

ORIGINAL

Decision No. 44510

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

Appearances

- F. W. Turcotte, for Southern California Hay Dealers Association, petitioner; and for C. C. Stafford Milling & Warehouse Co., Inc., and Southwestern Feed Yards, Inc., interested parties.
- Arthur H. Glanz and T. A. L. Loretz, for Hay Truckers Association, Inc., interested party.
- J. J. Deuel, for California Farm Bureau Federation, interested party.
- Edward L. H. Bissinger, for Southern Pacific Company, respondent.
- H. J. Bischoff and W. A. Steiger, for Southern California Freight Lines and Southern California Freight Forwarders, respondents.
- Gordon N. Beacham and H. Smith, for L. F. Freeborn Company, interested party.

SUPPLEMENTAL OPINION

Southern California Hay Dealers Association, by petition in this proceeding, seeks cancellation of minimum rates heretofore established for the transportation of hay and related articles between points in California southerly of the Counties of Santa Cruz, San Benito, Stanislaus, Mariposa, and Mono.

Public hearings were held before Examiner Bryant at Los Angeles, and an examiner's proposed report has been issued. <sup>1</sup> The matter is ready for decision.

Petitioner, an unincorporated association of approximately 20 hay dealers, marketers, and grower organizations, alleges that

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<sup>1</sup> Hearings were held on February 23 and 24, March 7 and 8, and April 11 and 12, 1950. The proposed report was issued on June 5, 1950.

most of the hay marketed in southern California is not subject to jurisdiction of the Commission. Petitioner declares that it would be to the best interest of established dealers, the hay producers, and the general public, that all hay and related articles originating at and delivered to points in southern California be exempted from the minimum transportation rates, charges, rules and regulations heretofore prescribed by the Commission.<sup>2</sup>

Testimony in support of the petition was offered by representatives of Imperial Hay Growers Association, of Antelope Valley Hay Growers Association, Ltd., and of seven dealers having established places of business in the Los Angeles area. These witnesses described the operations and experiences of their organizations in some detail. Additional testimony was introduced by witnesses called on behalf of the Hay Truckers Association, Inc., all of whom were opposed to cancellation of the minimum rates. These witnesses were the secretary-manager of the association, and several hay truckers, hay dealers, and trucker-dealers. In addition, counsel for the Hay Truckers Association, Inc., examined as a witness a supervising transportation representative of the Commission's field division.

Statements of position were offered by the California Farm Bureau Federation, which recommended cancellation of the minimum rates. The Southern Pacific Company, Southern California Freight Lines, and Southern California Freight Forwarders opposed cancellation of the rates.

The examiner's report of record described and discussed the evidence quite fully. He recommended that the minimum rates be

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The minimum rates, rules and regulations are set forth in Highway Carriers' Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended, in Case No. 4246). As used in the petition, the term "hay and related articles" includes hay, straw, fodder (bean, cane, corn or pea), and dried cactus leaves. However, no evidence was offered relating to any commodity other than hay. Only hay will be referred to hereinafter.

retained. The usual provisions were made for the filing of exceptions by interested parties. No one took exception to the examiner's report nor to any of his conclusions. It is unnecessary, therefore, to incorporate a detailed discussion of the evidence in this opinion. The findings and order which follow are consistent with the recommendations of the examiner.

Essentially, the record shows that the established dealers and the grower associations wish the floor under transportation rates removed in order that the rates may be lowered by the forces of free competition. Lowering of the rates, they believe, would tend to reduce the incentive for truck owners to buy and sell hay as "trucker-dealers." The trucker-dealers, from petitioner's point of view, constitute a form of unfair competition.

Whether or not cancellation of the minimum rates would bring about the results sought, the legislative policy to stabilize transportation rates is clearly expressed in the Highway Carriers' Act and elsewhere. Rates for transportation of hay have been maintained at relatively low levels in order to conform to the expressed policy of this state as it applies to rates for movement of agricultural commodities. There is no contention that the rates are excessive. While it may be true that if the minimum rate order were terminated the rates would fall, and it may be assumed that lowering of the rates below reasonable minimum levels would tend to reduce the number of trucker-dealers, it is evident that pursuit of such a program would be in contravention of the legislative intent to stabilize transportation rates. The expressed legislative policy does not contemplate that an attempt should be made to obstruct the activities of trucker-dealers by permitting an unreasonable depression of the rates of for-hire carriers.

Upon careful consideration of all of the facts and circumstances of record the Commission finds that cancellation of rates for transportation of hay and related articles as proposed by Southern California Hay Dealers Association has not been shown to be in the public interest or consistent with expressed legislative policy. The petition will be denied.

O R D E R

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

IT IS HEREBY ORDERED that the petition filed in this proceeding on December 28, 1949, by Southern California Hay Dealers Association be and it is hereby denied.

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

Dated at San Francisco, California, this 11<sup>th</sup> day of July, 1950.

[Signature]  
Justice J. Casper  
[Signature]  
Harold P. Huls  
[Signature]  
Commissioners