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Decision No. __54509__

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)   Case No. 5432
to the transportation of general)   (Pet. No. 68)
commodities (commodities for which) (First and Second Supplemental)
rates are provided in Minimum Rate)
Tariff No. 2).)

SUPPLEMENTAL OPINION AND ORDER

Southern California Freight Lines, a highway common
carrier, and Southern California Freight Forwarders, an express
corporation, by Decision No. 51885 of August 30, 1955, in this pro-
ceeding, were authorized to publish a rate of 65 cents per ton,
minimum weight 50,000 pounds per day the carriers' equipment is
operated, which rate is lower than the established minimum rate, for
the transportation of diatomaceous earth, in sacks, and empty sacks
returning, between Walteria and Torrance, a distance of approxi-
mately 6.7 miles round trip. By Decision No. 53698 of August 29,
1956, an interim order was issued in First Supplemental Petition
No. 68 reducing the rate of 65 cents per ton to 55.1 cents per ton
but limited to a 180-day period pending answer to the question of
whether the rates authorized herein should be placed in the minimum
rate tariffs. This authority is scheduled to expire February 26, 1957.

On January 15, 1957, petitioners filed their Second Supple-
mental Petition No. 68 seeking to extend the previous authority and
to increase the rate from 55.1 cents per ton to 58.7 cents per ton.
The petition states that, although there have been no increases in
wage costs, other costs, such as fuel costs and repair costs, have

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increased and the federal use tax which became effective July 1, 1956, is a new cost chargeable to tractors. A cost study submitted with the supplemental petition shows that the proposed rate would return full cost and make provision for a profit. The Commission's staff has reviewed the study and recommends granting the petition.

Minimum rates established by this Commission may not exceed the current rates of common carriers by land (Public Utilities Code, Sec. 3663). Accordingly, the rates authorized for and published by the petitioners herein become the minimum rates for all carriers. There is now in issue in another proceeding the question whether, or under what circumstances, the type of rates herein proposed shall be established in the minimum rate tariffs.[1] The proposed rate in the second supplemental petition will be authorized pending the resolution of this question.

In the circumstances it appears, and the Commission finds, that the proposed rate is reasonable and justified by transportation conditions. This is a matter in which a public hearing is not necessary. The second supplemental petition will be granted. However, as the conditions under which the transportation is performed may change at any time, the authority will be limited to a one-year period, unless sooner canceled, changed or extended by order of the Commission. In view of the expiration date of the present authority, the order herein will be made effective February 26, 1957.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Southern California Freight Lines and Southern California Freight Forwarders be and they are
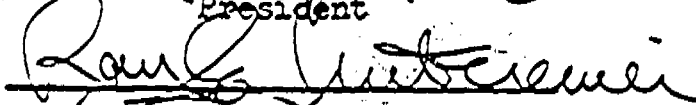
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[1] Case No. 5438 (Pet. No. 12) - George C. Smith, Jr., doing business as Smith Transportation Co.

hereby authorized, on not less than five days' notice to the Commission and to the public, to publish and file, to expire February 26, 1958, a rate of 58.7 cents per ton for the transportation of diatomaceous earth in sacks, minimum weight 50,000 pounds for each day the carriers' equipment is operated, and empty sacks returning, between Walteria and Torrance. Said rate shall not include loading or unloading of carriers' equipment, but shall include the transportation of pallets without charge.

This order shall become effective February 26, 1957.

Dated at San Francisco, California, this //*th* day of February, 1957.

President

Commissioners