in connection with the drayage area vehicle unit rates for the use of equipment involving overtime or involving distances exceeding stated maximum distances.

Carrier witnesses corroborated the shippers' representations with respect to wages. Certain of them said that their concerns had performed drayage service under the vehicle unit rates and found that business profitable. One of them stated that his company had also used these rates for operations beyond the drayage area limits under authority from the Commission to deviate from the minimum rates otherwise applicable, and that such operations had likewise proved profitable.<sup>4</sup> These carrier witnesses claimed that the sought rates would be profitable for the operations here in question, that the prospect of obtaining traffic now handled in various types of proprietary operation would be good, and that this traffic would be desirable additional business for their companies.

Witnesses representing companies which provide general common carrier freight service in southern California testified. One of them said that his companies enjoyed a substantial volume of short-haul traffic in the Los Angeles area. He claimed that the loss of any substantial part of that traffic would cast a burden on other traffic.

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<sup>4</sup> See Decision No. 40388 of January 10, 1947, as amended, and Decision No. 41870 of July 20, 1948, as amended, in Applications Nos. 27769 and 27666, respectively.

The other common carrier witness asserted that under like conditions common carriers can effectively compete with other forms of for-hire carriage, or with proprietary carriage, from cost and rate standpoints. He urged, however, that the Commission carefully consider this matter, particularly the relationship of the proposed rates to costs; and that an examiner's proposed report be issued because of the asserted complexity of the matter. The witness submitted cost studies based largely on the experience of his companies in their over-all operations. He also called attention to the maximum distance provisions of the drayage area unit rates and questioned whether or not some adjustment of these provisions or of the rates might be appropriate.

No studies of the vehicle unit operations themselves or of the costs thereof were offered; no specific means of dealing with proprietary competition, other than that proposed by the shippers and supported by certain of the carriers, was recommended. At the instigation of a carrier specializing in heavy hauling, the shippers agreed to eliminate from their proposals single packages or pieces weighing 10 tons or more.

The proposed rates have been in effect for drayage operations for some time and have not been assailed as being unduly low or otherwise improper. Drivers' wages, one of the most important elements of total truck operating expenses, have been shown to be the same in the drayage area as throughout the two-county territory here involved. No reason to expect that other cost factors would differ materially has been suggested. On the contrary, all indications of record are that the cost experience would be similar, except where additional expenses would be offset by provision for higher charges.<sup>5</sup> The proposed rates are considered sufficient by carriers which have used them. These

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<sup>5</sup>The drayage area's vehicle unit rates apply to packages or pieces weighing 10 tons or more. No adequate reason for exemption of such cargo from the proposed rates has been made to appear.

carriers, and other for-hire carriers as well, are foreclosed from obtaining traffic because of the existing territorial restrictions. Prospective additional for-hire carrier revenue is substantial. Liberalization of the territorial restrictions has been shown to be necessary. The record here made does not establish that the common carriers providing general freight service would be adversely affected by the establishment of the proposed minimum vehicle unit rates. In the circumstances an examiner's proposed report is not necessary.

Upon consideration of all of the facts and circumstances of record, we are of the opinion and hereby find that modification of the existing rates, rules and regulations is justified to the extent hereinbefore indicated and as provided by the order herein; and that, in other respects, the proposals made have not been justified.

O R D E R

Based upon the evidence of record, and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Decisions Nos. 32504 and 31606, as amended, in Cases Nos. 4121 and 4246, respectively, be and they are hereby further amended by incorporating in City Carriers' Tariff No. 4 - Highway Carriers' Tariff No. 5 (Appendix "A" of said Decision No. 32504, as amended), Third Revised Title Page cancels Second Revised Title Page and First Revised Page 9 cancels Original Page 9, and by incorporating in Highway Carriers' Tariff No. 2 (Appendix "D" of said Decision No. 31606, as amended), Sixteenth Revised Page 14 cancels Fifteenth Revised Page 14, which pages are to become effective June 1, 1950, and are attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that common carriers subject to the Public Utilities Act be and they are hereby authorized, but not required, to establish in their tariffs, to become effective not

earlier than June 1, 1950, and on not less than five (5) days' notice to the Commission and to the public, if published to become effective on that date, vehicle unit rates applicable within Los Angeles and Orange Counties no lower in volume and effect than the minimum rates established by the preceding ordering paragraph.

IT IS HEREBY FURTHER ORDERED that in all other respects the petition of Los Angeles Traffic Managers' Conference, filed August 22, 1949, in this proceeding, and as amended, be and it is hereby denied.

In all other respects the aforesaid Decisions Nos. 32504 and 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 25th day of April, 1950.

A. E. [Signature]  
Justice F. [Signature]  
[Signature]  
Harold P. [Signature]  
[Signature]  
Commissioners

Third Revised Title Page  
Cancels  
Second Revised Title Page

CITY CARRIERS' TARIFF NO. 4  
HIGHWAY CARRIERS' TARIFF NO. 5

NAMING

MINIMUM RATES, RULES AND REGULATIONS  
\*OF GENERAL APPLICATION

FOR THE

TRANSPORTATION OF PROPERTY OVER THE  
PUBLIC HIGHWAYS WITHIN  
DEFINED TERRITORY IN LOS ANGELES COUNTY

\*AND

MINIMUM VEHICLE UNIT RATES, RULES AND REGULATIONS  
APPLICABLE UNDER SPECIFIED CONDITIONS  
FOR  
TRANSPORTATION WITHIN LOS ANGELES AND ORANGE COUNTIES

BY

CITY CARRIERS  
RADIAL HIGHWAY COMMON CARRIERS  
AND  
HIGHWAY CONTRACT CARRIERS

\* The tariff contains rates, rules and regulations established by Decision No. 32504, as amended, in Case No. 4121. Changes contained in subsequent orders will be made by reissuing the pages on which the changes occur or by issuing supplements showing the corrected items.

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\* Change  
\*\*\* Eliminated, See Item No. 50 Series } Decision No. 44095

EFFECTIVE JUNE 1, 1950

(Original Tariff effective January 1, 1940)  
Correction No. 107

Issued by  
The Public Utilities Commission of the State of California  
State Building, Civic Center  
San Francisco, California



Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
*30-A Cancels 30	<p style="text-align: center;">APPLICATION OF TARIFF - TERRITORIAL (Items Nos. 30, 31, 32 and 33 series)</p> <p>*(a) Rates named in Items Nos. 420 and 430 series of this tariff apply to transportation within the Metropolitan Los Angeles Zone consisting of Los Angeles and Orange Counties.</p> <p>*(b) Except as otherwise provided by paragraph (a) hereof, rates in this tariff apply for transportation of shipments between points in Los Angeles County located in the zones described below. The zones hereinafter described embrace all points of origin and destination within their respective boundaries and include both sides of streets, boulevards, roads, avenues or highways named.</p> <p style="text-align: center;">Zone 1-A</p> <p>Beginning at the intersection of Washington Boulevard and Indiana Street, thence northerly on Indiana Street and its prolongation to City Terrace Drive, northerly on City Terrace Drive to Ramona Boulevard, northeasterly on Ramona Boulevard to Eastern Avenue, northerly on Eastern Avenue and Marianna Avenue to Valley Boulevard, westerly on Valley Boulevard and North Main Street to the west bank of the Los Angeles River, northerly along the west bank of the Los Angeles River to North Broadway, southwesterly on North Broadway to College Street, easterly on College Street to Alameda Street, southerly on Alameda Street to Aliso Street, westerly on Aliso Street to San Pedro Street, southwesterly on San Pedro Street to Washington Boulevard, easterly on Washington Boulevard to Soto Street, southerly on Soto Street to 26th Street, easterly on 26th Street to Downey Road, northerly on Downey Road to Washington Boulevard, easterly on Washington Boulevard to point of beginning.</p> <p style="text-align: center;">Zone 1-B</p> <p>Beginning at the intersection of Washington Boulevard and San Pedro Street, thence northeasterly on San Pedro Street to Aliso Street, easterly on Aliso Street to Alameda Street, northerly on Alameda Street to College Street, westerly on College Street to North Broadway, northeasterly on North Broadway to the west bank of the Los Angeles River, southerly along the west bank of the Los Angeles River to North Main Street, easterly on North Main Street to Mission Road, north-easterly on Mission Road to North Broadway, westerly on North Broadway to Griffin Avenue, northerly on Griffin Avenue to Avenue 35, westerly on Avenue 35 to Pasadena Avenue, northerly on Pasadena Avenue to North Figueroa Street, southwesterly on North Figueroa Street to Amabel Street, northwesterly on Amabel Street and Isabel Street to Macon Street, southwesterly on Macon Street to Cypress Avenue, northwesterly on Cypress Avenue and its prolongation to the intersection of San Fernando Road and Eagle Rock Boulevard, northwesterly on San Fernando Road to Edward Avenue, northerly on Edward</p> <p style="text-align: center;">(Continued on page 10)</p>
* Change, Decision No. <b>44095</b>	
EFFECTIVE JUNE 1, 1950	
<p style="text-align: center;">Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> <p>Correction No. 108</p>	

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p style="text-align: center;">APPLICATION OF TARIFF - COMMODITIES (Items Nos. 40 and 41 Series)</p> <p>Rates in this tariff apply for the transportation of all commodities, except the following:</p> <p>Accessories, motion picture, Automobiles, set up,</p> <p>Baggage, Butter, dairy (Subject to Note 8), Buttermilk, liquid (Subject to Note 2),</p> <p>Carriers (used packages), empty returning or forwarded for return loads (Subject to Note 1), Cement, portland (Building) (Subject to Note 9), Cement Clinker, Cheese (including cottage cheese and pot cheese) (Subject to Note 8),</p> <p>*Commodities transported under the vehicle unit rates, rules and regulations of City Carriers' Tariff No. 4 - Highway Carriers' Tariff No. 5, applicable within Los Angeles and Orange Counties, Commodities transported in bulk in tank trucks, tank trailers, tank semi-trailers or a combination of such highway vehicles, Commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low-bed trailers, Commodities weighing 100 pounds or less per package or piece when delivered from retail stores, or when returned to the original retail store shipper via the carrier which handled the out-bound movement (Subject to Note 3), Commodities when transported in dump trucks, for which rates are provided in Decision No. 32566 of November 14, 1939, as amended, in Case No. 4246, Commodities which consist of or contain materials essential to National Defense and which have been donated to and are transported for the United States Government, governmental agencies, or nonprofit organizations acting for or in behalf of said government in the collection, assembly or transportation of said commodities in connection with the recovery of said essential materials from the commodities transported,</p> <p>Fodder, Bean, Cane, Corn or Peas (Subject to Note 7), Fruit, dried, unmanufactured and unprocessed (Subject to Note 4), Fruit, fresh, Fungicides, agricultural, Furniture, household appliances and other home furnishings, transported from retail stores where they have been sold at retail by a retail merchant, or transported from retail customers to retail stores (Subject to Note 3),</p> <p>Hops, House Trailers, set up,</p> <p>Ice Cream Mix, unflavored, Insecticides, agricultural,</p> <p>Leaves, Cactus, dried (Subject to Note 7), Livestock, Logs (wood),</p> <p>Margarine (Subject to Note 8), Milk, liquid (Subject to Note 2),</p> <p>Newspapers; newspaper supplements, sections or inserts; (not scrap or waste), Nuts, edible, in the shell,</p> <p>Pits, fruit, Poultry, live or dressed,</p> <p>Sea Shells, crushed, ground, powdered or disintegrated (Subject to Note 5), Seed, cotton, Seeds, field, as described in Note 6, Shell Marl, crushed, ground or powdered, Straw (Subject to Note 7), Sulphur,</p> <p>Used Property, viz.: household goods, personal effects, furniture, musical instruments, radios, and office and store fixtures and equipment, as described in and for which rates are provided in Decision No. 32629 of December 7, 1939, as amended, in Case No. 4246, and such used property transported for the United States, state, county or municipal governments but excluded from the provisions of said Decision No. 32629, as amended, by the exception of that property therein contained,</p>

\*40-P  
Cancels  
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Cotton,  
Cream (Subject to Note 2),  
Directorios, telephone,  
Eggs (other than shelled,  
desiccated or frozen),  
Fertilizors, as described in  
Items Nos. 535, 540 and 550  
series of the Exception Sheet,  
Film, motion picture,

Vegetables, fresh,  
Vegetables, dried, viz.:  
Beans, (except Mesquite),  
Lentils,  
Onions,  
Peas, (except Cow Peas),  
Pepper Pods,  
Voting Booths, Ballot Boxes,  
Election Tents and Election  
Supplies, when transported from  
or to polling places.

(Continued in Item No. 41 Series)

\* Change, Decision No. **44095**

EFFECTIVE JUNE 1, 1950

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 396