

Decision No. 51831**ORIGINAL**

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) Case No. 5432
 carriers and city carriers relating)
 to the transportation of general)
 commodities (commodities for which)
 rates are provided in Minimum Rate)
 Tariff No. 2).

SUPPLEMENTAL OPINION AND ORDER

Section 530 of the Public Utilities Code provides, among other things, that common carriers subject to Part 1 of the Code may transport free or at reduced rates property for the United States, state, county, or municipal governments.¹

Amendments to Section 530, recently enacted to become effective September 7, 1955, remove the general right to transport property for governmental agencies free or at reduced rates, but permit exceptions as follows:

"The commission may permit common carriers to transport property at reduced rates for the United States, state, county, or municipal governments, to such extent and subject to such conditions as it may consider just and reasonable. Nothing herein shall prevent any common carrier subject to the provisions of this part from transporting property for the United States, state, county, or municipal governments, at reduced rates no lower than rates which lawfully may be assessed and charged by any other such common carrier or by highway permit carriers as defined in the Highway Carriers' Act."²

¹Reduced rates assessed by the common carriers under such circumstances have not been required to be filed with the Commission. See Decision No. 42031 of September 14, 1948, in Case No. 4808 (48 Cal. P.U.C. 237); and in re County of Los Angeles vs. A.T. & S.F. Railway Co., et al., Decision No. 20328 of October 15, 1928, in Case 2302, et al., (32 CRC 296, 307).

²Section 530 also provides that common carriers may transport free or at reduced rates property for charitable or patriotic purposes, or to provide relief in cases of general epidemic, pestilence, or calamity, or to or from fairs or expositions for exhibit thereat. These provisions are unchanged under the 1955 amendments.

The second sentence of the quoted paragraph provides in effect (as an exception to the new requirement that common carriers assess their tariff rates on property transported for governmental agencies unless the Commission permits otherwise) that common carriers may meet any rates which lawfully may be assessed by any other such common carrier or by highway permit carriers. On most traffic, minimum rates for highway permit carriers have been established by the Commission. On some traffic, however, no rates have been established as applied to highway permit carriers. As to the latter traffic, therefore, under the amended statute, common carriers subject to Part 1 of the Code may assess rates with the same freedom as may permit carriers.

As a matter of administrative control, the common carriers will be required hereinafter to file with the Commission statements of reduced rates quoted to governmental agencies for the transportation of property under the foregoing exception of Section 530 of the Code. Reduced rates beyond the scope of the exception may be permitted only upon application to the Commission and a finding by the Commission that they will be just and reasonable.

Minimum Rate Tariffs No. 2 (general commodities) and No. 10 (cement) contain a provision that highway permit carriers may deviate from the minimum rates in connection with the transportation of property for the armed forces of the United States. This provision was established in the tariffs so that highway permit carriers could compete with common carriers who were then not subject to their tariff rates nor to the minimum rates on such traffic under the provisions of Section 530 prior to its amendment (see Decision No. 42031, supra). If this provision were retained in the minimum rate tariffs, not only the permitted carriers but also the common carriers would be without the rate regulation which clearly was contemplated under the recent legislative enactment. In view of the amendment of Section 530, and the resultant changed circumstances, the exception will be canceled from the two minimum rate tariffs by separate orders.

Adjustment of or departures from the established minimum rates may be authorized in the future as the need therefor may be shown.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that common carriers subject to Part 1 of the Public Utilities Code who offer to transport property free or at reduced rates for the United States, state, county or municipal governments at rates no lower than rates that may be assessed or charged by any other such common carrier or by highway permit carriers, be and they are hereby directed to file with the Commission, not later than five days after a quotation of such lower rates is made, statements in triplicate of the rates quoted and the period during which such rates are to be in effect.

IT IS HEREBY FURTHER ORDERED that statements filed pursuant to the foregoing ordering paragraph shall be open to public inspection.

This order shall become effective September 7, 1955.

Dated at San Francisco, California, this 16th day of August, 1955.

[Signature]
President
Justice J. Crocker
[Signature]
[Signature]
[Signature]
Commissioners