

Decision No. 46630

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 HILLS TRANSPORTATION CO., a corpora-  
 tion, for authority to establish  
 joint rates with HIGHWAY TRANSPORT  
 INC., a corporation, DELTA LINES, INC.,  
 a corporation, WALTER J. JOHNSON and  
 ROSE A. JOHNSON, copartners doing  
 business as JOHNSON TRUCK LINES,  
 OREGON NEVADA CALIFORNIA FAST FREIGHT,  
 INC., a corporation, WILLIG FREIGHT  
 LINES, a corporation, M. L. MORRIS,  
 an individual doing business as M. &  
 W. TRUCK LINE, C. S. McLENEGAN and  
 HAROLD M. HAYS, copartners doing  
 business as INTERCITY TRANSPORT  
 LINES, and MERCHANTS EXPRESS CORPORATION,  
 a corporation.

Application No. 30836

ORIGINAL

In the Matter of the Application of  
 HILLS TRANSPORTATION CO., a corporation,  
 to remove restriction and publish joint  
 rates with PACIFIC FREIGHT LINES EXPRESS  
 and CALIFORNIA CARTAGE EXPRESS, between  
 points in San Francisco territory on the  
 one hand and points in Southern California  
 on the other hand.

Application No. 31886

Appearances

WILLARD S. JOHNSON, for applicants.  
 C. A. MILLEN, for Valley Express Company  
 and Valley Motor Lines, Inc., interested  
 parties.

O P I N I O N

Hills Transportation Company is a highway common carrier  
of general commodities between the San Francisco Bay and  
Los Angeles metropolitan areas. Under Section 1066 of the Public  
Utilities Code joint rates may not be established by two or more  
highway common carriers without the express approval of the  
Commission. In Application No. 30836, as amended, Hills and the  
other highway common carrier applicants seek authority to establish  
joint rates between the Los Angeles area served by Hills and points

generally north and east of San Francisco served by the other carriers.<sup>1</sup> Hills' common carrier operative right was granted by Decision No. 43003 (48 Cal.P.U.C. 712 (1949)). This decision prohibited the establishment of joint rates with express corporations and freight forwarders without the approval of the Commission. In Application No. 31886, as amended, Hills seeks the removal of this restriction.<sup>2</sup>

Public hearing was held at San Francisco on November 20, 1951, before Examiner Mulgrew.

Transportation over applicants' lines between the points involved is now subject to combinations of their local rates. These combination rates are higher than the rates of competing carriers which latter rates are maintained at the same levels as the Commission's minimum rates. Applicants propose to establish their joint rates on the same basis as their competitors. Hills' traffic manager testified that the disparity in rates had placed his company at a disadvantage in obtaining traffic. He said that the higher rates had resulted in loss of business and that it had been virtually impossible to secure any new business.

Shipper witnesses testified in support of the granting of the applications. They said that establishment of the proposed joint rates would be advantageous in the distribution of their products. Establishment of the proposed joint rates, they said, would provide economical and expeditious service and eliminate billing complications involved in reshipping to points beyond the

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The application was amended by substituting Merchants Express Corporation for M. L. Morris, an individual, doing business as M. & W. Truck Lines. This change corresponds with a change in ownership which occurred subsequent to the filing of the application.

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Initially, the application sought authority to establish joint rates with Pacific Freight Lines Express and California Cartage Express.

metropolitan areas. Some of them stated that they used Hills' service notwithstanding the fact that they were required to pay higher rates. Others said that they used Hills' service regularly between San Francisco and Los Angeles, that Hills was familiar with their distribution methods, that the service was prompt and efficient, and that they would use applicants' through service under the proposed joint rates.

Savage Transportation Company and E. J. Willig Truck Transportation Company, competing highway common carriers which were granted San Francisco-Los Angeles operative rights by Decision No. 43003, supra, have had the restriction against the publication of joint rates with express corporations and freight forwarders removed. (See Decisions No. 45136, 50 Cal.P.U.C. 319 (1950) and No. 45784, 50 Cal.P.U.C. 645 (1951)).

A representative of Valley Express Company and Valley Motor Lines, Inc., participated in the examination of applicants' witnesses.

No one opposed the granting of the applications.

By telegram received on the date of the hearing Pacific Freight Lines and Pacific Freight Lines Express requested that the hearing in these proceedings be postponed until after oral argument in Application No. 32382 involving proposed joint rate arrangements of Clark Bros. and Coast Line Truck Service then scheduled for December 17, 1951.<sup>3</sup> In the alternative, Pacific asked that the Hills and Clark-Coast applications be consolidated for oral argument on December 17. Pacific was subsequently advised that if oral argument is deemed necessary a request therefor should be submitted formally. Such a filing has not been made.

It appears that the establishment of joint rates as proposed is not adverse to the public interest and is justified. It

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<sup>3</sup> It has been reset for February 7, 1952.

further appears that the restriction against the publication of joint rates with express corporations and freight forwarders should be removed.

Applicants have requested authority to publish the proposed rates on five days' notice. They have also requested authority to depart from the long and short haul provisions of the Constitution and of the Public Utilities Act similar to the authority under which their competitors maintain like rates. These requests appear justified.

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 five (5) days' notice to the Commission and the public, to establish the joint through highway common carrier rates proposed and to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California and Section 460 of the Public Utilities Code to the extent necessary to establish the rates authorized herein.

IT IS HEREBY FURTHER ORDERED that subparagraph (f) of Paragraph 1 of the order contained in Decision No. 43003 of June 14, 1949, as amended, in Application No. 27225, be and it

is hereby further amended by removing the restriction against the publication of joint rates with express corporations and freight forwarders.

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

Dated at San Francisco, California, this 8<sup>th</sup> day of January, 1952.

R. T. [Signature]  
President

Harold P. Hulse

Samuel H. Patton

John E. Mitchell

Commissioners

Commissioner Justus E. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.