

ORIGINAL

Decision No. 45825

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

- Austin H. Peck, Jr., for petitioners;
- B. H. Edwards and Frank E. Hagan, for Sully-Miller Contracting Company, petitioner;
- John G. Swigart, petitioner, in propria persona;
- G. D. Lillywhite, J. H. Good, and Ralph J. Owen, for Consolidated Rock Products Co., petitioner;
- Herbert Cameron and R. J. Noble, for R. J. Noble Company, protestant and intervenor;
- H. C. Blackman, for California Dump Truck Owners Association, Inc., interested party;
- H. C. Feraud, for Southern California Rock Products Association, interested party;
- C. H. Jacobsen, for Engineering Division, Transportation Department, Public Utilities Commission.

SUPPLEMENTAL OPINION

By Decision No. 45198, dated December 27, 1950, the Commission amended City Carriers' Tariff No. 6, Highway Carriers' Tariff No. 7, to establish zone rates for the transportation of rock, sand, gravel, and related materials in dump truck equipment from a production area, designated as Production Area "D", in Orange County to defined delivery zones in Los Angeles and Orange counties. The Commission's decision was issued in response to a petition filed December 15, 1950, by R. J. Noble Company which operates a plant

for the production of asphaltic concrete and rock products in the area involved. In the instant phase of this proceeding Sully-Miller Contracting Company, John G. Swigart, and Consolidated Rock Products Company petition the Commission for review of the zone rates established from Production Area "D". They allege that the data which the R. J. Noble Company furnished the Commission in support of its petition are erroneous in various respects; that the zone rates based on said data are unjustifiably low in relation to the rates from Orange County Production Area "A", in which petitioners operate plants similar to and in competition with that of the Noble company; and that as a result they are placed in an unfair and disadvantageous competitive position in selling their products.

Public hearings of the matters involved were held before Examiner Abernathy at Los Angeles on March 19 and February 3, 1951. Evidence was presented by witnesses in behalf of petitioners. Representatives of intervener R. J. Noble Company and of the other interested parties participated in the examination of the witnesses and in the development of the record.

The data which are challenged by petitioners herein represent the average running time per round trip consumed in making deliveries of rock products from Production Area "D" to each of Los Angeles and Orange County delivery zones. According to the petition of R. J. Noble Company, the data were compiled from time and mileage traverses which heretofore have been made part of the record in proceedings relating to the establishment of minimum rates for transportation performed by dump truck equipment.<sup>1</sup>

At the hearing on March 19, 1951, a witness for petitioners submitted figures to show that the vehicle running times involved

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<sup>1</sup> Exhibits Nos. 120 and 121 in Case No. 4434.

in deliveries from Production Area "D", as computed from the time and traverse studies of record, are, in fact, in excess of those shown in the Noble company's petition. It appearing that certain variations between petitioners' and the Noble company's figures could be accounted for by differences in method of calculation or could be composed otherwise, request was made by the parties for opportunity to prepare and submit adjusted figures where appropriate. A committee was formed for this purpose, the committee consisting of two representatives for petitioners and one each for the Noble company, the California Dump Truck Owners Association, Inc., and the Commission's engineering staff.

At the further hearing a revised exhibit was submitted by petitioners' witness to show the vehicle running times from Production Area "D" which the committee agreed properly reflect the underlying data of record. The data as submitted relate to the Orange County delivery zones only. It was explained that after reviewing the Noble company's figures applying to the Los Angeles County delivery zones the committee was in agreement that they are substantially correct. As compared with the company's figures applicable to the Orange County zones, those which the witness submitted in his exhibit are the same in some instances and higher or lower in others. Generally speaking, they are higher and exceed those of the Noble company by amounts ranging up to about 25 per cent. None of the parties took exception at the further hearing to the data in the revised exhibit.

Petitioners' witness testified further that in his analysis of the rates from Production Area "D", and in comparing them with rates from other Orange County production areas, he had found seemingly unexplainable variations in the rates for similar services.

As an example, he said that to Delivery Zone No. 17 a difference of 14 minutes in vehicle running time and of 3 cents in rates exists between Production Areas "A" and "D"; to Delivery Zone No. 19-A where there is the same difference in the running times from Production Areas "A" and "D" the rate differential is 12 cents. The witness said that the rate variations do not seem to be due to differences in operating conditions, and he requested that the relationships of the rates from Production Area "D" to rates from other production areas be reviewed in order to remove differences not attributable to the circumstances applicable to the services involved. The representatives of the R. J. Noble Company and of the California Dump Truck Owners Association, Inc., concurred in this request.

It is clear that under the circumstances more fully disclosed in the instant phase of this proceeding, the zone rates from Orange County Production Area "D" should be modified. Upon consideration of all of the facts and circumstances of record the Commission is of the opinion and finds that modification of the existing rates has been justified to the extent provided by the order herein.

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 City Carriers' Tariff No. 6 - Highway Carriers' Tariff No. 7 (Appendix "A" to Decision No. 32566 as amended) be and it is hereby further amended by incorporating therein Ninth Revised Page 38 Cancels Eighth Revised Page 38, which page is attached hereto and by this reference made a part hereof.

The effective date of this order shall be July 2, 1951.

Dated at San Francisco, California, this 12<sup>th</sup> day of June, 1951.

*[Handwritten signatures]*  
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Commissioners

SECTION NO. 3 - RATES FROM PRODUCTION AREAS TO DELIVERY ZONES IN CENTS PER TON (Continued)												
Item No.	MATERIAL, viz.:											
	Granite, decomposed, Gravel, Sand,				Stone, crushed, chips or waste, Stone, natural, blocks, pieces or slabs, rough quarried, Stone, natural, sawed, not further finished.							
	TO (1) Orange County Delivery Zones	FROM (1) Orange County Production Areas				TO (1) Orange County Delivery Zones	FROM (1) Orange County Production Areas					
	A	B	C	D		A	B	C	D			
*250-F Cancel 250-G	1	28	82	70	32	11-A	67	118	63	56		
	2-A	35	72	81	43	11-B	69	119	70	60		
	2-B	48	82	79	46	11-C	67	106	76	61		
	2-C	39	89	70	30	11-D	79	111	88	70		
	2-D	36	92	62	22	12-A	72	118	76	62		
	3-A	25	87	79	38	12-B	78	118	86	68		
	3-B	28	92	82	44	13-A	76	106	88	68		
	4-A	60	82	86	58	13-B	63	89	90	62		
	4-B	48	64	86	53	14-A	61	79	93	60		
	4-C	44	63	90	56	14-B	63	88	101	65		
	4-D	56	69	97	59	15-A	63	83	108	64		
	5-A	50	100	60	30	15-B	71	101	108	74		
	5-B	48	97	66	41	16	57	61	97	60		
	5-C	58	90	75	50	17	62	59	107	67		
	5-D	63	95	81	59	18-A	65	48	116	72		
	6-A	56	107	51	32	18-B	66	51	118	74		
	6-B	49	104	60	29	18-C	74	61	126	82		
	6-C	53	108	62	41	19-A	66	35	118	78		
	6-D	43	100	65	32	19-B	72	27	124	82		
	7-A	67	126	32	56	19-C	82	30	132	89		
7-B	68	129	45	57	19-D	93	48	145	100			
7-C	60	113	50	46	20-A	88	63	145	97			
7-D	63	117	41	46	20-B	83	65	134	91			
7-E	68	126	41	53	20-C	78	68	123	82			
9-A	66	116	60	54	20-D	72	75	118	73			
9-B	62	111	58	44	21	96	60	148	106			
10-A	61	107	62	41	22	93	46	145	104			
10-B	59	105	64	53	23-A	102	59	153	111			
10-C	62	100	72	58	23-B	109	62	160	118			
10-D	67	102	79	61								
MATERIAL as described in Item No. 250 series.												
(1) FROM Orange County Production Areas indicated												
(2) TO Los Angeles County Delivery Zones shown below												
255-B Cancel 255-A	Zone	A	D	Zone	A	D	Zone	A	D	Zone	A	D
	43-A	100	80	43-K	90	83	66-F	88	69	67-I	86	68
	43-B	91	72	43-L	100	92	66-G	95	76	69-A	129	106
	43-C	79	60	65-A	101	82	67-A	82	70	69-B	120	97
	43-D	76	62	65-B	96	78	67-B	82	65	69-C	108	88
	43-E	84	71	65-C	88	66	67-C	74	60	69-D	95	76
	43-F	97	83	66-A	97	80	67-D	70	60	69-E	102	86
	43-G	97	87	66-B	90	72	67-E	70	60	69-F	108	91
	43-H	84	75	66-C	84	65	67-F	68	57	69-G	120	101
	43-I	78	68	66-D	82	62	67-G	74	60			
	43-J	84	80	66-E	75	60	67-H	80	62			

◇ Increase )

\* Change )

◊ Reduction)

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- (1) For descriptions of Orange County Production Areas and Delivery Zones see Pages 23 to 33-1, inclusive.
- (2) For descriptions of Los Angeles County Delivery Zones see Pages 11 to 21-D, inclusive.

EFFECTIVE JULY 2, 1951

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

Correction No. 295