

ORIGINALDecision No.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 DIRECT DELIVERY SYSTEM, LTD., for) Application No. 35927
 authority to assess less than)
 minimum rates.)

AppearancesH. J. Bischoff, for applicant.Arlo D. Poe, J. C. Kaspar and R. D. Boynton, for
California Trucking Association, Inc.,
interested party.Grant L. Malquist of the staff of the Public
Utilities Commission of the State of California.O P I N I O N

Applicant is a California corporation engaged in the business of transporting property as a contract carrier. By this application, as amended, it seeks authority to assess lower and different rates for transportation which it performs for the Rheingold Brewing Company than the rates which apply as minimum under the provisions of Minimum Rate Tariff No. 2.

Public hearing of the application was held before Examiner C. S. Abernathy at Los Angeles on December 2, 1954.

The transportation service which applicant performs for the Rheingold Brewing Company consists of the delivery of bottled malt liquors from the company's brewery at Vernon to its distributors in southern California and on the return trips the movement of empty bottles in cartons from the distributors to the brewery.¹ The

¹ The distributors are located at Santa Barbara, Ventura, Palmdale, Burbank, Pomona, San Bernardino, Santa Ana, Oceanside and San Diego.

apparent quantity of freight involved, based on 5 months' figures, May through September, 1954, ranges from approximately 2,800 tons to 3,700 tons a month with the greater amount being transported during the summer months. Of this tonnage about 20 percent consists of the return of empty bottles. For this service applicant proposed to utilize four new diesel tractors and six stainless steel van semitrailers of its own and to acquire other equipment as needed from affiliated companies.

Applicant is an affiliate of Southern California Freight Lines, a highway common carrier serving the southern California area generally south from San Fernando and Santa Monica to the Mexican border, of United Truck Service, a radial highway common carrier, and of certain other companies. Until recently the transportation service here involved was provided by Southern California Freight Lines as a highway common carrier.

Based upon the facts of record we hereby find that Direct Delivery System, Ltd., and Southern California Freight Lines are the alter ego of each other. Southern California Freight Lines, the highway common carrier, maintains rates and service for the transportation involved in this proceeding. The rates herein sought to be established on behalf of Direct Delivery System, Ltd., are substantially different from and generally less than those maintained for the same service by Southern California Freight Lines. The effect of granting this application would be to authorize the alter ego of a highway common carrier to perform service for a selected shipper at rates different from those maintained in the common carrier tariff for application to the public generally. Preferences and tariff departures of this kind are unlawful under the Public Utilities Code. (See Sections 453, 532 and 3542.) The application accordingly will be denied.

Should Southern California Freight Lines tariff rates or the minimum rates established by the Commission be deemed to be unreasonable or excessive for particular services, relief may be

obtained by lawful means and procedures. Southern California Freight Lines or the shipper involved may propose directly whatever reductions or other changes they may consider necessary.

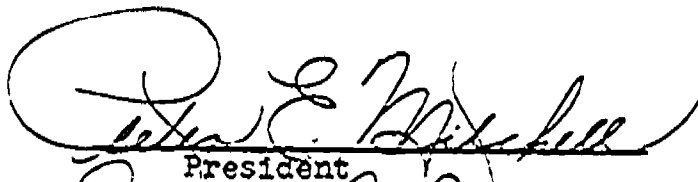
O R D E R

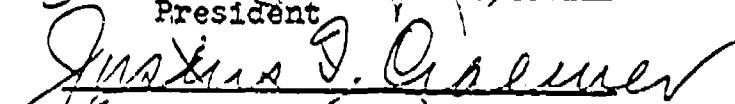
Based upon the evidence of record in the above-numbered proceeding and upon the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED that Application No. 35927 be and it is hereby denied.

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

Dated at San Francisco, California, this 30th day of December, 1954.


President







Commissioners

Commissioner Verne Scoggins, being necessarily absent, did not participate in the disposition of this proceeding.