

**ORIGINAL**Decision No. 54663

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SACRAMENTO FREIGHT LINES, INC., and )  
 Arthur R. Altnow, doing business as )  
 LODI TRUCK SERVICE to cancel joint )  
 rates. )

Application No. 38463

O P I N I O N

Applicants are highway common carriers of general commodities. For the purpose of this proceeding Sacramento Freight Lines, operates from certain points in the San Francisco Bay area and from Sacramento, on the one hand, to points east of Oroville along State Highways Nos. 24 and 89 and U. S. Highways Nos. 40, 40 Alternate and 395. Points along this route include Belden, Greenville, Taylorsville, Keddie, Quincy, Portola, Herlong and intermediate points. Lodi Truck Service operates between points in the San Francisco Bay Area, Rio Vista, Thornton, Locke, Terminous, Pinole, Pittsburg, Sacramento, Stockton, Wallace, Burson and Victor, via any or all of the following routes: U. S. Highways Nos. 40, 50, 99, State Highways Nos. 4, 12, 24, 88, 104, and unnumbered connecting highways.

By this application, as amended, authority is sought, under Section 454 of the Public Utilities Code, to cancel through service, through routes and joint rates established between points served by Sacramento Freight Lines, on the one hand, and those served by Altnow, on the other. The rates in question were published pursuant to Decision No. 51494 of May 24, 1955, as amended, in Application No. 36933.<sup>1</sup>

<sup>1</sup> The joint rates are set forth in Pacific Coast Tariff Bureau Tariff No. 16, Cal. P.U.C. No. 19 of C. R. Nickerson, Agent.

The rates here in issue are maintained upon the same level as the minimum rates named in Minimum Rate Tariff No. 2. Authority to establish the through service, through routes and joint rates was granted upon representation that it would be advantageous to the public to be able to make through shipments over applicants' lines under joint rates which were lower than combinations of the local rates of the respective carriers.

The request to cancel such through service and joint rates involves a consideration of the effect their discontinuance will have upon such shippers as may have come to rely upon the service and rates. Also inherent in cancellation of joint rates is the establishment of higher rates, combinations of local rates, for movements between the points which might take place in the future. Section 454 of the Public Utilities Code requires a showing before the Commission and a finding by the Commission that increases in rates are justified.

In the application it is alleged that during the period these rates have been effective no traffic has been offered to, nor been handled by, applicants between the points involved. It is further stated that it is very unlikely that any tonnage would materialize from the continuance of the arrangement and that to continue the effectiveness of a dead rate and route without the carriers deriving any traffic and revenue from it is needless tariff expense. Applicants point out that cancellation of the joint rates as proposed will result in increases which will be merely technical, inasmuch as traffic between the points is nonexistent via their combined lines. The carriers offer to reestablish the rates if a future need or demand for them arises.

An associate transportation rate expert of the Commission staff made a study in connection with the application, in the course

of which he interviewed responsible officers of the two carriers and reviewed their records. The results of that study are set forth in a document which is hereby incorporated in the record herein as Exhibit No. 1.

The staff study discloses the following facts:

A search was made through applicants' freight bills to determine whether any movements had taken place under the joint rates. Hundreds of freight bills, picked at random over all of the period involved were reviewed. The bills were for both the certificated and permitted carrier operations of applicants. Because the records of Lodi Truck Service were available by shipper classification, a search was made of the shipping practices of many shippers likely to have shipments to the joint rate points served by Sacramento Freight Lines.

No shipments subject to the joint rates were found to have taken place by either certificated or permitted operations. Moreover, the rate expert was informed that no arrangement for division of revenues from joint hauls had ever been set up by these carriers.

The owner of Lodi Truck Service stated that when the joint rates were sought he had no shippers specifically in mind who would use the service; that he was nevertheless anxious to develop traffic and had offered the through service without results. The traffic manager of Sacramento Freight Lines stated that he did not know, and had been unable to ascertain, who the shippers were for whom the joint rates were established. He explained that he had been employed as traffic manager after the rates had been established. He further stated that he knows of no shippers in the Feather River area where the Sacramento Freight Lines' points involved are located, who are now potential users of the rates. He pointed out that there is no

manufacturing in that area and that supplies moved thereto generally come from San Francisco Bay points.

The staff study shows also that the certificated rights of Sacramento Freight Lines have been recently enlarged to include service from and to San Francisco Bay points. The study indicates that most, if not all, points on the line of Altnow which are not now reached by Sacramento Freight Lines direct have the benefit of joint rates of the latter carrier with certain other highway common carriers. In this connection, the record shows that much reliance is placed by Sacramento Freight Lines upon the changed operating circumstances as justification for the proposed cancellation of joint rates.

No one has opposed the granting of the authority herein sought.

After consideration, the Commission is of the opinion and finds as a fact that the proposed cancellation of joint rates has been justified. The application will be granted. A public hearing is not necessary.

#### 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 ORDERED that Sacramento Freight Lines, Inc., and Arthur R. Altnow, doing business as Lodi Truck Service, be and they are hereby, authorized to cancel, on not less than thirty days' notice to the Commission and to the public, joint rates embraced by the application filed in this proceeding.

IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of MARCH, 1957.

[Signature]  
President  
[Signature]  
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Commissioners