

ORIGINALDecision No. 51606

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 general)
 commodities (commodities for which)
 rates are provided in Minimum Rate)
 Tariff No. 2).

Case No. 5432
 Petition No. 40, filed July 28,
 1954, and amendments thereto
 filed August 3, 1954, and
 November 23, 1954.

Arlo D. Poe and Robert D. Boynton, for Motor Truck
 Association of California and Truck Owners'
 Association of California, petitioners.

J. C. Kaspar, for Western Motor Tariff Bureau,
 interested party.

L. J. Seely, William M. Larimore, Willard S.
Johnson, A. W. Merrifield, Robert Minardi,
Armand Karp, Becky Schnitzer, Aaron Glickman,
John M. Smith, H. B. Johnston, Jr., and L. Scott
Litcher, for various respondent carriers.

Thomas C. Borden, E. E. Collins, D. E. Carroll,
Robert N. Lowry, P. J. Arturo, Edson Abel,
R. L. Whitehead, E. R. Chapman, R. H. Hackley,
G. V. Pomares, W. P. Kent, H. H. Parsons,
John M. Jagers, T. W. Curley, and Louie H.
Walters, for various shippers and shippers'
 organizations, interested parties.

A. R. Day and J. A. McCunniff, for the staff of the
 Public Utilities Commission of the State of
 California.

INTERIM OPINION

This opinion deals with proposals of the Motor Truck
 Association of California and of the Truck Owners Association of
 California that Minimum Rate Tariff No. 2 be revised to provide
 specific charges for refrigeration services furnished in connection
 with the transportation of fresh meats and frozen foods. At present

the tariff does not contain such charges except for refrigeration supplied in connection with the transportation of butter, cheese, margarine, certain canned foodstuffs, soap, lard and related articles. Establishment of the sought charges would result in increases in the minimum rates.

In justification of their proposals petitioners allege in effect that the rates in Minimum Rate Tariff No. 2 reflect primarily the costs of transporting general freight and do not take into account additional costs which are incurred in providing refrigerated transportation service. The principal costs involved assertedly are (a) the additional costs incurred in the operation of enclosed, insulated vans instead of the vehicles used in trucking operations generally and (b) the costs of providing the refrigeration necessary to protect the lading. Petitioners state that in the absence of adequate minimum rate provisions, fresh meat and frozen foods are being transported at rates which are unduly low and discriminatory. They urge that additional charges as sought be established in order to bring about a reasonable and nondiscriminatory basis of rates for the service.

Public hearings on the proposals were held before Examiner C. S. Abernathy at San Francisco on November 16, 17 and 18, 1954. Evidence in support of the petition was submitted by the research director and by an accountant for the Motor Truck Association of California. A transportation engineer and a rate expert of the Commission's staff presented the results of a study which they had made of refrigeration service and their recommendations with respect thereto. Interested carriers and shippers submitted evidence and statements of position. Closing statements were filed January 13, 1955. The various matters involved are ready for decision.

According to evidence presented by the director of research for the Motor Truck Association of California, the movement of large quantities of commodities under refrigeration is a development which has taken place in recent years. He said that in 1939, when Minimum Rate Tariff No. 2 (then Highway Carriers' Tariff No. 2) was first established, the movement of refrigerated products was relatively small. Since then, however, it has expanded to the point that it now comprises a substantial portion of the traffic handled by highway carriers. By way of indicating the extent that the transportation of frozen foods has increased in volume, the research director submitted statistics showing, among other things, the annual consumption of frozen foods since 1935, and a comparison of the frozen fruit and vegetable pack in California for the years 1951 through 1953. These statistics are reproduced in the margin below.¹

¹
a. Apparent Civilian Per Capita Consumption of Frozen Fruits and Vegetables 1935 to 1939 (average) and 1944 through 1950 (Figures in pounds)

	<u>1935-1939</u> <u>(Average)</u>	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
Frozen Fruits	.8	2.0	2.3	3.1	3.2	3.0	3.5	4.0
Frozen Vegetables	.4	1.6	1.9	2.0	2.6	3.0	3.0	3.4

Source: United States Department of Agriculture

b. Frozen Food and Vegetable Pack in California (In thousands of pounds)

	<u>1951</u>	<u>1952</u>	<u>1953</u>
Frozen Fruits	84,254	94,570	143,668
Frozen Vegetables	200,086	243,105	282,345
Total	284,340	337,675	426,013

Source: Western Frozen Foods Processors Association

The witness asserted that as the frozen food industry has developed, shippers of refrigerated commodities have come to realize that careful temperature control is important to the quality of their products and that, as a consequence, they seek from their carriers facilities which will maintain the temperatures necessary to assure delivery of their goods in a satisfactory condition. He declared that specific recognition of the costs of supplying these facilities should be reflected in the minimum rate structure in order to maintain a stable transportation industry which can adequately meet the shippers' requirements.²

The evidence which was presented by the accountant-witness for petitioner and by the Commission engineer was similar in that both of these witnesses undertook to show the additional costs which the carriers incur in providing refrigeration service. For the purposes of developing their cost figures, both witnesses made surveys to arrive at the costs of the vehicles used in the service and the costs of providing the necessary refrigeration, either by mechanical means or by dry ice (solid carbon dioxide).³ They related these costs to performance data hitherto developed by the Commission's staff in connection with the operation of vehicles used in the transportation

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Testimony in much the same vein was presented by the traffic manager of Exchange Lemon Products Company which maintains a plant at Corona for the processing of various citrus products. This witness said that his company requires the carriers who transport its frozen products to furnish equipment which can maintain specified temperatures while the goods are in transit; that the cost of this equipment exceeds the costs of equipment used in the transportation of nonrefrigerated commodities and that the carriers should be compensated for the specialized equipment and services which they provide.

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Although ordinary ice is used for some purposes as a refrigerant, it was not considered by the cost witnesses in their respective studies. They said that ordinary ice is relatively more costly and it is not capable of maintaining temperatures necessary to give the degree of protection required by most of the commodities involved.

of freight generally to arrive at costs of refrigeration service in terms of cents per 100 pounds. The resultant figures were then compared with costs of transporting such freight, as disclosed in Exhibit 9-4 of record in this general proceeding.⁴ The differences between the data were represented as the additional costs of the refrigeration service. According to the engineer's calculations, the costs of transporting commodities under refrigeration exceed those of transporting general freight by about 14 per cent. With two exceptions, the cost differentials which were developed by the accountant-witness are somewhat greater. The additional costs of refrigeration service which were reported by these witnesses for representative distances are set forth in the table below:

Table No. 1

Additional Costs in Cents per 100 Pounds of Transporting
Commodities Requiring Refrigeration (See Notes)

Minimum Weight (Pounds)		30 Miles	75 Miles	150 Miles	350 Miles	500 Miles	Between Los Angeles and San Francisco or Sacramento Territories
10,000	(a)	4.5	5.9	6.3	9.1	10.8	8.8
	(b)	4.1	5.3	6.2	9.3	10.2	8.9
20,000	(a)	3.7	4.9	5.6	8.2	9.9	8.0
	(b)	2.9	4.2	5.1	8.2	9.2	8.2
30,000	(a)	3.2	4.5	5.0	7.7	9.4	7.5
	(b)	2.7	3.9	4.9	7.9	9.0	7.7

- (a) Cost data of petitioner's accountant.
(b) Cost data of Commission engineer.

Note 1. The costs shown are for transportation performed in 35-foot semi-trailers mechanically refrigerated. Higher costs apply to transportation in 21-foot semi-trailers or when refrigerant is dry ice.

Note 2. No allowance for profit is included in the cost figures set forth in this table.

⁴ Exhibit 9-4, entitled "Report on Cost of Transporting Property by Motor Vehicle Equipment within California," was developed by transportation engineers of the Commission's staff and was made part of the record in Case No. 5432 on July 22, 1953. The accountant-witness, in his study, drew also from data included in Exhibit No. 874 in a precedent proceeding, Case No. 4808. This exhibit, entitled "Report on the Cost of Transporting Property by Motor Vehicle Equipment in Shipments of 10,000 Pounds and Over within California," was also developed by engineers of the Commission's staff. It was received in evidence in Case No. 4808 on May 16, 1952.

Upon the basis of the cost figures of the accountant-witness and of the engineer, respectively, the research director for the Motor Truck Association of California and the rate expert who presented evidence on behalf of the Commission's staff each submitted proposed scales of additional charges which they recommended be assessed when refrigeration service is provided. The research director, in explaining his proposal, said that he had endeavored to relate the charges closely to costs for the reason that the motor carrier industry is of the view that minimum rates best serve the public when this relationship obtains.⁵ He said that for local transportation, however, the rates which he proposed would fall short of returning costs. He asserted that this departure from the general objective is necessary in order to enable the carriers to meet potential proprietary competition which is present where the distances involved are short. Three scales of charges were recommended by the research director whereas the Commission rate witness proposed only one. The Commission witness declared that the cost differences between the weight groups are not sufficiently great to warrant separate scales of charges. The additional charges which were

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The "costs" employed by the research director in the development of his recommended scale of charges represents the total additional outlays incurred by the carriers in the performance of the service, as reflected in the cost study of the accountant, plus an allowance for profit, before income taxes, as indicated by an operating ratio of 90 per cent. The Commission rate expert likewise included an allowance for profit in the determination of his proposal. It appears that the profit factor included in the charges proposed by the rate expert is slightly less than that of petitioner's witness.

recommended by the two rate witnesses, respectively, are set forth in Table No. 2, below:

Table No. 2

Additional Charges in Cents per
100 Pounds for Refrigeration Service

Miles		Petitioner			Commission Rate Witness
Over	But Not Over	Any Quantity	Min. Wt. 20,000 lb.	Min. Wt. 30,000 lb.	All Weights
0	15	3	2	1½	2
15	30	4	3	2½	3
30	50	5	4	3½	3
50	100	6½	5½	5	4½
100	150	7	6	5½	6
150	200	7½	6½	6	6
200	300	8½	7½	7	7
300	400	10	9	8½	9
400	500	11½	10½	10	9
500 and over		12½	11½	11	10
Between Los Angeles Territory and San Francisco Terri- tory or Sacramento Territory.		10	9	8½	7

In addition to recommending the foregoing charges which would apply in connection with the rates named specifically in Minimum Rate Tariff No. 2, the research director and the rate expert also submitted recommendations concerning the charges to be assessed for refrigeration services provided in conjunction with rates of rail carriers. Provisions of Minimum Rate Tariff No. 2 permit highway carriers to assess the rates of rail carriers for the same transportation. Both witnesses pointed out that the tariffs of rail carriers in California provide several bases for determining the charge to be made for refrigeration, and that in the circumstances it is very

difficult to determine what the correct rate is for the "same transportation" when the transportation is performed wholly by motor vehicle. For purposes of definiteness petitioners' witness urged that when refrigerated transportation service is provided by highway carriers at rail rates, the scale of additional charges which he proposed be made to apply in lieu of the charges specified in the rail tariffs. He said that because of its definiteness, such a scale of charges would be capable of enforcement by the Commission. He asserted that it would not result in higher charges than those which the rail carriers are now assessing. The Commission rate expert, in his recommendations, also undertook to limit the charges to be applied to refrigerated transportation provided by highway carriers under the alternative provisions of Minimum Rate Tariff No. 2. For refrigeration service provided in connection with fresh meats he proposed that the charges for "Standard Refrigeration" apply, and that for commodities described as "cold pack" or "frozen" the charges in the rail tariffs for "Mechanical Refrigeration" apply.⁶

Petitioners' purposes in the present phase of this proceeding have been described heretofore as the establishment of specific charges for refrigeration service furnished in connection with the transportation of fresh meats and frozen foods. More specifically, petitioners propose that the sought charges apply to commodities coming within the following description:

"Meats, fresh (including rabbits),
All commodities classified 'cold pack' or 'frozen'
in the Western Classification, in the Exception
Sheet, or in Minimum Rate Tariff No. 2."

⁶ "Standard refrigeration" and "mechanical refrigeration" were defined by the witness as follows:

Standard refrigeration: That provided by the use of water ice in the bunkers or tanks of rail refrigerator cars.

Mechanical refrigeration: That provided by rail cars equipped with mechanical refrigeration devices.

In discussing the matter, the director of research said that the sought charges, if established, would apply to a large part, but not all, of the traffic which requires protective refrigeration service. He said that the problem of determining proper charges for all commodities requiring that service is of such magnitude that petitioners concluded that the scope of the undertaking should be confined initially to those commodities which account for the predominance of the traffic requiring the service at all times under ordinary circumstances.

With two exceptions, the proposals which the Commission rate witness made in this regard correspond to those of the director of research. In addition to recommending that refrigeration charges be made applicable to fresh meats and to the cold pack or frozen foods described, the Commission witness proposed that the charges apply to certain other commodities which, his study had disclosed, are transported in a frozen condition. He recommended also the cancellation of commodity ratings in Minimum Rate Tariff No. 2 which apply to frozen fruit and vegetable juices in cans. He asserted that the tariff is inconsistent in that the commodity ratings for fruit and vegetable juices do not apply to the fruits and vegetables themselves when frozen, in cans. The proposed cancellation was recommended to correct this inconsistency.

The traffic manager of J. Christenson Company, a carrier specializing in the transportation of refrigerated commodities in central and northern California, opposed the limiting of refrigeration charges to only those commodities included in the groups specified by petitioners' rate witness (the research director) or by the Commission rate expert. He submitted a list of commodities which he had compiled from the shipping records of his company to show that

numerous other articles move under refrigeration. He asserted that if petitioners' or the rate expert's proposals are adopted, his company will be confronted with practical operating difficulties of trying to justify to its shippers the additional charges on the specific commodities involved when concurrently it is maintaining lower charges for other commodities being given the same service. He recommended that the Commission broaden the scope of the proceeding to cover all commodities transported in refrigerated service. This recommendation was supported by the company's counsel who urged that if on this record it is deemed that the recommendations of petitioners should be adopted, the charges should be established on an interim basis and that the matter be further considered as soon as possible to the end that refrigeration charges be established for all commodities that require that service.

Swift & Company and Armour & Company, packers and distributors of meat and meat products, and Libby, McNeil & Libby, a processor of canned and of frozen foods, opposed petitioners' proposal on the grounds that the present rates, by classification and by the level of the rates themselves, include sufficient provision for the costs of refrigeration service. The representatives of Swift & Company and of Armour & Company asserted that in contrast to frozen foods, fresh meat has been transported in volume as a refrigerated commodity for years, that this fact was recognized in the rates when the present rate structure was established in 1939, and that the present rates are sufficiently compensatory to cover the costs of transporting fresh meat under refrigeration. They pointed out that on the basis of the cost data which were submitted by the Commission engineer, the present minimum rates for the transportation of fresh meat in truckload lots between Los Angeles and San Francisco produce an operating ratio of 94.5 per cent. They calculated that if the

rates were increased as proposed by petitioners the resultant operating ratio would be 83.9 per cent and that if the rates were increased as recommended by the Commission rate expert, the operating ratio would be approximately 86 per cent. The meat company witnesses also said that their respective companies engage in a substantial volume of proprietary transportation in addition to shipping a large volume of meat and meat products by for-hire carriers. They asserted that if additional charges are applied to fresh meat as proposed, even greater usage of the companies' facilities than at present will result. The witnesses for Swift & Company declared, furthermore, that the sought charges, if established and applied to fresh meat, would have to be passed on in full to California cattle growers and that the growers would thereby be placed in a disadvantageous position in relation to competing growers in other states.⁷

Representatives of Kraft Foods Company and of Foremost Dairies, Inc., companies engaged in the processing and distribution of dairy and other food products, attacked the recommendations in so far as they would result in a single scale of charges for the entire range of temperatures under which refrigeration service is furnished. This range, the evidence shows, covers two general temperature zones which run from five degrees below zero to 20 degrees above zero, and from 32 degrees above zero to 45 degrees above zero, Fahrenheit, respectively. According to opinion testimony of petitioners' and of the Commission's cost witnesses, the differences in costs between the two zones are not of sufficient volume to have any significant effect upon the charges that might be prescribed on a state-wide basis. On the other hand, the shipper witnesses, who said that they

⁷ In a closing statement filed subsequent to the hearings, Swift & Company also alleged unlawful discrimination should refrigeration charges be applied to some but not all commodities requiring that service.

had considerable experience in operating refrigerated equipment, declared that the cost differences are material and that refrigeration charges should contain appropriate differentials to reflect these charges. They presented testimony to show that substantially more dry ice or much greater usage of mechanical refrigerating equipment is required to maintain below-freezing temperatures than is needed for temperatures in the higher range.

Exceptions to the proposals which were taken in other respects relate to the form of the charges and to the recommended cancellation of the commodity ratings applicable to frozen canned foodstuffs. Publication of refrigeration charges as separate charges to be added to the transportation charges was opposed by the shippers on the grounds that refrigeration is an integral part of the transportation of refrigerated commodities, that assessing the charges separately would add unnecessarily to costs which are incurred by shippers and carriers alike in the processing of freight bills and that it would aggravate enforcement problems of the Commission. The representatives of J. Christenson Company, the carrier specializing in the transportation of refrigerated commodities, supported incorporation of the refrigeration charges in the transportation rates in the interests of tariff simplicity. Cancellation of the commodity rating for frozen canned foodstuffs was opposed by the traffic manager of Exchange Lemon Products Company for the reason that it would result in substantial increases in rates applicable to his company's products and would also, he asserted, be unduly discriminatory.

A statement of position regarding the matters herein involved was submitted by a commercial agent for the Southern Pacific Company. This witness testified that the Southern Pacific Company does not offer scheduled refrigerator car service for less-carload

shipments, that it transports only a small volume of shipments in such service, and that the service it does provide is subject to a minimum charge equivalent to that applicable to shipments of 15,000 pounds moving at the fourth-class rate. He said that his company has no objection to the proposals providing that with establishment of the refrigeration charges it is not required to reduce its present minimum charge.⁸

Discussion and Conclusions

At the outset it should be stated that the following conclusions are deemed to be established by the record herein and that these conclusions appear to be basic to the issues involved in this instant matter:

- a. During the past 15 years motor carriers in California have been called upon to provide an increasing amount of refrigerated transportation service.
- b. Such service now constitutes a substantial part of the carriers' total services.
- c. Refrigerated transportation is an exacting service which requires close control over temperatures in order to maintain the quality of the commodities being transported.
- d. The service is a specialized type of transportation which necessitates the use of specialized equipment.
- e. The service is more costly to perform than is the transportation of commodities generally.
- f. Material elements of costs, applicable to refrigerated transportation, are not reflected in the cost data upon which rates in Minimum Rate Tariff No. 2 are based.

In these circumstances, petitioners' main thesis herein, that the transportation of refrigerated commodities is largely a development that has taken place since Minimum Rate Tariff No. 2 was established and that the tariff does not adequately reflect the conditions under which the transportation is performed, appears to be generally substantiated. This further conclusion applies even with respect to the limited extent that refrigeration charges

⁸ Petitioners' proposal would affect only the less-carload rates of the rail carriers. The rail carload rates are not involved herein.

are named in the tariff, inasmuch as it appears that the basis of those charges is essentially the same now as it was when the charges were established in 1940 and 1941.

Although it thus appears that the present provisions of Minimum Rate Tariff No. 2 have not been designed for and are not wholly suited to the transportation of refrigerated commodities, it also appears that the adjustments which petitioners propose would not result in just, reasonable and nondiscriminatory rates for the service. In view of the matters which have been brought into focus herein - - in view of the showing of the distinctive and specialized nature of the transportation - - it is evident that establishment of an appropriate rate structure for the service requires consideration of the applicable factors on a broader scale than that which was advanced herein. The issues which are involved on the larger basis may not be resolved equitably on the confines of this record. It appears that they should be the subject of further studies. To the extent that refrigeration charges may be prescribed herein, they should be considered as interim adjustments, established until a more comprehensive record can be developed.

The cost data which were submitted by the Commission engineer include, in addition to the incremental costs referred to above, a showing of the total costs of refrigerated service on a state-wide basis and the costs applicable to transportation between designated territories. Comparison of these costs with the carload rates in Minimum Rate Tariff No. 2 based on class ratings of less than 4th Class, i.e., class ratings of 5, A, B, C, D and E or multiples thereof, shows that these rates are substantially below the amounts necessary to return the costs plus a reasonable profit

and that for the mileages for which the costs were developed the deficiencies are generally more than the additional charges which petitioners seek.⁹ The volume of the differences between the fifth-class rates and the engineer's costs is indicated in Table No. 3 below. The fifth-class rates, it appears, apply to the majority of the refrigerated commodities which move at carload rates subject to minimum weights of 30,000 pounds or more.

Table No. 3

Comparison of Fifth-Class Rates with Costs of Transporting Shipments of 30,000 Pounds or More in Refrigerated Service
(Figures in Cents per 100 Pounds)

Miles		5th Class Rates	Costs (See Note)
Over	But Not Over		
25	30	13.5	22.4
30	35	14.5	
70	80	22.0	32.4
140	150	33.5	43.5
150	160	34.5	
325	350	60.0	70.5
350	375	62.0	
475	500	74.0	84.6
500	525	78.0	

Note: The cost figures herein include allowance for profit before income taxes as indicated by an operating ratio of 93 per cent.

Similar or greater differences than those shown above exist with respect to the carload commodity rates which the tariff names,

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In arriving at his cost data the engineer admittedly did not give consideration to the cost increases which were the subject of Petition No. 29 in this numbered proceeding. Had these increases been reflected in the engineer's figures, the differences between his costs and the carload rates would be even greater than those indicated on this record.

From a cost standpoint the evidence is clear that increases within the limits of the petition in this matter should be authorized in the carload rates to which reference is made above. Although this finding does not reflect factors other than costs, it appears that in view of the magnitude of the differences between the costs and rates the conclusions herein would be unchanged were all other factors that may bear upon the rates known and taken into account. The indicated increases will be authorized by the order which follows. However, similar increases will not be authorized in other of the tariff rates applicable to refrigerated transportation. The evidence with respect to the propriety of increasing these other rates is less definitive. Before increases in these rates are authorized, the Commission should be fully informed regarding the pertinent factors to which the rates are subject.

Application of Refrigeration Charges to Fresh Meat

The increases hereinafter provided will be made to apply in connection with the commodities classified as "cold pack" or "frozen" in the Western Classification, in the Exception Sheet, or in Minimum Rate Tariff No. 2. Although petitioners' and the Commission's rate witnesses both proposed that additional charges be assessed also for refrigeration service furnished in connection with the transportation of fresh meat, the record does not establish the propriety of additional charges for this commodity of the volume which the witnesses recommended. The record is persuasive that there is material difference between the costs of maintaining the temperatures necessary for the safe transportation of frozen commodities and those for fresh meat. What this cost differential is and what would be reasonable additional charges for refrigeration service for fresh meat are not determinable from data of record.

Cancellation of Commodity Ratings for Frozen Canned Foodstuffs;
Application of Refrigeration Charges to Frozen Commodities
other than those Described as "Cold Pack" or "Frozen"

The recommendations of the Commission rate witness that commodity ratings now applicable for the transportation of certain frozen canned foodstuffs be canceled will not be adopted. Neither will his recommendation be adopted that the additional charges for refrigeration service be made applicable to various commodities which are transported in frozen form but which are not embraced by the commodity descriptions set forth in the petition in this matter. Both of these proposals transcend the announced scope of the instant phase of this proceeding. As to the alleged tariff inconsistencies, the correction of which was the primary purpose of the rate witness in recommending cancellation of the commodity ratings, it does not appear that the witness made any investigation to determine whether the special circumstances and conditions upon which the ratings were established have changed to the extent that continuance of the ratings is no longer justified.

Charges for Refrigeration Service Provided in
Connection with Transportation Performed under
Alternative Provisions in Minimum Rate Tariff No.2

The basis of charges which the Commission rate witness recommended be applied for refrigerated transportation service provided under the alternative provisions of the tariff appears more appropriate than that proposed by petitioners. The evident purpose of the alternative provisions is to enable highway permit carriers to compete ratewise with common carriers, as defined in the Public Utilities Act, for transportation of the same kind and quantity of property between the same points. The proposal of petitioners would go beyond this objective, however, since admittedly it would result in refrigeration charges that in many cases would be lower or substantially lower than those of rail carriers. On the

other hand, greater rate equality would be maintained under the proposal of the Commission rate witness inasmuch as the same scale of refrigeration charges would be applied to the highway transportation of "frozen" or "cold pack" commodities as is applicable to rail movements by mechanically refrigerated cars. The recommendations of the Commission witness in this regard will be adopted.

Long and Short Haul Departures

Petitioners requested that with the establishment of refrigeration charges common carriers be authorized to depart from the provisions of Article XII, Section 21, of the State Constitution and of Section 460 of the Public Utilities Code which prohibit the assessing of greater charges for the transportation of a like kind of property for a shorter than for a longer distance over the same line or route in the same direction. This request was directed toward modification of outstanding authorizations to the same extent that Minimum Rate Tariff No. 2 is amended. The requested modifications for this purpose appear justified. The sought authority will be granted.

One further comment that must be made relates to the form that the rate adjustments should take. The form that will be adopted will be that of additional charges. In view of the limited nature of the adjustments, it is preferred in the interests of tariff simplicity. Although certain opposition was voiced to establishment of refrigeration charges in this form, it appears that the parties have no serious objection thereto if confined to an interim adjustment.

As has been stated heretofore, the additional charges for refrigeration service which are established by the following order are to be considered as interim adjustments. This phase of Case No. 5432 will be continued to permit the development of a more complete record. Subsequent hearings for this purpose will be scheduled at a later date.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that the existing minimum rates, rules and regulations, as contained in Minimum Rate Tariff No. 2, should be revised to the extent provided in the order which follows. To this extent the above-numbered petition, as amended, will be granted.

INTERIM ORDER

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

IT IS HEREBY ORDERED:

1. That Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended) be, and it is, hereby further amended by incorporating therein, to become effective August 1, 1955, original and revised pages as attached hereto and designated as follows:

Fifteenth Revised Page 3 Cancels Fourteenth Revised Page 3
Original Page 22-A
Seventh Revised Page 23 Cancels Sixth Revised Page 23
Fifth Revised Page 46-A Cancels Fourth Revised Page 46-A
Sixth Revised Page 48 Cancels Fifth Revised Page 48
Fifth Revised Page 49 Cancels Fourth Revised Page 49

2. That common carriers subject to the Public Utilities Act and to said Decision No. 31606, as amended, except common carriers by railroad, be and they are hereby authorized and directed to establish in their tariffs the increases necessary to conform with the further adjustment herein of that decision.

3. That tariff publications required or authorized to be made by common carriers as a result of the order herein may be made effective not earlier than the effective date hereof on not less than five days' notice to the Commission and to the public; and that such required tariff publications shall be made effective not later than August 1, 1955.

4. That common-carriers 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 Section 460 of the Public Utilities Code to the extent necessary to adjust long and short haul departures now maintained under outstanding authorizations.

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

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

Dated at San Francisco, California, this 28th day of June, 1955.

Arthur E. Mitchell
President
Justus D. Casper
Paul J. [unclear]
[unclear]
[unclear]
Commissioners

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Addition, Decision No. **51606**

EFFECTIVE . AUGUST 1, 1955

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

Correction No. 662

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)																																				
	<p style="text-align: center;">CHARGES FOR REFRIGERATION SERVICE</p> <p>Charges shown below shall be assessed; in addition to all other applicable charges provided in this tariff, for the transportation of all commodities described as "Cold Pack" or "Frozen" in the Western Classification, in the Exception Sheet or in this tariff on carload class rates for Classes 5, A, B, C, D and E or multiples thereof, and on such commodity rates that refer to this item; subject to Note 1.</p>																																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" data-bbox="350 690 965 723" style="text-align: center;">MILES</th> <th data-bbox="965 690 1494 794" rowspan="2" style="text-align: center;">Additional Charges (In Cents per 100 Pounds)</th> </tr> <tr> <th data-bbox="350 723 631 794" style="text-align: center;">Over</th> <th data-bbox="631 723 965 794" style="text-align: center;">But Not Over</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">15</td> <td style="text-align: center;">1½</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">30</td> <td style="text-align: center;">2½</td> </tr> <tr> <td style="text-align: center;">30</td> <td style="text-align: center;">50</td> <td style="text-align: center;">3½</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">100</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">100</td> <td style="text-align: center;">150</td> <td style="text-align: center;">5½</td> </tr> <tr> <td style="text-align: center;">150</td> <td style="text-align: center;">200</td> <td style="text-align: center;">6</td> </tr> <tr> <td style="text-align: center;">200</td> <td style="text-align: center;">300</td> <td style="text-align: center;">7</td> </tr> <tr> <td style="text-align: center;">300</td> <td style="text-align: center;">400</td> <td style="text-align: center;">8½</td> </tr> <tr> <td style="text-align: center;">400</td> <td style="text-align: center;">500</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">500</td> <td style="text-align: center;">and over</td> <td style="text-align: center;">11</td> </tr> </tbody> </table>		MILES		Additional Charges (In Cents per 100 Pounds)	Over	But Not Over	0	15	1½	15	30	2½	30	50	3½	50	100	5	100	150	5½	150	200	6	200	300	7	300	400	8½	400	500	10	500	and over	11
MILES		Additional Charges (In Cents per 100 Pounds)																																			
Over	But Not Over																																				
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500	and over	11																																			
#185	BETWEEN	AND	8½																																		
	SAN FRANCISCO TERRITORY as described in Item No. 270-3 SACRAMENTO (See Item No. 260-7)	LOS ANGELES TERRITORY as described in Item No. 270-3																																			
	LOS ANGELES ZONE 1 as described in the Distance Table	SANTA ANA	3½																																		
	SAN JOSE or SANTA CLARA	SAN FRANCISCO	3½																																		
		OAKLAND	3½																																		
	SAN FRANCISCO or SOUTH SAN FRANCISCO	ALAMEDA, ALBANY, BERKELEY, EL CERRITO, EMERYVILLE, OAKLAND, PIEDMONT, RICHMOND, SAN LEANDRO, SAN PABLO, or STEGE	3½																																		
	<p>NOTE 1.--(a) Mileages to be used in determining the minimum charge in connection with shipments transported under the provisions of Items Nos. 160, 170, 210, 220 or 230 shall be computed in the same manner as the mileage employed in determining the line-haul rate specifically named in this tariff.</p>																																				

(b) The minimum charge applicable in connection with shipments moving under combinations of rates named in this tariff shall be determined under the provisions of Item No.190.

Addition)
◇ Increase) Decision No. 51606

EFFECTIVE AUGUST 1, 1955

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 663

Cancels

Item No.	SECTION NO. 1--RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
190-B Cancels 190-A	<p style="text-align: center;">APPLICATION OF COMBINATIONS OF CLASS AND COMMODITY RATES</p> <p>In the event two or more rates are named in this tariff for the same transportation, the lower rate shall apply. In the event a combination of rates makes a lower aggregate through rate or charge than a single rate, such lower combination of rates shall apply.</p>
200-E Cancels 200-D	<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>(a) Common carrier rates, except rates of coastwise common carriers by vessel, 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 than results from the application of the rates herein provided. (See Notes 1, 2 and 3.)</p> <p>*(b) Team track-to-team track rates of common carriers by railroad or of common carriers by vessel operating over inland waters may be applied in lieu of the rates provided in this tariff, in connection with transportation between established depots in the same cities or unincorporated communities in which such team tracks are located, when such team track-to-team track rates produce a lower aggregate charge than results from the application of the rates provided in this tariff for depot-to-depot movements. (See Notes 1, 2 and 3.)</p> <p>NOTE 1.--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> <p>NOTE 2.--In determining the aggregate charge by railroad of transporting shipments of hay and related articles, as described in Item No. 657, there shall be added to the rail rate 37 cents per ton for shrinkage.</p> <p>NOTE 3.--In determining the aggregate charge by railroad for the transportation of shipments of commodities classified "cold pack" or "frozen" in the Western Classification or Exception Sheet, the charge for refrigeration service shall be the charge for Mechanical Refrigeration Service named in the applicable rail tariff or tariffs.</p>
	<p>* Change) # Addition) Decision No. 51606 ◇ Increase)</p>
EFFECTIVE AUGUST 1, 1955	
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> <p>Correction No. 664</p>	

Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents per 100 Pounds		
	COMMODITY	BETWEEN	AND	RATES Subject to Note 1	Minimum Weight In Pounds
*605-E Cancels 605-D	Butter, dairy, Cheese (including cottage cheese and pot cheese), Margarine	SAN FRANCISCO TERRITORY as described in Item No. 270-3	LOS ANGELES TERRITORY as described in Item No. 270-3	127	Any Quantity
				90	4,000
				73	10,000
				62	20,000
				51	24,000
				47	30,000
			42	40,000	
<p>NOTE 1.—(a) When any component part of a split pickup shipment or a split delivery shipment as defined in Item No. 11 is received at and delivered to points between which rates in this item are applicable to other than split pickup or split delivery shipments, the component part or component parts so received and delivered shall be rated as a separate shipment under the provisions of this item.</p> <p>(b) Application of the provisions of Item No. 160 (split pickup) or Item No. 170 (split delivery) to the rates named in this item shall be limited to split pickup shipments or split delivery shipments, all of the component parts of which are received at or delivered to points of origin or destination located in San Francisco or Los Angeles Territories as described in Item No. 270 or located on any of the highway routes described in Item No. 900. In connection with such split pickup or split delivery shipments the rates named in this item are intermediate in application subject to Item No. 900.</p> <p>*(c) Rates named in this item subject to a minimum weight of 20,000 pounds or more do not include refrigeration service. Except as provided in paragraph (d), when shipments subject to such rates are furnished refrigeration service at shipper's request the charge therefor shall be 2 cents per 100 pounds. This rate shall be applied to the weight on which transportation charges are assessed to determine the refrigeration charges.</p> <p>#(d) For transportation of cold pack or frozen butter or margarine, subject to minimum weights of 30,000 pounds or more, an additional charge of 8½ cents per 100 pounds shall be made. The provisions of Item No. 185 shall not apply.</p>					
<p>* Change) ◊ Increase) Decision No. 51606 # Addition)</p>					
EFFECTIVE AUGUST 1, 1955					
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p>					
Correction No. 665					

Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents per 100 Pounds					
	COMMODITY	BETWEEN	AND	RATES				
	*Canned Goods and Other Articles as described in Item No. 610 (See Note 1)	SAN FRANCISCO TERRITORY as described in Item No. 270-3	SAN JOAQUIN VALLEY TERRITORY as described in Item No. 270-2	Apply Distance Rates shown below subject to Item No. 100				
		SACRAMENTO (See Item No. 260-7)						
		STOCKTON (See Item No. 260-9)						
	MILES	RATES	MILES	RATES				
	Over	But not Over	Minimum Weight 20,000 Pounds	30,000 Pounds	Over	But not Over	Minimum Weight 20,000 Pounds	30,000 Pounds
*620-F cancels 620-E	0	5	8	7½	110	120	27½	24
	5	10	9	7½	120	130	28½	24
	10	15	10½	8½	130	140	29½	25
	15	20	11½	9	140	150	33½	27
	20	25	11½	10½	150	160	34½	28½
	25	30	12½	10½	160	170	37	29½
	30	35	13½	11½	170	180	39	33½
	35	40	13½	11½	180	190	40	34½
	40	45	15	12½	190	200	42	37
	45	50	16	15	200	220	47	39
	50	60	16	15	220	240	50	42
	60	70	18	15	240	260	53	47
	70	80	21	17	260	280	54	49
	80	90	22	18	280	300	57	52
	90	100	24	21	300	325	60	55
	100	110	25	22	325	350	63	56
					350	375	65	62

NOTE 1.—Rates named herein subject to minimum weight of 30,000 pounds are subject to the additional charges named in Item No. 185 when the commodities are classified as a cold pack or frozen in the Western Classification, Exception Sheet or this tariff.

* Change)
 ◊ Increase) Decision No. 51605
 # Addition)

EFFECTIVE AUGUST 1, 1955

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

Correction No. 666

Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents per 100 Pounds	
	COMMODITY	BETWEEN	AND	RATE
	Canned Goods and Other Articles as described in Item No. 610, Minimum Weight 30,000 Pounds	SAN FRANCISCO TERRITORY as described in Item No. 270-3 SACRAMENTO (See Item No. 260-7) STOCKTON (See Item No. 260-9)	LOS ANGELES BASIN TERRITORY as described in Item No. 270	(1)(2)43
630-E Cancel 630-D	<p>(1) Subject to Item No. 900.</p> <p>(2) When accessorial services are rendered by carrier in connection with shipments moving under rates in this item the following charges shall be in addition to rate shown:</p> <p> (a) When refrigeration service is furnished for other than cold pack or frozen commodities, an additional charge shall be made of 2 3/4 cents per 100 pounds.</p> <p>* (b) On commodities classified cold pack or frozen in the Western Classification, Exception Sheet or this tariff, an additional charge of 8 1/2 cents per 100 pounds shall be made. Provisions of Item No. 185 will not apply.</p> <p>* (c) For loading or unloading other than tailgate loading or tailgate unloading - 3 1/2 cents per 100 pounds.</p> <p>* (d) For other accessorial charges, see Items Nos. 140 and 180.</p>			
<p>* Change } ◊ Increase } Decision No. 51606</p>				
EFFECTIVE AUGUST 1, 1955				
Issued by the Public Utilities Commission of the State of California, San Francisco, California.				
Correction No. 667				