

ORIGINAL

Decision No. 47410

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

Frank J. Krantz, for Pillsbury Mills, Inc.,
petitioner.
N. R. Moon, for Merchants Express Corporation,
interested party supporting petitioner.

SUPPLEMENTAL OPINION

By petition, Pillsbury Mills, Inc. seeks the establishment of reduced minimum rates for the transportation of prepared edible flour.

A public hearing was held at San Francisco on June 6, 1952, before Examiner Mulgrew.

Highway Carriers' Tariff No. 2 names state-wide minimum class and commodity rates established by the Commission for the transportation of general commodities by common and highway carriers. Commodity rates are provided for grain, grain products and related articles and for food preparations as described and listed in the tariff. These rates are lower than the class rates which would otherwise apply. The rates for grain and grain products are applicable to prepared edible flour when ingredients other than flour do not exceed 40 percent of the mixture. Neither these rates nor the somewhat higher commodity rates for food preparations are applicable to edible flour when other ingredients of the mixture exceed 40 percent.

Petitioner proposes that prepared edible flour with more than 40 percent but not more than 75 percent of other ingredients be accorded the same commodity rates as the articles now listed as "food preparations" in Tariff No. 2. Its traffic manager testified that the types of prepared edible flour with which it is here concerned are the so-called "ready mixes," chiefly cake, pie crust and hot roll mixes. These and similar products, he said, are relatively new and their use replaces the older method of mixing flour and other required ingredients by the housewife or baker. According to the traffic manager, ready mixes are now sold in a substantial volume. In a recent ten-month period, he said, petitioner delivered in California more than 5,000,000 pounds of its cake mixes, one of the more popular types of edible flour mix products. All of petitioner's ready mixes are distributed to California points directly from its plant in Los Angeles or from warehouses in that city and in San Francisco, Sacramento, Fresno and San Diego. The services of rail and highway carriers are used in making this distribution.

The traffic manager, referring particularly to less-truck-load and less-carload rates, pointed out that the transportation of ready mixes is subject to 4th class rates, while the transportation of edible flour with lesser percentages of other ingredients and of various cereal food preparations is subject to lower commodity rates. He also pointed out that petitioner is not seeking rate equality with the prepared edible flour with lower percentages of other ingredients than the ready mixes, but rate parity with the food preparations. A rate study he made indicated, he said, that the rates for the food preparations are around 11 percent higher than the rates on grain and grain products, including edible flour with less than 40 percent of other ingredients.

The cereals which are listed in the "food preparations" tariff description, he testified, are in transportation parlance described as "light and bulky" articles. Using corn flakes as an illustration, he showed that a package weighing eight ounces has a displacement of 152 cubic inches. He contrasted this with a package of cake mix weighing 17 ounces but having a displacement of only 46 cubic inches. Thus, he said, while the corn flakes package weighs less than one-half of the cake mix package, it is some three and one-half times more bulky. With respect to relative values, he testified that the sales price of these packages was 15 cents (30 cents per pound) for the corn flakes and 36 cents (34 cents per pound) for the cake mix. Shipping containers for these products, the traffic manager said, contain two dozen packages. He said further that a shipping container of ready mixes has much more stability and compactness than a container of the bulkier cereals and is therefore less liable to damage in transit. These circumstances, he asserted, are reflected in his company's claim records which show practically no damage involved in the distribution of the ready mixes. He expressed the opinion that carrier costs are lower on compact commodities such as the mixes than on lighter and more bulky articles like corn flakes and other such food preparations.

A representative of Merchants Express Corporation stated that his company agreed that the rates in question should be adjusted as petitioner requests and for the reasons advanced in support of the proposed adjustment.

No other appearances were entered. The customary notice of hearing was given shippers, carriers and other interested parties.

Upon consideration of all the facts and circumstances of record we are of the opinion and hereby find that prepared edible

flour of the type herein involved has been shown to possess transportation characteristics justifying its being grouped with the cereal food preparations in the minimum rate tariff. The petition will accordingly be granted.

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 August 4, 1952, the revised pages attached hereto and by this reference made a part hereof, which pages are numbered as follows:

Ninth Revised Page 6 Cancels Eighth Revised Page 6
First Revised Page 51-F Cancels Original Page 51-F

IT IS HEREBY FURTHER ORDERED that tariff publications of common carrier respondents filed pursuant to this order may be made effective not earlier than August 4, 1952, and on not less than five (5) days' notice to the Commission and to the public; and that said respondents be and they are hereby authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California and from the provisions of Section 24(a) of the Public Utilities Act to the extent necessary to exercise the authority granted herein.

In all other respects said 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 30th day of June, 1952.

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

[Signature] President
[Signature]
[Signature]
[Signature]
Commissioners

INDEX OF COMMODITIES (Continued)

COMMODITY	Item Number	COMMODITY	Item Number
Feed, Clover	652 ¹ / ₂ , 654	Gable Ornaments	660, 690
Feed, Gluten	652, 652 ¹ / ₂ , 654	Garlic Chips	(1)
Feed, Mill	652, 652 ¹ / ₂ , 654	Garlic Powder	(1)
Feed, Poultry	652, 652 ¹ / ₂ , 654	Gas, petroleum liquefied	723-726
Feed, Sorghum (M)	652 ¹ / ₂ , 654	Gauges, Bit	365
Feterita	652, 652 ¹ / ₂ , 654	Gelatine	360
Fig Paste	350	Generators, Electric (M)	365
Fig Pulp	350	Germ	652, 652 ¹ / ₂ , 654
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Fire Brick (M)	365	Glucose	360
Fire Clay (M)	365	Grain Products, as described	652, 652 ¹ / ₂ , 654
Fish, cooked, pickled or preserved	(1)	Grain	652, 652 ¹ / ₂ , 654
Fish, other than fresh or frozen	360	Grains, Brewers'	652, 652 ¹ / ₂ , 654
Fish Roe	(1)	Grains, Distillers'	652, 652 ¹ / ₂ , 654
Fittings, Iron or Steel Pipe	365, 378	Grate Bars	365
Fittings, Closet and Pantry	660, 690	Grille Work	660, 690
Fixtures, Built-in	660, 690	Grips	365
Flakes, Brewers'	652, 652 ¹ / ₂ , 654	Grit	652 ¹ / ₂ , 654
Flakes, Hominy	652, 652 ¹ / ₂ , 654	Grits	652, 652 ¹ / ₂ , 654
Flavoring Compounds	360	Groats	652, 652 ¹ / ₂ , 654
Flaxseed	652, 654	Guides, Wire Line	365
Flour, Bean	653, 654	Gum, Chewing	360
Flour, Grain	652, 652 ¹ / ₂ , 654	Gutters	660, 690
Flour, Potato	653, 654	Handles, wooden	365
Flour, Prepared	*653, 654, 655, 656	Hand Rails	660, 690
Flour, Rice	653, 654	Hay	657, 658
Flowers, fresh cut	340	Heading	660, 690
Flues, Boiler	365	Heads, Control Casing, Drive Pipe or Casing	365
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Food, Cereal	360	Hominy	(1), 652, 652 ¹ / ₂ , 654
Food, Infants' or Invalids'	360	Hominy Flakes	652, 652 ¹ / ₂ , 654
Food Preparations, Cereal	360, 655, 656	Honey	360, 610
Forges	365	Honey Box Lumber	660, 690
Frames (Blind, screen and door)	660, 690	Hooks, Casing, Sucker Rod, Throwoff or Tubing	365
Frames, Window	660, 690	Horseradish	360
Fruit, candied, crystallized, glazed or stuffed	360	Horseradish, prepared	(1)
Fruit, crushed	(1)	Hulls	652, 652 ¹ / ₂ , 654
Fruit, dried	350, 640	Hulls, cottonseed	652 ¹ / ₂ , 654
Fruit (not dried, evaporated nor fresh)	(1)	Hulls, rice	652 ¹ / ₂ , 654
Fruit Juice	600	Ice	659
Fruit Juice Powders or Crystals, Citrus	360	Ice Cream	370
Fruit Peel, Candied, Crystallized, Glaced or Stuffed	360	Icings	360
Fruit Syrup	360	Insecticides (M)	723-726
		Ironing Boards	660, 690
		Iron, Plate or Sheet	365
		Jacks, Oil Well Pumping	365
		Jacks, Well Tool	365
		Jam	(1)
		Jams, Door	660, 690
		Jelly	(1)

Joists, Rotary Tool and Sucker Rod	365	Kelp	652, 654
Juice, Clam	(1)	Kitchen Cabinets	660, 690
Juice, Fruit	(1)	Lacquers	377
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Juice, Vegetable	(1)	Lard Compounds	360
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Kaoliang	652, 652, 654	Lath	660, 690
		Leaves, cactus	657, 658
		Lentils (M)	653, 654

* Change, Decision No. 47410

(1) See "Canned Goods and Other Articles as described in Item No. 610 series."

(M) Denotes articles on which application of rates is limited to mixed shipments.

EFFECTIVE AUGUST 4, 1952

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

Correction No. 469

Item No.	SECTION NO. 3 COMMODITY RATES (Continued)
<p>*655-A Cancels 655</p>	<p>(Applies in connection with rates making specific reference hereto.)</p> <p>GRAIN, GRAIN PRODUCTS AND RELATED ARTICLES, viz.:</p> <p>Food Preparations, (not included in Items Nos. 652 to 653 series, inclusive), viz.:</p> <p>Cereals, cooked (Prepared cereals ready for human consumption but without further cooking), viz.:</p> <p>Bran; Bran and Wheat combined, flaked; or Bran or Bran and Wheat combined with dried fruit, flaked or shredded;</p> <p>Corn, roasted, Flaked or shredded, not otherwise specified: Compressed, in flakes, or in forms not flat, Not compressed, in flakes, or in forms not flat, Flaked Wheat and Ground Flaxseed, combined, Granulated, Hollow Forms, (food preparations made of flour and cut from tubes), Oats, flaked and toasted, Puffed, Rice, rolled and toasted,</p> <p>Cereals, not otherwise specified, (cracked, ground, granulated, hulled or rolled cereals, partially prepared for human consumption, but requiring cooking).</p> <p>o Flour, prepared, edible, manufactured from one or more articles shown under head of "Grain" in Item No. 652 series, or Rice Flour, Bean Flour, or Potato Flour, with more than 40% but not more than 75% of other ingredient or ingredients, (including dry or powdered yeast not in excess of 5% in an inner container).</p>
<p>o Reduction } * Change } Decision No. 47410</p>	
<p>EFFECTIVE AUGUST 4, 1952</p>	
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p>	
<p>Correction No. 470</p>	