

Decision No. 45123

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 VERYL CALLISON (CALLISON TRUCK LINES), )  
 GEORGE S. BUTLER and MARJORIE E. BUTLER, )  
 CO-PARTNERS (BUTLER FREIGHT SERVICE), )  
 and DAVE M. FRANKLIN (COAST FREIGHT ) Application No. 31422  
 LINES), for authority to establish )  
 joint rates for the transportation of )  
 property. )

ORIGINAL

Appearances

Marvin Handler and Aaron H. Glickman, for  
 applicants.  
 Harold M. Hays, for Intercity Transport Lines,  
 Intercity Motor Lines and Eureka-Garberville  
 Truck Lines, protestants.

O P I N I O N

Applicants are highway common carriers of general commod-  
 ities. Callison Truck Lines operates between the San Francisco Bay  
 area and Eureka. Butler Freight Service operates between Eureka and  
 Crescent City. Coast Freight Lines operates between Crescent City  
 and Coos Bay, Oregon. They seek authority under Section 50-3/4(c) of  
 the Public Utilities Act to establish joint rates between San  
 Francisco and Oakland, including those areas in cities contiguous to  
 Oakland covered by Callison's Oakland pickup and delivery zone, and  
 Fort Dick, Smith River, White Rock Auto Park and State Line, the  
 points in California north of Crescent City served by Coast.

A public hearing was had before Examiner Mulgrew at  
 San Francisco.

In addition to applicants' operations, the territory  
 involved is served by Intercity Transport Lines, an express corpora-  
 tion. Its affiliates, Intercity Motor Lines and Eureka-Garberville  
 Truck Lines, highway common carriers, are underlying carriers for the  
 express corporation. Butler is also an underlying carrier for

Intercity Transport. The affiliates' operations extend to Arcata, a point just north of Eureka. Butler handles Intercity traffic north of Arcata to and including Crescent City.

Local express rates are maintained by Intercity between the San Francisco Bay area and points as far north as Crescent City. Callison and Butler maintain joint rates between the Bay area and points served by Butler. These joint rates were authorized by Decision No. 42610 of March 15, 1949, in Application No. 29662. The Intercity local rates, the Callison-Butler joint rates, and the minimum rates established by Decision No. 31606, in Case No. 4246, as amended, are all on the same level.

North of Crescent City, Intercity and Coast maintain joint rates on the same level as the minimum rates for any-quantity and 4,000-pound minimum shipments. These joint rates were voluntarily established by Intercity and Coast's predecessor J. E. Walstrom (Central Transfer Company). They have been adopted by Coast. Express corporations and highway common carriers are not required to obtain authority to establish joint rates with each other. Here, applicants propose to establish joint rates on the same level as those now maintained by Intercity and Coast. They have arrived at mutually satisfactory bases of divisions.

Applicants introduced exhibits listing shipments originated in the San Francisco Bay area and destined to Fort Dick and Smith River, the principal points served by applicant Callison and protestant Intercity. These exhibits show that in a three-month period Callison handled shipments aggregating 42,053 pounds and Intercity handled shipments aggregating 40,506 pounds. There is no southbound movement of general commodities of any consequence.

Witnesses for applicants testified that in the Fort Dick-Smith River area San Francisco Bay distributors and manufacturers compete with Portland, Oregon, distributors and manufacturers. They pointed out that Coast participates in joint rates from Portland, Oregon, to Fort Dick, Smith River and other northern California points; that applicants maintain joint rates from the San Francisco Bay area to points in southern Oregon; and that both the rates from Portland and the rates to southern Oregon are lower than the combination rates now applicable from the San Francisco Bay area to the Fort Dick-Smith River area over applicants' lines.

Various shippers testified in support of the granting of the application. Some of them stated that higher charges under the existing combination rates prevented them from utilizing applicants' service although they preferred that service to Intercity's. Others said that Callison's service is faster than Intercity's, that this was an important consideration in connection with their business, and that they used applicants' service notwithstanding the fact that they were required to pay higher rates. Receivers of freight in the territory involved, the shipper witnesses said, often requested routing over applicants' lines in preference to Intercity.

Applicants' witnesses said that they had adequate equipment, personnel and facilities. They claimed that joint rate arrangements between other points had been profitable, and that the proposed rates would similarly result in profitable operations. There is no demand, they said, for joint rates beyond the 4,000-pound minimum level. If such a demand should develop, applicants stated that they would propose appropriate rates.

Intercity Transport Lines, and its affiliates, opposed the granting of the sought authority. They claimed that Intercity's

express service meets the traffic needs of shippers between the points in question, and that any loss of traffic under the sought rates would deprive protestants of badly needed revenue.

The record shows that more than one half of the tonnage involved is handled over applicants' lines despite the higher rates applicable under such routing. Protestants' service at the lower rates, it is clear, does not satisfactorily meet the needs of the shippers paying the higher basis of charges. The points proposed to be covered by joint rates, like other points in the same general territory now enjoying such rates, are supplied from the San Francisco Bay and Portland, Oregon, market centers. Through joint rates are now applicable from Portland. San Francisco Bay area shippers should not be required to pay higher rates to obtain the service which is required by their customers. It has been made evident that, under the circumstances obtaining here, public convenience and necessity would be served by the establishment of the proposed rates. We are, therefore, of the opinion and accordingly find that the sought joint rates have been justified and should be approved.

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 applicants be and they are hereby authorized, within sixty (60) days after the effective date of this order and on not less than ten (10) days' notice to the Commission

and the public, to establish joint through highway common carrier rates, as requested, and that tariff filings made pursuant to this order shall in all other respects comply with the provisions of General Order No. 80.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of December, 1950.

R. E. Zimmerman  
Justus J. Crocker  
Wesley Lowell  
Harold P. Kils  
Penelope Patten  
Commissioners