

Decision No. 48800

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

ORIGINAL

Appearances

- A. E. Norrbom, for Santa Ana Chamber of Commerce, Case-Swayne Co., Inc., Treesweet Products Co., Rankin Dry Goods Company and Towner Manufacturing Co., petitioners.
- Arlo D. Poe, for Motor Truck Association of Southern California, interested party.
- E. W. Kerttu, for California Moving and Storage Association, interested party.

SUPPLEMENTAL OPINION

Decision No. 46022 of July 31, 1951, in this proceeding, established revised state-wide constructive mileages for use in determining minimum rates.<sup>1</sup> These adjustments were made effective January 1, 1952. Mileages between Los Angeles and Santa Ana, Anaheim and Fullerton were each increased by one mile. On October 26, 1951, Santa Ana Chamber of Commerce, Case-Swayne Co., Inc., Treesweet Products Co., Rankin Dry Goods Company and Towner Manufacturing Co. petitioned for further hearing and for cancellation or modification of the adjustment of mileages and rates between Los Angeles and Santa Ana.

A further hearing was granted by order dated November 6, 1951. It was held at Los Angeles on February 6, 1952, before Commissioner Craemer and Examiner Mulgrew.<sup>2</sup>

<sup>1</sup> The revised mileages are set forth in Distance Table No. 4 which superseded Distance Table No. 3.

<sup>2</sup> An earlier further hearing had been scheduled. It was postponed to February 6 at the request of petitioners.

Santa Ana, Anaheim and Fullerton are Orange County cities situated in the same general vicinity. The one-mile increase in the constructive distances between Los Angeles and Anaheim and Fullerton, from 28.0 to 29.0 miles and from 27.0 to 28.0 miles, made no change in the applicable minimum class rates for general commodities as set forth in Highway Carriers' Tariff No. 2. These rates are for constructive distances of "over 25 but not over 30 miles." The Los Angeles-Santa Ana constructive distance, however, was increased from 34.5 to 35.5 miles. As a result, the Santa Ana rates were raised from the "over 30 but not over 35 miles" basis to the "over 35 but not over 40 miles" basis.

The greatest rate increase in Los Angeles-Santa Ana rates was in the truckload 5th class rate. This increase, from 11 to 13 cents per 100 pounds, amounted to 18.2 percent. The Anaheim and Fullerton 5th class rates remained at 10½ cents. The former 5th class rate differential of one-half cent per 100 pounds between Santa Ana and Anaheim and Fullerton was thus widened to two and one-half cents. The one-half cent differential had prevailed since 1939.

The 5th class rates are applicable to shipments of canned citrus products produced at Santa Ana and transported to Los Angeles for marketing and to shipments of steel transported from Los Angeles to Santa Ana for manufacturing agricultural implements.

Witnesses for petitioners testified that the Santa Ana canners and a Santa Ana implement manufacturer compete with similar industries with plants located at Anaheim and Fullerton. They submitted studies showing that substantial quantities of canned goods and steel are moved between Los Angeles and Santa Ana. Other studies show that the preponderant canned goods tonnage is delivered at points in Los Angeles less distant from Santa Ana than the First and Main Streets location on which the constructive mileages are based. Similarly, most of the steel is shipped from less distant locations than First and Main Streets. According to petitioners'

studies, constructive mileages figured to the actual destinations of the canned goods and from the actual origins of the steel would place most of these locations in the "over 25 but not over 30 miles" rate basis, the remainder primarily in the "over 30 but not over 35 miles" rate basis, and relatively few in the "over 35 but not over 40 miles" rate basis.

The Santa Ana canned goods, petitioners' witnesses testified, are sold in Los Angeles at delivered prices. Their local competitors situated at Anaheim and Fullerton sell on the same basis. So do their Florida competitors who ship their products by intercoastal vessel to Los Angeles Harbor. The force of this competition precludes the Santa Ana canners from raising prices to reflect increased transportation rates. Production costs in Florida were said to be substantially lower than in California. Florida competition was claimed to be particularly severe.

Similarly, the Santa Ana implement manufacturer's witness testified that the increased cost of transporting steel to Santa Ana could not be added to the sales prices.

Other truckload class rate increases were one-half cent per 100 pounds, from  $10\frac{1}{2}$  to 11 cents or 4.7 percent in the Class B rate, and one cent, from  $9\frac{1}{2}$  to  $10\frac{1}{2}$  cents or 10.5 percent in the Class C rate. The Class A, D and E rates remain unchanged at 13,  $8\frac{1}{2}$  and 8 cents, respectively. Likewise, some of the less-truckload class rates remain unchanged. However, most of the less-truckload rates were increased by one cent per 100 pounds. Some were increased by two cents. None of the less-truckload rate increases amounted to more than 5 percent.

With respect to the increased rates generally, a witness for petitioners testified that Santa Ana merchants and industries compete with Anaheim and Fullerton merchants and industries. He explained that the three cities were in the same vicinity and in the same general producing and trading area. He said further that the level of

transportation rates is an important consideration in the location of new industries and other business enterprises.

At the hearing, petitioners urged that the Los Angeles-Santa Ana minimum class rates be restored to the levels prevailing prior to January 1, 1952. They asked for no further adjustments and offered no evidence with respect to the broader aspects of the petition as originally filed.

Notices of hearing were sent to numerous shippers and carriers and to shipper and carrier organizations. No one appeared in opposition to the relief sought by petitioners.

Appearances were entered for Motor Truck Association of Southern California and for California Moving and Storage Association as interested parties. Their representatives said that they had no evidence to offer. Counsel for the Motor Truck Association assisted in the development of the record by participating in the examination of petitioners' witnesses. He suggested that consideration might well be given to subdividing the present Los Angeles rate zone. He said that the zone covered a relatively large area and that its subdivision where short-haul traffic is involved would give more precise effect to the distance the property is transported and thus more closely reflect rate-making considerations. The representatives of both trucking associations expressed concern at departures from the constructive mileage basis of determining minimum rates which would result in rates lower than those based on mileage.

It is clear from the record that the January 1 adjustment of the constructive mileages and of the class rates based thereon has disturbed long-standing competitive class rate relationships for transportation between Los Angeles and Santa Ana, Anaheim and Fullerton, that there is strong industrial and mercantile competition between Santa Ana and Anaheim and Fullerton, and that the increased rate differentials resulting from the January 1 adjustment

have adversely affected Santa Ana interests. In the face of the competitive situation and the other circumstances and conditions of record, the maintenance of the higher Los Angeles-Santa Ana minimum class rates resulting from the one-mile increase in constructive mileage is not warranted. Restoration of the former class rates as sought by petitioners has been justified. This conclusion is, of course, without prejudice to the conclusions which may be reached with respect to any further proposed adjustments such as that suggested by the Motor Truck Association in regard to subdividing the Los Angeles rate zone.

Upon consideration of all of the facts and circumstances of record, we are of the opinion and hereby find that the provisions of Highway Carriers' Tariff No. 2 should be further revised to the extent hereinbefore indicated and as provided in the order which follows.

O R D E R

Based on the evidence of record and on the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein, to become effective March 31, 1952, Eleventh Revised Page 2 cancels Tenth Revised Page 2, Original Page 44-A, and Sixth Revised Page 68 cancels Fifth Revised Page 68, attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that tariff publications to be made by common carriers as a result of the order herein may be made effective on not less than five (5) days' notice to the Commission and to the public.

IT IS HEREBY FURTHER ORDERED that, except to the extent provided for in the preceding ordering paragraphs hereof, the petition of Santa Ana Chamber of Commerce, Case-Swayne Co., Inc.,

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\* Change, Decision No. 46800

EFFECTIVE MARCH 31, 1952

Issued by the Public Utilities Commission of the State of California,  
Correction No. 468 San Francisco, California.

Item No.	SECTION NO. 2				CLASS RATES (Continued) In Cents per 100 Pounds												
Class Rates shown below are intermediate in application subject to Note 1.																	
BETWEEN		AND		Any Quantity				Minimum Weight 2,000 Pounds				Minimum Weight 4,000 Pounds					
				1	2	3	4	1	2	3	4	1	2	3	4		
				118	106	94	83	81	73	65	57	62	56	50	43		
LOS ANGELES ZONE 1 AS DESCRIBED IN THE DISTANCE TABLE		SANTA ANA		Minimum Weight 10,000 Pounds except as provided in Note 2.				Minimum Weight 20,000 Pounds except as provided in Note 3.				Minimum Weight as provided in Western Classi- fication, Excep- tion Sheet or this tariff, subject to Item No. 290 series.					
				1	2	3	4	1	2	3	4	5	A	B	C	D	E
				39	35	31	27	25	23	20	18	11	13	10½	9½	8½	8
NOTE 1.--If charges accruing under the Class Rates in this item, applied on shipments from, to or between points intermediate between origin and destination points via Route 11 shown in Item No. 900 series, are lower than charges accruing under the Distance Class Rates in Items Nos. 500 and 505 series, on the same shipment via the same route such lower charges will apply.																	
NOTE 2.--When applied in connection with carload ratings, minimum weight will be as provided in the Western Classification, Exception Sheet or in this tariff, subject to Item No. 290 series.																	
NOTE 3.--When applied in connection with carload ratings, minimum weight will be as provided in the Western Classification, Exception Sheet or in this tariff (subject to Item No. 290 series) but in no event less than 20,000 pounds.																	
# Addition ) Decision No. 46500 & Reduction )																	
EFFECTIVE MARCH 31, 1952																	
Issued by the Public Utilities Commission of the State of California, San Francisco, California.																	
Correction No. 466																	

#6515

Cancels

Item No.	SECTION NO. 4	ROUTING (Concluded)
		<p>Route No. 4: From San Francisco Territory via U.S. Highway No. 101 to Gilroy; State Highway No. 152 through Los Banos to its junction with U.S. Highway No. 99 north of Madera; via U.S. Highway No. 99 to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 5: From Sacramento via U.S. Highway No. 99 to Los Angeles Basin Territory.</p> <p>Route No. 6: From San Francisco Territory via U.S. Highway No. 101 to its junction with State Highway No. 118, 4.0 miles southeast of Ventura; via (a) State Highway No. 118 through Chatsworth, or (b) U.S. Highway No. 101 through Girard, or (c) U.S. Highway No. 101 to its junction with U.S. Highway No. 101, Alternate, at El Rio, thence via U.S. Highway No. 101, Alternate, through Oxnard to Los Angeles Basin Territory.</p> <p>Route No. 7: From San Francisco Territory via Route 1, 2 or 3 to the junction of U.S. Highway No. 50 and State Highway No. 33, 3.0 miles east of Tracy; via State Highway No. 33 to Los Banos; via State Highway No. 152 to its junction with U.S. Highway No. 99 north of Madera; via Route 1, 2 or 3 beyond.</p> <p>(1) Route No. 8: From San Francisco via U.S. Highway No. 101 to Santa Clara and San Jose.</p> <p>(1) Route No. 9: From Oakland via State Highway No. 17 to its junction with Trimble Road; southwesterly via Trimble Road to the San Jose-Alviso Road; southerly along San Jose-Alviso Road to Brokaw Road; southwesterly along Brokaw Road to Santa Clara.</p> <p>(1) Route No. 10: From Oakland via State Highway No. 17 to San Jose.</p> <p>#(2) Route No. 11: From Los Angeles Zone 1 as described in the Distance Table via Anaheim Telegraph Road to its junction with Norwalk Boulevard; via Norwalk Boulevard to its junction with Firestone Boulevard; and via Firestone Boulevard to Santa Ana.</p> <p>(1) Applies only in connection with rates named in Item No. 509 series.</p> <p>(2) Applies only in connection with rates named in Item No. 515 series.</p>
*900-1-A Cancels 900-1		
# Addition * Change	) Decision No. 46800	
EFFECTIVE MARCH 31, 1952		
Issued by the Public Utilities Commission of the State of California, San Francisco, California.		
Correction No. 467		



Treesweet Products Co., Rankin Dry Goods Company and Towner Manufacturing Co., filed October 26, 1951, in this proceeding, be and it is hereby denied.

In all other respects the aforesaid Decision No. 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 26th day of February, 1952.

*R. J. [Signature]*  
 President

*Justice F. [Signature]*

*Harold P. [Signature]*

*[Signature]*

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 Commissioners