

ORIGINAL

Decision No. 44602

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 City Carriers' Tariff No. 4, Highway
Carriers' Tariff No. 5, and Highway
Carriers' Tariff No. 2, under the
provisions of the City Carriers' Act
and of the Highway Carriers' Act.

Application No. 31459

Appearances

Edward M. Berol, for applicant.

Walt A. Steiger, for Southern Pacific Company,
Pacific Motor Trucking Company, and Pacific
Electric Railway Company, interested parties.

O P I N I O N

Signal Trucking Service, Ltd., a corporation engaged
in the transportation of property as a highway common carrier,
radial highway common carrier, highway contract carrier, and
city carrier, seeks authority to depart from the established
minimum rates and regulations in connection with certain services
performed for The Procter & Gamble Distributing Company, herein-
after called Procter & Gamble.

Public hearing was had before Examiner Bryant at
Los Angeles on July 13, 1950. The matter is ready for decision.

Evidence in support of the application was introduced through exhibits and testimony of the president, the traffic manager, and the cost analyst of Signal Trucking Service, Ltd., and of the office manager and the traffic representative of Procter & Gamble. This proceeding involves transportation of the products of Procter & Gamble from its Long Beach factory, and from its warehouses in Huntington Park and Terminal Island, to customers in that part of California lying southerly of an east-west line through the City of Madera. The record shows that applicant, under contractual arrangement, has performed this distribution service for about twenty years. At the present time nearly a million pounds are transported daily, requiring the use of 40 semitrailers, 25 truck-tractors, and 10 trucks. About 15 percent of the gross revenue of Signal Trucking Service, Ltd., is received from Procter & Gamble.

Applicant does not seek authority to depart from the general basis of minimum rates, but only authority to make certain exceptions in the matter of shipping documents and accessorial charges. The proposed charges would produce greater revenues in the aggregate than would those heretofore established as minimum. As stated in the application it is not the purpose to obtain rates lower than those prescribed by the Commission, but rather the objective is to effectuate efficiency in operations and conformity to the requirements of the shipper. The sought exceptions have been observed by the two companies for many years, and are being made at the present time. Assertedly, applicant learned only recently that the practices in question might be considered violative of the Commission's rate orders, and thereupon filed the present application.

In lieu of issuing shipping documents in the form and manner required under the minimum rate orders, applicant seeks authority to use a combination of documents prepared by Procter & Gamble in the regular course of that company's business. Copies of these forms, consisting of salesmen's orders, invoices, shipping lists and loading reports, were introduced in evidence and explained by representatives of the carrier and of the shipper. The traffic manager of Signal Trucking Service, Ltd., describing the use of the documents, explained in detail how, taken together, they contain all data necessary to an accurate determination of the applicable rate and charge. The documents are properly cross-referenced, he said, so that all papers supporting the freight bill for any shipment can be readily identified and assembled. The carrier is furnished with copies of each form, and retains one copy in its files, available for the inspection of any authorized representative of the Commission, for the three-year period specified in the rate orders. Other witnesses testified that the preparation of other and additional shipping documents, solely for the purpose of meeting technical requirements of the minimum rate orders, could not abrogate use of the present forms which are required by the shipper as a matter of policy and as a part of its business functions. The preparation of additional documents, it was stated, would constitute wasteful and unnecessary duplication. Moreover, it was said, additional documentation would tend to delay the expeditious handling of shipments and would interfere with Procter & Gamble's normal shipping practices.

The principal exception herein sought, insofar as charges are concerned, relates to the additional amounts to be assessed on split-delivery shipments.¹ Under Highway Carriers' Tariff No. 2,

¹ All of the split-delivery shipments originate at the Long Beach factory.

in which the established minimum rates are published, the charge for transportation of a split-delivery shipment, as therein defined, is based upon the applicable rate for transportation of a single shipment of like kind and quantity of property from point of origin to point of destination of any component part via the points of destination of all other component parts, plus additional charges which vary with the weight of each component part. Applicant seeks no change in the method of determining the basic rate, but would apply an additional charge of 12 cents per 100 pounds in lieu of the varying charges now applicable under the tariff.² The two bases of charges are not readily comparable, and one or the other would be higher depending upon the weight of the component part of the shipment. However, from a comparative analysis of representative shipments, submitted in evidence by applicant's traffic manager, it appears that the sought basis would produce charges, in the aggregate, materially higher than those which would result from strict application of the established tariff.

The sought form of split-delivery charge, the witness stated, is required by Procter & Gamble in order that the transportation charges may be determined readily in advance, and subsequently verified on the bills, without the use of supplementary documents. Stated briefly, the charge exception in this instance is desired primarily as a matter of shipper convenience; or perhaps, according to the testimony, shipper necessity.

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The established charges are set forth in Item No. 170-D of Highway Carriers' Tariff No. 2, which is Appendix "D" of Decision No. 31606, as amended, in Case No. 4246.

In other respects the authority sought in this proceeding relates to exceptions of minor importance. The established rates for truckload shipments "include service of driver only for loading." Applicant, for its own convenience, economy and efficiency, uses employees other than drivers to load the vehicles. Authority is requested, therefore, to permit the rates to include services of other employees, in lieu of the driver, for loading. It was shown that the desired arrangement resulted in substantial economies and efficiencies. As another exception, applicant would make a charge of one cent per case for stencilling shipments at the Long Beach factory, in lieu of the prescribed accessorial charge of \$2.10 per man per hour. It was shown that the charge of one cent per case results in a revenue to the carrier of about \$2.92³ per man hour, but is nevertheless preferred by Procter & Gamble.

The application refers also to the use of "estimated weights." The evidence shows, however, that the commodities transported for Procter & Gamble are shipped in standard containers, and that the weights are therefore determinable with a high degree of accuracy from lists supplied by that company. These are the weights which the carrier intends to use. No special authority is necessary for that purpose.⁴

The deviations herein sought, although all of them appear to be of relatively minor importance, are deemed by Procter & Gamble to be virtually essential to the conduct of its business. Whatever the necessities may be, representatives of the company left little

³ The carrier's cost was shown to approximate \$2.20 per man hour.

⁴ In addition, the application asks for authority to assess a certain hourly charge for vehicles transporting expedited shipments from Long Beach to Los Angeles. Such authority was found to be unnecessary, and the request therefor was withdrawn at the hearing.

doubt in this record that, in the event the requested authority were not granted, Procter & Gamble would acquire and operate its own vehicles for performance of the services herein involved.

No one opposed the granting of this application.

The evidence is convincing that deviation from provisions of the minimum rate orders, as proposed in this proceeding, is necessary to preserve the services in question for for-hire carriage. To the extent that the deviations relate to transportation or accessorial charges, the revenues will exceed those which would accrue under the established tariffs. 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 charges and practices proposed in this application, to the extent provided in the following order, will be reasonable within the meaning of Section 11 of the Highway Carriers' Act, and reasonable and consistent with the public interest within the meaning of Section 10 of the City Carriers' Act. The application will be granted.⁵ Because circumstances may change, however, the authority will be made to expire at the end of one year, unless sooner canceled, changed or extended by appropriate order of the Commission.

O R D E R

This 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 Signal Trucking Service, Ltd., be and it is hereby authorized to depart from provisions of minimum rate orders otherwise applicable, in connection with certain services

⁵ It appears from the record that the services herein involved are performed in accordance with contractual arrangement between the carrier and the shipper. Applicant will understand, of course, that it may not engage in the transportation of property both as a common carrier and as a highway contract carrier of the same commodities between the same points (Highway Carriers' Act, Sec. 4).

performed for The Procter & Gamble Distributing Company, to the extent specifically provided in Appendix "A" which is attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire with August 21, 1951, unless sooner canceled, changed or extended by order of the Commission.

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

Dated at Los Angeles, California, this 1st day of August, 1950.

Justin F. Coleman
W. H. Powell
Harold A. Kula
Kenneth P. Pottel
Commissioners

APPENDIX "A" TO DECISION NO. 44602
IN APPLICATION NO. 31459

The authority herein granted applies only in connection with property transported by Signal Trucking Service, Ltd. (hereinafter called "the carrier") for The Procter & Gamble Distributing Company between points in California south of an east-west line through the City of Madera:

1. The carrier is authorized to use, in lieu of other shipping documents, the forms of documents submitted as Exhibits Nos. 1, 2, 3 and 4 in this proceeding, provided:

(a) The documents collectively shall contain all information necessary to an accurate determination of the applicable rate and charge, except that weights, where standardized, need not be shown.

(b) Documents covering each shipment, if separated, shall be cross-referenced and filed in a manner permitting ready assembly.

(c) A copy of each document shall be retained and preserved by the carrier, subject to the inspection of any authorized representative of the Commission, for a period of not less than three years from the date of its issuance.

2. The carrier is authorized, in connection with split-delivery shipments originating at Long Beach, to apply an additional charge of 12 cents per 100 pounds in lieu of the additional charges set forth in Paragraph (b) of Item No. 170 series of Highway Carriers' Tariff No. 2. This charge shall be made in addition to the line-haul rate.

3. The carrier is authorized to use, without assessing additional charges therefor, employees other than drivers, in lieu of drivers, for loading its vehicles.

4. The carrier is authorized to assess, for the accessorial service of stenciling cases at the Long Beach plant of The Procter & Gamble Distributing Company, a charge of one cent per case in lieu of a charge per man hour as set forth in Item No. 140 series of Highway Carriers' Tariff No. 2.

(End of APPENDIX "A")