

**ORIGINAL**Decision No. 48952

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 livestock and related items (commodities)  
 for which rates are provided in Highway  
 Carriers' Tariff No. 3).

Case No. 5433  
(Pet. No. 1)

Arlo D. Poe, J. C. Kaspar, James Quintrall, and Robert  
 Boynton, for California Motor Transport Associations,  
 Inc., petitioner.

V. W. Pope and F. P. Willette, for Aetna Freight Lines,  
 respondent.

Wm. Meinhold, for Southern Pacific Company and Pacific  
 Motor Trucking Company, respondents.

J. Edgar Dietz, for California Cattlemen's Association,  
 California Wool Growers' Association, and Western  
 States Meat Packers' Association, interested parties.

P. J. Arturo, for Swift and Company, interested party.

G. L. Malquist and C. S. Abernathy of the Public  
 Utilities Commission staff.

O P I N I O N

California Motor Transport Associations, Inc., a non-  
 profit corporation composed of associations of highway carriers,  
 petitions for immediate increases in the minimum rates and  
 charges for transportation of livestock over the public highways  
 within the State of California.

The petition was filed on July 2, 1953. Public hearings were held before Examiner Bryant at Los Angeles on July 21, 22 and 23, 1953, and at San Francisco on July 29, 1953. The matter is ready for decision.

The minimum rates, rules and regulations established by this Commission for the transportation of livestock are contained in Highway Carriers' Tariff No. 3 (Appendix "C" to Decision No. 31924, as amended, in Case No. 4293). By Decision No. 46087, dated August 14, 1951 (51 Cal. P.U.C. 66), the rates and charges contained in Highway Carriers' Tariff No. 3 were revised and adjusted upon a comprehensive record containing extensive studies of operating conditions, experiences, and costs. These revisions became effective September 17, 1951. No changes of substance have been made in the minimum rates and charges for the transportation of livestock since that date.

Petitioner alleges that the cost of transporting livestock by motor vehicle has increased substantially since September 17, 1951, and particularly that the costs have increased since January 1, 1953, as the result of advances in the price of fuel, fuel taxes, and wage rates. It asserts that as a result of such cost increases, the minimum rates and charges provided in Highway Carriers' Tariff No. 3 are unreasonably low and inadequate to return the cost of service and reasonable earnings. Petitioner declares that immediate increases in the rates and charges are necessary in order to bring them to a reasonable level as required by law.

A transportation analyst, testifying in support of the petition, introduced exhibits consisting of summaries of

wage agreements applicable in all parts of the state, income statements of California livestock haulers for the year 1952, and a development of increases necessary to offset certain increased costs. The purpose of the latter study was to show the effect of increased costs experienced by the livestock carriers since January 1, 1953. The increases in these expense items, as stated by the witness, are as follows:

1. An increase of 1.85 cents a gallon in the price of diesel fuel which became effective on various dates, all in the early part of March 1953;
2. An increase of 2.5 cents a gallon in the state tax on diesel fuel which became effective July 1, 1953; and
3. An increase of 11 cents an hour in the wages of line haul drivers which became effective June 1, 1953.

The witness explained that there had been other substantial increases in the costs of operation since the rates were last revised in September, 1951. As substantial items, for example, he stated that the basic wage rates were increased 10 cents an hour in 1951 and 19 cents an hour in 1952. The witness explained also that he did not include in his figures the increases in state vehicle registration and weight fees which became effective July 1, 1953. These fees will not be experienced in full by the carriers until their vehicles are re-registered in 1954.

The cost increases hereinbefore enumerated had a combined impact upon total costs, as developed by the witness, ranging from 4-1/4 percent to 5 percent according to the services performed. The consultant testified that it was not his purpose in this proceeding to develop the full impact of

all cost increases since September 1951, but only those which have occurred in 1953. He stated that the carriers in effect had absorbed the 1952 wage adjustment, and were now asking only to recover their latest cost increases. The witness explained that the carriers recognize that the producers and shippers of livestock are experiencing serious financial stringencies and must be accorded the lowest feasible transportation rates.

The consultant explained that the 1952 income statements of the carriers were introduced solely for the purpose of establishing the carriers' revenue needs beyond question. He said that these statements were offered in this proceeding because of the substantial lapse of time since the rates were last adjusted in 1951. According to the income statements the carriers had an average operating ratio in 1952 of 96.6 percent, before income taxes. The witness pointed out that adjustments for the increases in wages and other expense items would have raised the operating ratios substantially.

An assistant engineer of the Commission's transportation staff also introduced a summary of estimated costs for the transportation of livestock by motor vehicle equipment. His exhibit shows, among other things, the percentage increase in the costs since 1951 for various vehicles, various classes of livestock, and various lengths of haul. The relative increases as developed by the engineer are substantially higher than those submitted by the analyst for the reason that the engineer's study included the 1952 wage increases. According to the engineer's study, the cost increases since September 1951, range from approximately 7 percent to 18 percent.

A representative of the California Cattlemen's Association, California Wool Growers' Association and Western States Meat Packers' Association stated that these organizations offer no objection to rate increases necessary to recover the recent increases in state fuel taxes and other user taxes but are opposed to any greater advance in rates. He testified that the selling price of livestock is in many cases below the cost of production, and that livestock producers have been forced to economize in every possible way.

The traffic manager of a major packing company requested modification of a tariff rule relating to truckload minimum weights. He explained that his company frequently tenders shipments requiring the use of several vehicle units and that it has been penalized because the livestock cannot be loaded uniformly among the several vehicles. Petitioner's representative responded that the rule, as he interpreted it and understood it to be applied by the carriers, required no penalty charge under such circumstances but in fact permitted the use of a weight average as desired by the traffic manager. Petitioner's interpretation and understanding of the rule is sound. Under these circumstances no modification of the rule is required.<sup>(1)</sup>

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(1) The tariff provision in question is that portion of Item No. 65 series of Highway Carriers' Tariff No. 3 which reads, "... for two or more units the minimum weight shall be 90 percent of aggregate carrying capacity but not less than a minimum weight based on 14,000 pounds for cattle and hogs and 12,000 pounds for sheep for each equipment unit furnished." Under this provision a shipment requiring three vehicle units, for example, would be subject to a minimum weight of 90 percent of their aggregate carrying capacity but not less than a minimum weight based on 42,000 pounds for cattle and hogs and 36,000 pounds for sheep.

The record is clear that the cost of performing the transportation and accessorial services herein involved has increased substantially since the minimum rates and charges were last adjusted. Increases in items of operating expense are not necessarily the measure of a needed rate adjustment when there has been a substantial time lapse since the rates were established. In the present case, however, it is proposed to increase the rates only sufficiently to reflect the substantial increases in operating expense which occurred within recent months. These expense increases are susceptible of accurate measurement, as the record demonstrates. The record is abundantly clear that the sought rate adjustments should be made without delay. They will be made effective at the earliest practicable date in order that the carriers may be in the position to perform their duties to those who require their services. The resulting minimum rates give full effect to the policy of this state in rate making to be pursued by this Commission to establish such rates as will promote the freedom of movement by carriers of agricultural commodities, including livestock, at the lowest lawful rates compatible with the maintenance of adequate transportation service (Public Utilities Code, Sections 726 and 3661).

Upon careful consideration of all the facts and circumstances of record, it is concluded that the existing minimum rates, rules and regulations for the transportation of livestock should be revised to the extent provided in the order which follows.

O R D E R

Based upon the evidence of record and upon the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED:

(1) That Highway Carriers' Tariff No. 3 (Appendix "C" to Decision No. 31924, as amended, in Case No. 4293) be and it is hereby further amended by incorporating therein the revised pages attached hereto and listed in Appendix "A" also attached hereto, which pages and appendix by this reference are made a part hereof.

(2) That tariff publications required or authorized to be made by common carriers as a result of the amendments herein of the aforesaid tariff shall be made effective on or before September 10, 1953, on not less than five days' notice to the Commission and to the public.

(3) That in all other respects the aforesaid Decision No. 31924, as amended, shall remain in full force and effect.

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

Dated at Los Angeles, California,  
this 10th day of August, 1953.

J. J. [Signature]  
President  
Justice J. Adams  
Bennett A. Potter

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Commissioners



Order No. 22 Case 5433 (Pet. 1)

I concur in the foregoing order for the reason that the increases in rates reflect increases in operating expenses applicable to all of the carriers within that class.

*Harold D. Kule*

Commissioner

August 10, 1953

*I concur:*  
*Peter L. Mitchell*

MPH:pm

APPENDIX "A" TO DECISION NO. 48952

Revised Pages to Highway Carriers' Tariff No. 3  
Authorized by Said Decision

Sixth	Revised Page 5	cancel	Fifth	Revised Page 5
Third	Revised Page 8	cancel	Second	Revised Page 8
Fourth	Revised Page 9	cancel	Third	Revised Page 9
Seventh	Revised Page 10	cancel	Sixth	Revised Page 10
Second	Revised Page 12	cancel	First	Revised Page 12

(End of Appendix)

Sixth Revised Page . . . 5

Cancel

Fifth Revised Page . . . 5

HIGHWAY CARRIERS' TARIFF NO. 3

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)
70-A	<p style="text-align: center;">MIXED SHIPMENTS</p> <p>Rates on mixed shipments of livestock shall be assessed in accordance with the following:</p> <p>(a) Mixed shipments of cattle with calves, sheep, goats or hogs shall be subject to the rate and minimum weight applicable to cattle in straight shipments.</p> <p>(b) Mixed shipments of sheep or goats (or sheep and goats) with hogs shall be charged for at the rate and minimum weight applicable to hogs in straight shipments.</p> <p>(c) Mixed shipments of calves and hogs shall be charged for at the rate and minimum weight applicable to hogs in straight shipments.</p> <p>(d) Horses or other animals for which rates are not provided in this tariff, when shipped in mixed shipments with cattle, calves, sheep, goats or hogs, shall be charged for according to the type of stock with which they are included (cattle, calves, sheep, goats or hogs, as the case may be).</p> <p>(e) Mixed shipments of dairy cattle with other classes of livestock transported within or between zones described in Items Nos. 210 and 220 series, shall be subject to the rate and minimum weight provided in this tariff for cattle in straight shipments.</p>
80-B Cancel 80-A	<p style="text-align: center;">COMPUTATION OF DISTANCES</p> <p>Distances to be used in connection with distance rates named herein shall be the shortest resulting mileage via any public highway route computed in accordance with the method provided in Distance Table No. 4, amendments thereto or reissues thereof.</p>
*90-D Cancel 90-C	<p style="text-align: center;">LOADING AND UNLOADING</p> <p>(a) Rates include service of driver only for loading into and unloading from carrier's equipment. See Item No. 100 series for charges for additional help.</p> <p>(b) When it is necessary to uncouple truck-trailer equipment units at a point short of point of origin or point of destination in order to effect loading or unloading, an additional charge of \$6.76 per hour shall be assessed for the time in excess of 1 hour each truck-trailer unit is uncoupled while engaged in loading or unloading operations. The minimum additional charge for such loading or unloading operations shall be \$6.76</p>

◇ACCESSORIAL CHARGES

An additional charge of \$1.35 per man per hour, minimum charge 67 cents, shall be made for helpers for loading or unloading, or any accessorial or incidental service which is not authorized to be performed under the rates named in this tariff or for which a charge is not otherwise provided.

\*100-C  
Cancels  
100-B

The following additional charges shall be made for the performance of bedding service and/or the furnishing of bedding material incidental to the transportation of shipments of livestock on which rates, carrying a minimum weight of 12,000 pounds or greater, are assessed:

- 102 cents per truck unit, single deck;
- 135 cents per truck unit double deck
- 135 cents per single deck truck and trailer unit
- 135 cents per single deck tractor and semi-trailer unit
- 203 cents per double deck truck and trailer unit
- 203 cents per double deck tractor and semi-trailer unit

SHEEP CAMP OUTFITS

Rates provided in this tariff for the transportation of sheep will also apply to sheep camp outfits, as described in Note 1, when said outfits accompany shipments of sheep. (See Exception)

110-B

Note 1.-Sheep camp outfits include wagons, dogs, horses, mules, burros, camp equipment comprising tents, stoves, cooking utensils, cots, bedding, harness and other appurtenances in use at camp, but do not include hay, grain, feed, merchandise, groceries or clothing.

EXCEPTION,-The provisions of this item will not apply in connection with shipments transported at less-truckload rates.

\*Change )  
◇Increase ) Decision No. 48952

EFFECTIVE SEPTEMBER 10, 1953

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

Correction No. 47

Item No. SECTION NO. 1 - RULES AND REGULATIONS (Continued)

SPLIT PICKUP

The charge for a split pickup shipment, as defined in Item No. 10 series, shall be the charge applicable for transportation of a single shipment of the same kind and quantity of livestock for the distance from that point of origin of a component lot which produces the shortest constructive mileage to point of destination, using the shortest constructive highway route via the points of origin of the several other component lots, plus an added charge as provided in Paragraph (1):

\*130-C  
Cancel  
130-B

(1) Table of added charges:

Number of Pickups	Added Charge
2 -----	203 cents
3 to and including 5-----	271 cents
6 to and including 10-----	338 cents
11 or more -----	34 cents per pickup

(2) At the time of or prior to the first pickup, the carrier shall be furnished with manifest or written shipping instructions showing the name of each consignor, the points of origin, and the kind and quantity of livestock in each component lot;

(3) No split pickup shipment shall be accorded split delivery;

(4) In the event a lower aggregate charge results from treating one or more component lots as a separate shipment, such lower basis may be applied.

SPLIT DELIVERY

The charge for a split delivery shipment, as defined in Item No. 10 series, shall be the charge applicable to the transportation of a single shipment of the same kind and quantity of livestock for a distance equal to one half the shortest constructive highway route from point of origin and return thereto, via the several points of destination, plus an added charge as provided in Paragraph (1):

\*140-C  
Cancel  
140-B

(1) Table of added charges:

Number of Deliveries	Added Charge
2 -----	203 cents
3 to and including 5 -----	271 cents
6 to and including 10-----	338 cents
11 or more -----	34 cents per delivery

(2) At time of tender of shipment, carrier shall issue a single bill of lading or shipping document for the composite shipment, and be furnished with manifest or written delivery instructions showing the name of each consignee, the points of destination, and the kind and quantity of livestock in each component lot;

(3) No split delivery shipment shall be accorded split pickup;

(4) In the event a lower aggregate charge results from treating one or more component lots as a separate shipment, such lower basis may be applied.

\* Change )  
Increase) Decision No. 48952

EFFECTIVE SEPTEMBER 10, 1953

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

Correction No. 48

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Concluded)
0145-C Cancels 145-B	<p style="text-align: center;"><b>STOPPING IN TRANSIT</b></p> <p>When a shipment is unloaded in transit for the purpose of weighing, sorting, feeding or for any other reason, the following additional charges shall be assessed:</p> <p>\$ 6.76 per stop for equipment with one loaded deck,            \$10.14 per stop for equipment with more than one loaded deck, and            \$ 4.05 per hour in addition to the stop charge when the stop is of more than two hours' duration.</p>
150	<p style="text-align: center;"><b>ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</b></p> <p>(a) Common carrier rates may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation from the same point of origin to the same point of destination than results from the application of the rates herein provided. (See Note.)</p> <p>NOTE. - When a rail carload rate is subject to varying minimum weights, dependent upon the size of the car ordered or used, the lowest minimum weight obtainable under such minimum weight provisions may be used in applying the basis provided in this item.</p>
160	<p style="text-align: center;"><b>ALTERNATIVE APPLICATION OF COMBINATIONS WITH COMMON CARRIER RATES</b></p> <p>When lower aggregate charges result, rates provided in this tariff may be used in combination with common carrier rates for the same transportation as follows:</p> <p>(a) When point of origin is located beyond railhead and point of destination is located at railhead, add to the common carrier rate applying from any team track to point of destination the rate provided in this tariff for the distance from point of origin to the team track from which the common carrier rate used applies. (See Notes 1 and 2.)</p> <p>(b) When point of origin is located at railhead and point of destination is located beyond railhead, add to the common carrier rate applying from point of origin to any team track the rate provided in this tariff for the distance from the team track to which the common carrier rate used applies to point of destination. (See Notes 1 and 2.)</p> <p>(c) When both point of origin and point of destination are located beyond railhead, add to the common carrier rate applying between any railheads the rate provided in this tariff for the distance from point of origin to the team track from which the common carrier rate used applies, plus the rate provided in this tariff for the distance from the team track to which the common carrier rate used applies to point of destination. (See Notes 1 and 2.)</p> <p>NOTE 1.- If the route from point of origin to the team track or from the team track to point of destination is within the corporate limits of a single incorporated city, the rates provided in this tariff for transportation for distances of 3 miles or less, or rates established for transportation by carriers as defined in the City Carriers' Act (Chapter 312, Statutes of 1935, as amended), whichever are the lower, shall apply from point of origin to team track or from team track to point of destination, as the case may be.</p> <p>NOTE 2.- When a rail carload rate is subject to varying minimum weights, dependent upon the size of the car ordered or used, the lowest minimum weight obtainable under such minimum weight provisions may be used in supplying the basis provided in this item.</p>
◇ Increase, Decision No. 48952	
EFFECTIVE SEPTEMBER 10, 1953	
Issued by the Public Utilities Commission of the State of California, San Francisco, California	
Correction No. 49	

Cancel

Item No.	SECTION NO. 2		RATES (In Cents per 100 Pounds)		
	MILES	LESS TRUCKLOAD	TRUCKLOAD		
	Over	But not over	Cattle, Hogs or Sheep	Cattle or Hogs	Sheep
	0	3	15½	7½	11½
	3	5	16½	7½	11½
	5	10	17½	7½	12½
	10	15	17½	9½	12½
	15	20	19	10½	13½
	20	25	19	11½	14½
	25	30	21	12½	15½
	30	35	21	12½	17½
	35	40	22	13½	19
	40	45	22	14½	21
	45	50	23	15½	22
	50	60	24	15½	24
	60	70	25	16½	25
	70	80	29	19	27
	80	90	31½	21	29½
	90	100	33½	23	31½
	100	110	36½	25	32½
	110	120	38½	26	34½
	120	130	42	29	36½
	130	140	45	30	38½
Q170-G Cancel 170-F	140	150	47	31½	39½
	150	160	49	33½	42
	160	170	53	36½	43
	170	180	55	37½	46
	180	190	57	38½	47
	190	200	61	41	49
	200	220	66	45	54
	220	240	71	48	59
	240	260	77	51	64
	260	280	82	55	69
	280	300	88	59	72
	300	325	93	64	77
	325	350	98	66	82
	350	375	102	70	87
	375	400	110	73	91
	400	425	114	77	96
	425	450	120	80	99
	450	475	125	86	105
	475	500	131	88	110
	500	525	136	91	114
	525	550	142	96	118
	550	575	146	99	122
	575	600	153	103	127
	600	625	158	106	133
	625	650	163	110	137
	650	675	168	114	141
	675	700	173	117	145
	For distances over 700 miles add for each 25 miles or fraction thereof		4-3/4	4½	4-3/4

◆ Increase, Decision No. 48952

EFFECTIVE SEPTEMBER 10, 1952

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

Correction No. 50

Item No.	SECTION NO. 3	RATES (In cents per head.)								
◇200-B Cancels 200-A	DAIRY CATTLE, as described in Item No. 10 series.									
	BETWEEN	ZONES (See Items Nos. 210 and 220 series for territorial zone descriptions.)								
	AND									
	ZONES	A	B	C	D	E	F	G	H	I
	A	104								
	B	130	104							
	C	240	182	104						
	D	240	240	240	104					
	E	182	182	182	130	104				
	F	130	130	240	182	130	104			
G	182	240	360	240	240	182	104			
H	130	182	300	240	240	130	130	104		
I	130	182	300	300	240	182	182	130	104	
Rates are subject to a minimum charge of \$1.30 per shipment. Not subject to the provisions of Item No. 120 series.										
◇ Increase, Decision No. <b>48952</b>										
EFFECTIVE SEPTEMBER 10, 1953										
Issued by the Public Utilities Commission of the State of California, San Francisco, California.										
Correction No. 51										