

Decision No. 51724**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Freight Lines)
 Express, a corporation, and Southern)
 California Freight Forwarders, a) Application No. 36846
 corporation, to cancel joint rates.)
)

Wyman C. Knapp, for Pacific Freight Lines Express
 and Laird M. Hall for Southern California
 Freight Lines and Southern California Freight
 Forwarders, applicants.

J. C. Kaspar and R. D. Boynton, for California
 Trucking Associations, Inc., interested party.

O P I N I O N

Applicants herein are engaged in the common carriage of property as express corporations. Among other things they conduct a joint service under rates which are set forth in Joint Express Tariff No. 5, Cal. P.U.C. No. 5, published by Southern California Freight Forwarders. By their application in this proceeding they seek authority to cancel the joint rates and thereby to discontinue the joint service. They allege that changes in circumstances which have taken place since the rates and service were established have been of such consequence that there no longer is justification for continuance of the joint operations.

Public hearing of the application was held before Examiner C. S. Abernathy at Los Angeles on May 6, 1955.¹

The joint service was established in July, 1940. Applicants state that at that time and for several years thereafter there were but few highway common carriers operating in the territory covered by the service. They say, however, that subsequent

1

Heard on the same record were Applications Nos. 36849 and 36850, involving proposals of Pacific Freight Lines to cancel joint rates with California Motor Express, Ltd. and with Valley Express Co.

to World War II there was a substantial increase in the volume of highway common carriage as a result of entry of new carriers into the field or as a result of expansion of service of existent carriers.² Applicants assert in effect that because of these developments need no longer exists for the joint service which they provide.

To indicate the extent that the points of origin and destination to and from which the joint service applies are now served by applicants directly or in conjunction with their affiliates, the traffic manager for Pacific Freight Lines Express submitted an exhibit showing that a total of 510 points are involved; that Pacific Freight Lines Express and Pacific Freight Lines serve 448, or about 88 per cent, of these points either individually or together; that Southern California Freight Forwarders and Southern California Freight Lines serve 323, or about 65 per cent, of the points either individually or together, and that there are only 57 points which are not common points between the two groups of carriers. As to these last points, assertedly they are either served also by other carriers or there is relatively little traffic moving to or from these points.

The traffic manager for Pacific Freight Lines Express also showed the results of a survey which he had made to relate more specifically the alternative services to the joint traffic involved. His survey covered the traffic which moved in the joint service during the month of February, 1954, and shows that a total of 394 shipments involving 122,000 pounds of freight were so transported. Of this number, 385 shipments moved between points which, both as to origin and destination, are local to Pacific Freight Lines; 7 shipments moved between points where other joint service is provided, and only 2 shipments involving 747 pounds of freight moved between points for which no service other than a combination of local services

² Included in the latter group of carriers are highway common carrier affiliates of applicants. These affiliates, Pacific Freight Lines and Southern California Freight Lines, are the principal underlying carriers for Pacific Freight Lines Express and Southern California Freight Forwarders, respectively.

would be available were the joint service in issue herein discontinued.

According to a similar survey which was made by the assistant traffic manager of applicant Southern California Freight Forwarders, 86 shipments were transported in the joint service during the month of January, 1955. As to these shipments other joint service was available to all but two shipments which involved a total of 293 pounds of freight.

Both of applicants' witnesses asserted that cancellation of the joint rates as proposed would have little effect on the volume of the charges which the public pays for the transportation of its shipments. They said that some differences in charges would follow because of differences, for example, between certain tariff provisions governing the joint services involved herein and the tariff provisions which would apply if the shipments moved in other of applicants' services.³ Higher charges would apply, moreover, to those shipments which would become subject to combinations of local rates. Except for these differences, however, which were indicated as being minor in relation to the over-all aspects of the proposal, the witnesses declared that the rates which would become applicable with the cancellation of the joint rates are basically the same as the joint rates.

Notices of the hearing in this matter were sent by the Commission's secretary to persons and organizations believed to be interested. Notices were also published in the Commission's calendar. No one appeared in opposition to granting of the application.

From the record herein it appears that cancellation of the joint rates, as applicants propose, will not adversely affect the public interest and that the sought cancellation should be authorized. Although the justification which applicants advanced in support of

3

It appears that the differences would result in both increases and reductions of charges under the joint rates.

their proposal is rested largely upon a general showing of availability of other services, it appears more specifically that applicants or their affiliates, Pacific Freight Lines and Southern California Freight Lines, will continue to transport much of the traffic involved and that substantial diminution of service to the public will not result from cancellation of the joint rates.

With reference to the effect that cancellation of the joint rates would have upon the volume of the rates and charges being paid by the shipping public, the record is clear that, generally speaking, there would be no change. The principal increases that would result would stem from application of higher minimum charges which applicants maintain in their local tariffs and in joint tariffs which they maintain with their respective affiliates. These higher charges were established after public hearing and for good cause shown. Cancellation of the joint rates in issue herein would correct what appears to be inequitable rate relationships under which applicants are assessing lesser charges for their joint services than those which they have shown to be justified for their local services and for joint services with their affiliates. Although somewhat more substantial increases would result where the charges assessed would be computed on a combination of local rates, the instances where these charges would apply appear to be relatively few. As against these increases it appears that the public interest would be better served with the elimination of conflicting tariff provisions and the resultant simplification of applicants' tariffs and those of their affiliates. ✓

4

In so far as Pacific Freight Lines and Southern California Freight Lines are concerned, it appears that one result of cancellation of the joint service would be a change in their participation in the traffic from that of underlying carriers for applicants to that of principal carriers dealing directly with the shippers and consignees.

Upon careful consideration of all the facts and circumstances of record, the Commission is of the opinion and finds as a fact, that cancellation of the rates which applicants maintain for their joint services has been shown to be justified. The application will be granted.

ORDER

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

IT IS HEREBY ORDERED that Pacific Freight Lines Express and Southern California Freight Forwarders be, and they hereby are, authorized to cancel their joint rates, rules and regulations which are set forth in Southern California Freight Forwarders' Joint Express Tariff No. 5, Cal. P.U.C. No. 5.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 18th day of July, 1955.

James J. Adams
President
Ray G. Winterer
Marion J. Cook
Bob Hardy

Commissioners

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