

Decision No. 44513

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of rates, rules, classifications and regulations for the transportation of property within the City and County of San Francisco.)	
)	Case No. 4084
)	
)	

In the Matter of the Establishment of rates, rules and regulations for the transportation of property by radial highway common carriers and highway contract carriers between, and by city carriers within, the Cities of Oakland, Alameda, Albany, Berkeley, Emeryville and Piedmont.)	
)	Case No. 4108
)	
)	

In the Matter of the Investigation and Establishment of rates, charges, classifications, rules, regulations, contracts and practices of East Bay Drayage and Warehouse Co., et al., between the Cities of Oakland, Alameda, Albany, Berkeley, Emeryville and Piedmont.)	
)	Case No. 4109
)	
)	

Appearances

Reginald L. Vaughan, John G. Lyons, Dan Baker, George Patton, James B. Mahoney and Hyland Hinman, for Draymen's Association of Alameda County, Haslett Warehouse Company and San Francisco Warehouse Company, petitioners.
 Russell Bevans, for Draymen's Association of San Francisco.
 R. J. Jones, for General Foods Corporation.
 W. G. Walkup, Jr. and N. R. Moon, for Merchants Express Corporation.
 A. G. Harris, for Walkup Drayage & Warehouse Co.

SUPPLEMENTAL OPINION

The minimum drayage rates, rules and regulations established by prior orders in the above-entitled proceedings are set forth in City Carriers' Tariff No. 1-A (San Francisco) and City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A

(East Bay).¹ These tariffs provide bases of charges for the handling and distribution of so-called "pool shipments."² The accessorial service rates and charges for such shipments were extensively revised, effective November 15, 1949, based upon proposals made by associations representing the draymen and the showing submitted in support thereof.³

For unloading, segregating, or unloading and segregating consignments of candy, confectionery, chewing gum, chocolate, cocoa and fondant, the revised rates are 14½ cents when the drayman transports the property to a destination within the drayage limits; 17½ cents when he does not.⁴ These rates are higher than the former rates.⁵ Petitions filed May 11, 1950, by Haslett Warehouse Company

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The San Francisco tariff, Appendix "A" of Decision No. 41363, 47 Cal.P.U.C. 838 (1948), as amended, in Case No. 4084, applies within that city; the East Bay tariff, Appendix "A" of Decision No. 41362, 47 Cal.P.U.C. 837 (1948), as amended, in Cases Nos. 4108 and 4109, applies within and between the Cities of Oakland, Alameda, Albany, Berkeley, Emeryville and Piedmont.

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They define a pool shipment as "a lot of property consigned to (a) a carrier (drayman) with instructions for ultimate delivery to two or more subconsignees, or to one subconsignee at more than one delivery address, or (b) a consignee other than a carrier on which a carrier has instructions to make ultimate delivery to two or more delivery addresses of the consignee, or to one or more subconsignees, or to a subconsignee at more than one delivery address."

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See Decision No. 43457 of October 25, 1949, (49 Cal.P.U.C. 169), in these proceedings. The associations are: Draymen's Association of San Francisco and Draymen's Association of Alameda County.

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Throughout this supplemental opinion rates are stated in cents per 100 pounds.

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The new rates are the same in both drayage areas; the rates they replaced were not. In San Francisco, for example, the rates on candy and confectionery corresponding with the present 14½ and 17½-cent rates were 7½ and 10½ cents. In the East Bay, a flat rate of 20 cents covered both the accessorial and the transportation services involved. The new accessorial service rates plus transportation charges exceed the former 20-cent basis for East Bay operations.

and San Francisco Warehouse Company and by Draymen's Association of Alameda County request that the present rates of 14½ and 17½ cents be reduced to 11 and 13 cents.⁶

A public hearing was had at San Francisco on June 8, 1950, before Examiner Mulgrew.

Witnesses for petitioners testified that most of the traffic involved originated in the Chicago area. For many years, they said, establishments situated in that area had forwarded candy and confectionery shipments by rail pool cars to San Francisco and Oakland consigned to draymen operating in those cities. Following the establishment of the increased rates in November 1949, the witnesses asserted, the shippers made radical changes in their shipping methods. They explained that consignments to various central and northern California points, formerly handled in San Francisco or Oakland pool cars, were now handled in Sacramento and San Jose pool cars. Other traffic, they said, had been diverted to through movement from Chicago via freight forwarders or highway carriers. They stated that as a result the draymen had lost virtually all of their candy and confectionery business. One of the petitioners, they said, had lost all of the business it formerly handled and the other draymen were threatened with the loss of what little business they had retained.

Officials of the drayage concerns formerly handling the bulk of the traffic said that they had been informed that the proposed reductions would be necessary to hold the remaining business and to regain any of that which had been lost. They stated that they were

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The present rates are commodity rates higher than the class rates which would otherwise be applicable. Petitioners propose that in San Francisco the commodity rates be canceled permitting 3rd class rates of 11 and 13 cents to apply; and that in the East Bay, where lower 4th class rates would be applicable if the commodity rates were canceled, they propose that the commodity rates be reduced to 11 and 13 cents.

not informed as to the differences in the charges via the several distribution methods, but that the shippers had expressed a willingness to pay a somewhat higher over-all charge for distribution by the San Francisco-Oakland pool car method. These draymen claimed that the Chicago shippers required a lower basis of charges than that now in effect for operations involving the San Francisco or Oakland draymen in order to maintain prices for their products which will enable them to continue to supply central and northern California points. The draymen said that at the time they had advocated the higher rates they had not been informed of this situation and, therefore, had not anticipated any substantial loss of traffic.

The full cost of the accessorial service, before provision for income taxes, has been developed as amounting to 13 cents per 100 pounds. Petitioners' cost witness testified that 8.95 of the 13 cents is accounted for by direct labor costs. A prorata share of labor supervision and terminal expenses, according to the witness, amounts to 2.43 cents. The remaining 1.62 cents covers general overhead.

Petitioners' witnesses asserted that the draymen's terminals and the services of their labor supervisors are required in the handling of their general business. These expenses, the witnesses stated, had not been reduced by the loss of candy and confectionery business. The witness for the drayman which had lost all of that business said that this loss had not reduced either supervisory or terminal expenses. The witnesses were in agreement that additional traffic promotes more effective use of labor and that the over-all results from their drayage operations would be improved by handling candy and confectionery traffic under the proposed reduced rates. They explained that the revenue from that traffic under the proposed 11-cent rate would more than fully cover their labor costs and thus

contribute toward supervisory, terminal and overhead costs.⁷ They said that, while they considered the proposed rates low, higher rates cannot generally be secured under the competitive conditions involved.

No one opposed the sought adjustments.

As hereinbefore observed, the rates proposed to be reduced are those which the petitioners urged be adopted at a prior hearing. These reductions assertedly are now necessary because of the competition faced by the draymen and the shippers. The strength of petitioners' showing is impaired by their failure to know the differences in transportation charges via the various distribution methods available to the shippers. However, the proposed rates while admittedly low will return something above direct costs. Petitioners' officials are convinced that the making of the reductions is the necessary and desirable course of action. As we see it, this is a matter for their managerial discretion. Upon consideration of the facts and circumstances of record, we are of the opinion and hereby find that the reduced rates proposed by petitioners have been justified. The petitions will be granted.

In the last revision of City Carriers' Tariff No. 1-A, (San Francisco) effective July 15, 1950, the word "State" was inadvertently omitted from the exemption of rates for the transportation of used household goods for governmental agencies. The necessary correction will be made.

⁷ According to the witnesses, the 13-cent proposed rate for application only where no drayage is involved would be rarely used.

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p style="text-align: center;">APPLICATION OF TARIFF - COMMODITIES</p> <p>Rates in this tariff apply for the transportation of all commodities except the following:</p> <p>(a) Used property, viz.: household goods, office and store fixtures and equipment, as described in and for which rates are provided in City Carriers' Tariff No. 3 (Appendix "A" of Decision No. 32629 of December 7, 1939, or as amended, in Case No. 4434), and used property as described therein transported for the United States, State, County or Municipal governments.</p> <p>(b) Fruits and Vegetables except as provided for in Section 7 of this tariff.</p> <p>(c) Property transported in dump trucks.</p> <p>(d) Property transported in tank trucks.</p> <p>(e) The following described property, when tendered to one carrier at one time in a single lot consisting of identical articles for distribution to not less than eight (8) separate addresses and where the weight of each delivery does not exceed 25 pounds:</p> <p style="padding-left: 40px;">Printed Matter, viz.: Books, Magazines, Periodicals, Directories, Pamphlets, Rating Books, Registers or Services; Advertising Matter.</p> <p>(f) Pickup and delivery of common carrier shipments transported from or to points outside the San Francisco city limits under through pickup and delivery rates.</p> <p>(g) Unloading and distribution of freight forwarders' cars originating at points outside the State.</p> <p>(h) Commodities weighing 100 pounds or less per piece or package when delivered from retail stores, or when returned to the original retail store shipper via the carrier which handled the outbound movement.</p> <p>(i) Telephone Directories, new, distributed to subscribers; old, picked up from subscribers.</p> <p>(j) Voting booths, ballot boxes, election tents and election supplies, when transported from or to polling places.</p> <p>(k) 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>(l) Accessories and supplies, motion picture; film, motion picture.</p> <p>(m) Fat, sweet cream, concentrated, frozen.</p> <p>(n) Newspapers, not scrap or waste.</p>

*50-D
Cancels
50-C

(o) 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.

(p) United States mail transported between post offices or points designated by a post office on the one hand and steamship docks, piers or wharves on the other hand.

* Change, Decision No. **44513**

EFFECTIVE AUGUST 10, 1950

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 110

Cancel

Item No. SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)

POOL SHIPMENTS (Items Nos. 220 and 221 series)
(Not applicable on shipments subject to Section 7 rates)

Pool shipments as described in Note 1 shall be subject to rates and charges as follows for the accessorial services designated, viz.:(Soc Note 2)

(a) Unloading, segregating, or unloading and segregating:

Column 1 rates apply only when carrier transports the property to ultimate destination, subject to minimum charge of 40 cents per shipment.

Column 2 rates apply when carrier does not transport the property to ultimate destination, subject to minimum charge of 77 cents per shipment.

(2) Class rates in cents per 100 pounds

Column 1				Column 2			
1	2	3	4	1	2	3	4

Articles for which rates are not otherwise specified in this item

13* 12* 11 (1)9* 16* 14* 13 (1)11*

(1) Applies on articles rated 4th class or lower.

(2) Class ratings shall be determined as provided in Item No. 70 series.

Commodity Rates in cents per 100 pounds

	Column 1	Column 2
Bicycles, K.D., as described in Item 43430 series in Western Classification	21	25
Candy, Confectionery, Chewing Gum, Chocolate, Cocoa and Fondant	***	***
Furniture or Furniture Parts as described under those headings in Western Classification	27	32
*220-F Games or Toys as described under that heading in Canceled Western Classification	21	25
220-E Vehicles, other than motor, K.D., as described in Items 43400, 43420, 43445, 43450, 43460, 43490, 43540, 43615, 43650, 43680, 43685, 43690 and 43715 series in Western Classification	21	25

(b) Clerical services consisting of preparing pool lot shipment file, manifesting and preparing delivery instructions, and issuance of freight bill to each subconsignee or shipper and accounting therefor, 25 cents per component part.

(c) Listing and reporting marked weights, gallonage or serial numbers, one cent per line per package or piece, minimum charge 23 cents per component part.

(d) Marking, Tagging, Stencilling or labelling, one cent per package or piece, minimum charge 37 cents per component part.

(e) Advancing, prorating and collecting inbound freight charges of other carriers, 1% of amount advanced, minimum charge 35 cents per component part.

(f) Advancing of outbound freight charges to other carriers, 25 cents per component part.

(g) Breaking down, levelling off, installing dunnage in pool cars stopped for partial unloading, \$3.00 per man per hour, minimum one hour per man. (Cost of dunnage not included)

(h) Storage will be charged as provided in Item No. 140 series when carrier through no fault of its own is unable to effect delivery of a component part.

Minimum charge for handling pool shipment \$6.24.

(See Item No. 221 series for Notes 1 and 2)

*** Commodity rates canceled, class rates apply }
 * Change } Decision No. 44513
 & Reduction }

EFFECTIVE AUGUST 10, 1950

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

Correction No. 111

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)							
	POOL SHIPMENTS							
	Pool shipments as described in Note 1 shall be subject to rates and charges as follows for the accessorial services designated, viz.:							
	(a) Unloading, segregating, or unloading and segregating:							
	Column 1 rates apply only when carrier transports the property to ultimate destination, subject to minimum charge of 40 cents per shipment.							
	Column 2 rates apply when carrier does not transport the property to ultimate destination, subject to minimum charge of 77 cents per shipment.							
	(2) Class rates in cents per 100 pounds							
	Column 1				Column 2			
	1	2	3	4	1	2	3	4
Articles for which rates are not otherwise specified in this item	13 ¹	12 ¹	11	9 ¹	16 ¹	14 ¹	13	11 ¹
	(1) Applies on articles rated 4th class or lower.							
	(2) Class ratings shall be determined as provided in Item No. 80 series.							
	Commodity rates in cents per 100 pounds							
	Column 1				Column 2			
Bicycles, K.D., as described in Item 43430 series in current Classification					21			
Candy, Confectionery, Chewing Gum, Chocolate, Cocoa and Fondant					11			
Furniture or Furniture Parts as described under these headings in current Classification					27			
*220-D Cancels 220-C Games or Toys as described under that heading in current Classification					21			
Vehicles, other than motor, K.D., as described in Items 4340C, 43420, 43445, 43450, 43460, 43490, 43540, 43615, 43650, 43680, 43685, 43690 and 43715 series in current Classification					21			
					25			
	(b) Clerical services, consisting of preparing pool lot shipment file, manifesting and preparing delivery instructions, issuance of freight bill to each subconsignee or shipper and accounting therefor, 25 cents per component part.							
	(c) Listing and reporting marked weights, gallonage or serial numbers, one cent per line per package or piece, minimum charge 23 cents per component part.							
	(d) Marking, tagging, stencilling or labelling, one cent per package or piece, minimum charge 37 cents per component part.							
	(e) Advancing, prorating and collecting inbound freight charges of other carriers, 1% of amount advanced, minimum charge 35 cents per component part.							
	(f) Advancing of outbound freight charges to other carriers, 25 cents per component part.							
	(g) Breaking down, levelling off, installing dunnage in pool cars stopped for partial unloading, \$3.00 per man per hour, minimum one hour per man. (Cost of dunnage not included)							
	(h) Storage will be charged as provided in Item No. 140 series when carrier through no fault of its own is unable to effect delivery of a component part.							
	Minimum charge for handling pool shipment \$6.24.							
	Note 1.--Pool shipment means a lot of property consigned to (a) a carrier, with instructions for ultimate delivery to two or more sub-consignees, or to one subconsignee at more than one delivery address, or (b) a consignee other than a carrier on which a carrier has instructions to make ultimate delivery to two or more delivery addresses of the consignee, or to one or more subconsignees, or to a subconsignee at more than one delivery address, located within the zones described in Item No. 40 series. Each component part of the pool shipment for each ultimate point of destination shall be considered as a separate shipment.							
	* Change) Decision No. 44513 & Reduction)							
EFFECTIVE AUGUST 10, 1950								
Issued by the Public Utilities Commission of the State of California, San Francisco, California.								
Correction No. 49								

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 City Carriers' Tariff No. 1-A (Appendix "A" of Decision No. 41363, as amended, in Case No. 4084) be and it is hereby further amended by incorporating therein, to become effective August 10, 1950, Fourth Revised Page 15 cancels Third Revised Page 15, and Sixth Revised Page 23 cancels Fifth Revised Page 23, attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A (Appendix "A" of Decision No. 41363, as amended, in Cases Nos. 4108 and 4109) be and it is hereby further amended by incorporating therein, to become effective August 10, 1950, Fourth Revised Page 19 cancels Third Revised Page 19, attached hereto and by this reference made a part hereof; and that any tariff publications of common carrier respondents in Case No. 4109 filed as a result of this order may be made effective not earlier than August 10, 1950, and on not less than five (5) days' notice to the Commission and to the public if made effective on that date.

In all other respects said Decisions Nos. 41363 and 41362, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 11th day of July, 1950.

R. Z. [Signature]
Justice J. [Signature]
[Signature]
Harold P. [Signature]
[Signature]
Commissioners