

**ORIGINAL**Decision No. 68372

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 O. J. Boedeker and A. T. Rawlins, )  
 copartners doing business as Sacramento )  
 Freight Lines, Delta Lines, Inc., Don )  
 H. Hawkey, doing business as Hawkey )  
 Transportation, Merchants Express )  
 Corporation, Oregon Nevada California )  
 Fast Freight, Inc., and San Diego )  
 Forwarding Company, to establish joint )  
 rates. )

Application No. 33789

In the Matter of the Application of )  
 Joe Machado, doing business as Machado )  
 Trucking Co., and Veryl Callison, doing )  
 business as Callison Truck Lines, Delta )  
 Lines, Inc., James P. Nielsen, doing )  
 business as Nielsen Freight Lines, )  
 Merchants Express Corporation, Highway )  
 Transport, Inc., California Cartage )  
 Company, Inc., and Charles A. Pearson, )  
 doing business as Anaheim Truck & )  
 Transfer Company, to establish joint )  
 rates. )

Application No. 33838

In the Matter of the Application of )  
 A. D. Woolley and R. E. Woolley, co- )  
 partners doing business as Western )  
 Transport Company and Evelyn O. )  
 Simmonds, doing business as West )  
 Berkeley Express and Draying Company, )  
 to establish joint rates. )

Application No. 33883

In the Matter of the Application of )  
 Joe Machado, doing business as Machado )  
 Trucking Co., and Evelyn O. Simmonds, )  
 doing business as West Berkely Express )  
 and Draying Company, to establish joint )  
 rates. )

Application No. 34009

Appearances

Bertram S. Silver, Marvin Handler and W. E. Shuholm, for various applicants.  
W. S. Johnson, for J. A. Nevis Trucking, Inc., interested party.  
Robert W. Walker and Wallace L. Ware, for The Atchison, Topeka and Santa Fe Railway Company and Santa Fe Transportation Company, protestants.

O P I N I O N

The applicants in these proceedings are highway common carriers of general commodities. Sacramento Freight Lines operates between points in Los Angeles territory and in the Imperial Valley, on the one hand, and Stockton and Sacramento and points north thereof, on the other hand. Machado Trucking Company conducts its operations between points in Los Angeles territory and points in the San Francisco Bay area. Shippers Express Company operates between Los Angeles territory and San Jose and other Santa Clara Valley points. (1) In these applications, as amended, they seek authority to establish joint through rates with certain applicants operating between points in southern California and also with other applicants providing service generally between San Francisco Bay area points and central and northern California territories.

The matters were consolidated and a public hearing thereof was held at San Francisco on February 13, 1953, before Examiner Jacopi. The Atchison, Topeka and Santa Fe Railway Company and Santa Fe Transportation Company opposed the granting of the applications. They were permitted to file written memoranda of their positions within ten days after completion of the hearing. The matters stand submitted upon the filing of applicants' answers to the memoranda in question. (2)

The record shows that transportation service over applicants' lines between the points involved herein now is subject to combinations of their local rates. The combination rates are higher

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(1)

Application No. 33883 was amended to show that A. D. Woolley and R. E. Woolley, copartners, now are doing business as Shippers Express Company instead of Western Transport Company as shown in the original application.

(2)

Applicants were permitted to file their answers not later than five days after the filing of protestants' memoranda.

than the minimum rates established by the Commission for through transportation by radial highway common and highway contract carriers. The joint rates proposed by applicants generally are on the level of the minimum rates. A number of the applicants, however, do not maintain for their local operations the full number of scales of rates and weight brackets provided in the minimum rate structure. In such instances, the joint rates proposed for the through movements would be made to conform with the fewer number of scales and weight brackets and various limitations maintained by the connecting carrier applicants in question. The joint rates sought to be established would be generally on the same levels as the rates of competing common carriers and the minimum rates of permitted carriers for similar movements.

Evidence in support of the proposals was introduced by applicants' officials. According to their testimony, the existing disparity between the combination rates observed by applicants and the through rates of common and permitted carriers places applicants at a disadvantage in obtaining traffic. Assertedly, the higher combination rates have resulted in loss of business to competing carriers and also have rendered it virtually impossible to develop new business.

The manager of a firm of transportation consultants testified in support of the granting of the applications. Establishment of the proposed joint rates, he said, would be advantageous in the distribution of the products of 12 shippers represented by his company. Assertedly, the maintenance of joint rates by applicants would eliminate billing complications and rate problems in reshipping to points beyond the San Francisco or Los Angeles metropolitan areas and would result in economical and expeditious services. The witness stated that shippers would not use applicants' services under combinations of local rates when lower through rates were offered by

competing common and permitted carriers. He stated also that because of limited loading facilities at their plants the shippers desired to deal with only a few carriers. Assertedly, the shippers were not inclined to segregate shipments according to operative rights but usually gave all shipments destined to points in the same general area to the carrier serving all or the greatest portion thereof.

As previously stated, the granting of the applications was opposed by The Atchison, Topeka and Santa Fe Railway Company and Santa Fe Transportation Company. In written memoranda, they contend generally that they are rendering a satisfactory and adequate service in the territory served by them, that the granting of the sought authority would result in loss of some of their traffic to applicants and that the public interest would best be served by maintaining status quo for all applicants. Applicants pointed out in their written answers that protestants introduced no evidence in support of these assertions.

The record made in these proceedings has been carefully considered. It appears that the establishment of joint rates as proposed is not adverse to the public interest and is justified.

Applicants have requested authority to publish the proposed rates on five days' notice. They have requested also in connection with Applications Nos. 33789 and 33838, as amended, authority to depart from the long and short haul provisions of the Constitution and of the Public Utilities Code. It is pointed out that the proposed joint rates would be on the level of the established minimum rates and that the latter rates applicable between Los Angeles territory and both the Sacramento and San Francisco

territories are on the same level. It is pointed out also that from or to terminal points in the San Francisco Bay area via interchanges at Sacramento and Lodi and from or to such terminal points as Sacramento, Lodi, Stockton and points between via interchanges in Oakland, the proposed joint rates would be lower at the terminal points than those at the points intermediate between the terminal and interchange points on the routes of Delta Lines, Inc., and Merchants Express Corporation. Likewise, on movements from or to points south of San Jose served by Highway Transport, Inc., via the San Jose interchange, the rates from or to the farthest points on the route would be lower than those at some of the intermediate points. Applicants assert that rates of the volume here sought are available via other carriers, that but little circuitry is involved in the proposed routes in relation to more direct routes and that the sought relief is needed to enable applicants to compete with other carriers at equal rates. These requests appear justified. The four applications, as amended, involved herein will be granted.

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 to establish, on not less than five days' notice to the Commission and to the public, the joint through highway common carrier rates as proposed in Applications Nos. 33789, 33838, 33883 and 34009, as amended, filed in these proceedings, and to depart from the long and short haul 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 shown in the foregoing opinion as necessary to establish the rates proposed in Applications Nos. 33789 and 33838, as amended, and authorized herein.

IT IS HEREBY FURTHER ORDERED that the authority granted in these proceedings shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco California, this 17th day of March, 1953.

R. J. Davidson  
President  
Justin D. Brewer  
Harold H. Hill  
Samuel H. Potts  
John L. Hill  
Commissioners