

Decision No. 52323

**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 relating to )  
 the transportation of general )  
 commodities for which rates are )  
 provided in Minimum Rate Tariff )  
 No. 2. )

Case No. 5432  
 Petition for Modification  
 No. 54

- A. R. Kerstetter and F. S. Kohles for Valley Motor Lines, Inc. and Valley Express Company, petitioners.
- E. R. Chapman for Foremost Dairies.
- R. D. Boynton and J. C. Kaspar for California Trucking Associations, Inc., interested parties.
- Arthur Mooney for the Commission's staff.

O P I N I O N

By petition filed April 30, 1955 as amended August 8, 1955, Valley Express Company, an express corporation, and Valley Motor Lines, Inc., a highway common carrier, request the establishment of a new route from Sacramento to the Los Angeles Basin Territory to apply only in connection with the rate on canned goods as named in Item 630-D of Minimum Rate Tariff No. 2. The new route as proposed would follow U. S. Highway 99 from Sacramento to Los Angeles Basin Territory, as does the present established route, the only departure therefrom being at Turner on said highway thence via Simms, Escalon, Riverbank, Empire and Hughson to Turlock where the route would return to U. S. Highway 99.

At the public hearing held October 18, 1955 before Examiner J. E. Thompson at San Francisco, petitioners stated that essentially it is their desire to be authorized to publish rates based upon the proposed route but that they were advised by the Commission's staff to file a petition seeking amendment to the

minimum rates. Petitioners, who are affiliated companies and will be henceforth called Valley herein, stated they would present evidence relating only to Valley's operations to support granting them authority to publish rates on the basis of the proposed route. Provided the Commission desired to amend the minimum rates so that all carriers could avail themselves of rates resulting from the proposed route, Valley had no objection.

The California Trucking Associations, Inc. opposed the establishment of the proposed route and opposed the granting of authority to petitioners to publish rates based upon the route.

Evidence was presented through testimony of the petitioners' general traffic manager and of the assistant traffic manager of Foremost Dairies. The testimony reveals that Valley was approached by Hershel Canning Co. and Foremost Dairies respecting the establishment of a rate on their traffic equal to the rate prescribed for transportation of canned goods between Sacramento and Los Angeles Basin Territory and intermediate points on U. S. Highway 99. It appears that while straight shipments move from these shippers at rail rates, split delivery shipments must move at the rates prescribed in Minimum Rate Tariff No. 2. The minimum rates applicable are combinations of the Sacramento-Los Angeles rate of 43 cents plus the distance rate from point of origin to the nearest point on U. S. Highway 99 of  $10\frac{1}{2}$  cents in the case of Riverbank and  $9\frac{1}{2}$  cents in the case of Hughson.<sup>1</sup>

At present Hershel Canning Co. tenders its shipments to Valley at the latter's terminal in Modesto, allegedly in order to avoid the additional  $10\frac{1}{2}$ -cent rate applicable for a distance of

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Rates are subject to a minimum weight of 30,000 pounds and the resulting charges are subject to the five percent surcharge prescribed in Decision No. 51688.

tenmiles from Riverbank to Modesto. According to the testimony, the handling of shipments over the terminal results in a greater cost to petitioners than would obtain if the shipments were picked up at the shipper's plant at Riverbank. Some 1,057 tons of canned goods were stated to have been handled by Valley for Hershel Canning Co. during the period September 20, 1954 to September 14, 1955.

Foremost Dairies' plant at Hughson ships straight shipments at the rail rate. According to their assistant traffic manager they have occasion to ship split delivery shipments into the basin territory and would like to have rate parity with points on U. S. Highway 99 which is only six miles from Hughson.

#### Conclusion

It is clear that the premise underlying the petition is that if the 43-cent rate is reasonable from Sacramento and points along U. S. Highway 99, that the same rate should be reasonable from a point nearer to destination and only five to ten miles from the route traversed. The fallacy of such premise has been clearly set forth in Decision No. 31606 in a discussion respecting the request of two shippers that the Sacramento-Los Angeles point-to-point rates apply to Lincoln and the San Francisco-Los Angeles point-to-point rates apply to White Hills.<sup>2</sup>

"Nor should the competitive situation of the Lincoln and White Hills shippers be taken care of by the extension of the point-to-point rates to cover broader territories or to apply from and to points which are not in fact intermediate. While it may be said that the inclusion of Lincoln in the Sacramento group, or the authorization of a departure from the normal route to serve White Hills, would not increase the distance over which the point-to-point rates apply to any extent, those rates are sensitive to several factors other than distance. If distance were to be taken as the sole guide, and gradual extensions such as those here sought were granted, eventually only the state boundaries would limit the distance for which application of the point-to-point rates would be

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<sup>2</sup>

41 CAL PUC 671 at page 692.

sought. Where circumstances surrounding particular transportation would justify lower rates, relief should be accorded through the establishment of commodity rates."

Petitioner has not presented evidence showing that the authority sought is reasonable or justified.

O R D E R

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

IT IS HEREBY ORDERED that the authority sought in Petition for Modification No. 54 filed by Valley Motor Lines, Inc., and Valley Express Company be and it is hereby denied.

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

Dated at San Francisco, California, this 5<sup>th</sup> day of December, 1955.

[Signature]  
President

[Signature]

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Commissioners