

ORIGINALDecision No. 54714

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 to the)
 transportation of general commodities)
 (commodities for which rates are pro-)
 vided in Minimum Rate Tariff. No. 2.))

Case No. 5432
 Petition for Modification
 No. 65

Ralph S. Schmidt, Jack E. Moore, and Cromwell Warner,
 for Monrovia Chamber of Commerce, petitioner.

Arlo D. Poe, J. C. Kaspar, and James Quintrall,
 for California Trucking Associations, Inc.,
 interested party.

Roy N. Millice, for Fontana Chamber of Commerce,
 interested party.

Norman B. Haley and Rudolph A. Lubich, for the
 staff of the Public Utilities Commission of
 the State of California.

OPINION ON FURTHER HEARING

This phase of Case No. 5432 is brought on petition of the Monrovia Chamber of Commerce for rehearing and further hearing on matters covered by Decision No. 53283, dated June 28, 1956, which denied a request of said Chamber of Commerce for broadening of the description of Los Angeles Territory, as set forth in Item No. 270 series of Minimum Rate Tariff No. 2, to include the City of Monrovia and certain contiguous areas. Inclusion of Monrovia in the Los Angeles Territory would place that city on a basis of minimum rate parity with other cities and communities in the Los Angeles Territory with respect to the transportation of general commodities between the Los Angeles area on the one hand and the San Francisco Territory

and Sacramento on the other hand.¹ At present the rates to and from Monrovia on a mileage basis are approximately 15 to 30 percent higher than the rates to and from the Los Angeles Territory.

Petitioner's original request for enlargement of the Los Angeles Territory to include Monrovia was advanced on the basis that the differences in rates are not justified by differences in transportation conditions and that the higher rates to and from Monrovia are unjust, unreasonable and unduly discriminatory against shippers and receivers of freight in the Monrovia area. Decision No. 53283 denied the request on the grounds that an alleged similarity of transportation conditions had not been shown to be a fact. In its petition for rehearing and reconsideration the Monrovia Chamber of Commerce reasserted its allegations of unreasonableness and discrimination and requested opportunity to supplement its original showing with additional evidence.²

On November 15, 1956, subsequent to notice to persons and organizations believed to be interested, further hearing on the matters involved was held before Commissioner Rex Hardy and Examiner C. S. Abernathy at Monrovia. Further evidence in petitioner's behalf was presented through eleven witnesses. Representatives of the California Trucking Associations, Inc., and of the Commission's staff participated in the development of the record. Closing arguments were filed on December 14 and 17, 1956, by petitioner and by

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The San Francisco Territory and Sacramento are areas which are defined in Items Nos. 270 and 260 series, respectively, of Minimum Rate Tariff No. 2.

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By order dated August 29, 1956, the Commission granted the petition for rehearing.

the California Trucking Associations, Inc., respectively. The matter is ready for decision.

Petitioner's showing herein as reflected in the combined record developed on the original hearing and on the further hearing may be summarized as follows:

- a. The City of Monrovia has experienced substantial growth since Minimum Rate Tariff No. 2 was established in 1939.
- b. Monrovia manufacturers ship considerable quantities of freight to the San Francisco Territory.
- c. Said manufacturers compete in the San Francisco markets with manufacturers and jobbers located in the Los Angeles area.
- d. Because of the lower rates which apply from the Los Angeles Territory to the San Francisco Territory, manufacturers in Monrovia are at a disadvantage in competing in markets in the San Francisco Territory with jobbers and manufacturers in the Los Angeles Territory.
- e. Monrovia is not more distant from the San Francisco Territory and Sacramento than are numerous other points which are located within the Los Angeles Territory.
- f. The cost of providing pickup or delivery service in the Monrovia area in connection with shipments to or from the San Francisco Territory and Sacramento is substantially the same as the costs of picking up or delivering like shipments in the Los Angeles Territory.

According to testimony of the Monrovia manufacturers who were called on petitioner's behalf, their shipments to the San Francisco Territory during 1955 totaled more than six million pounds, and their receipts from the territory during the same period were virtually the same poundage. About two thirds of the northbound volume by weight consisted of truckload shipments, the remainder being less truckload. Practically all of the southbound shipments were truckload shipments.

The territorial rates which petitioner seeks to have made applicable to and from the Monrovia area are exceptions to the mileage rates which otherwise apply as minima throughout the State for the transportation of general commodities. As indicated hereinbefore, the territorial rates are lower than the mileage rates for like distances. The territorial rates were established to give effect to lower costs stemming from (a) a rather even distribution of tonnage as between northbound and southbound movements which enables the carriers to attain relatively high load factors, and (b) an unusually heavy volume of tonnage moving between the territories which enables the carriers to experience favorable use factors in the operation of their equipment.³

On the more complete record herein it appears that the circumstances which apply to shipments to and from Monrovia are substantially similar to those which justified the establishment of the territorial exceptions to the mileage rates. In so far as the distribution of tonnage is concerned, the evidence is clear that the tonnage moving northward from the Monrovia area to the San Francisco and Sacramento areas is in close balance with the movements in the reverse direction. It appears, moreover, that the volume of the movements may be classified as reasonably heavy, inasmuch as the reported tonnage represents approximately 175 truckloads each of approximately 36,000 pounds in each direction a year. Undoubtedly the total tonnage involved would be in excess of the reported tonnage, inasmuch as the reported tonnage represents the shipments of only

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A further consideration was the fact that railroads and other common carriers had long maintained rates for transportation between the San Francisco Bay territory and the Los Angeles metropolitan area on a lower scale than for equivalent distances between other points in the State.

about ten percent of the industrial concerns in the Monrovia area.⁴ Aside from the matter of the distribution and volume of tonnage, it appears that the carriers' costs per trip between Monrovia and the San Francisco Territory and Sacramento are much the same as those for corresponding trips from and to points in the Los Angeles Territory. Monrovia is as close to or nearer to the San Francisco and Sacramento areas than are approximately 40 percent of other cities and communities in the Los Angeles Territory. Because of this similarity in distances, the costs of transporting truckloads (which costs are largely proportional to length of haul) would likewise be similar. With respect to less truckload movements, where the cost of handling through carriers' terminals is an element to be considered, Monrovia is within the same approximate radius from the carriers' terminals as about one third of the cities and communities in the Los Angeles Territory.⁵ Although distance is but one factor of costs, it seems reasonable to conclude that the costs of pickup and delivery service in Monrovia would fall within the same range of costs of pickup and delivery service as the other of the cities and communities indicated above.

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It is not presumed that with an increase in number of reporting shippers there would be a proportionate increase in reported tonnage, for the industrial firms which submitted tonnage figures herein are probably the larger concerns in Monrovia. Nevertheless, it seems incontrovertible that the reported tonnage would be greater than that shown above were it to reflect all of the shipments involved of the concerns located within the Monrovia area.

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Official notice is taken of the Commission's records which show a concentration of the carriers' terminals within the general area within a radius of about three miles of that portion of the City of Vernon known as the Central Manufacturing District.

In view of these several considerations it is concluded and found that the conditions applicable to the transportation of general commodities between the San Francisco Territory and Sacramento on the one hand and the Monrovia area on the other hand correspond to conditions applicable to like transportation between the San Francisco Territory and the Los Angeles Territory. It is further concluded and found that subject to certain exceptions discussed below, granting of the petition for enlargement of the Los Angeles Territory to embrace Monrovia and certain contiguous areas is justified.

This conclusion is reached notwithstanding arguments of the California Trucking Associations, Inc., that the problems posed in the instant matter are a result of the economic growth which the Los Angeles metropolitan area and adjacent areas in San Bernardino, Riverside and Orange Counties have experienced during the past twenty years; that in view of this economic growth a general revision of the Los Angeles Territory may be desirable; that the problems should be considered in their over-all aspects in order to arrive at a sound solution and that piecemeal consideration of the problems in response to petitions of individual communities will not contribute to that solution but will merely aggravate the complexities of the matters which must ultimately be decided. These arguments, it appears, look toward a more general revision of the Los Angeles Territory than the revision which is contemplated herein and which is confined to determination of whether the Los Angeles Territory, as it is constituted at present, should be extended in order to provide equality of rate treatment under an equality of shipping circumstances. As indicated above, it appears that in this limited sense, inclusion of Monrovia in the present Los Angeles Territory is justified by distance, volume of tonnage, distribution of tonnage and other factors

which combine to place Monrovia on a similar footing, transportation-wise, with other areas in the territory, and that Monrovia shippers and receivers should not be penalized by the delay which would occur in the determination of any proceeding wherein a general revision of the Los Angeles Territory would be an issue.

The order which follows will provide for the enlargement of the Los Angeles Territory to include the City of Monrovia and the contiguous areas south thereof. The City of Arcadia and the unincorporated community of Temple City will also be included to give effect to the intermediate application of the rates which will apply to and from Monrovia. The petition will be denied, however, in so far as it would result in inclusion of the area lying to the east of Monrovia wherein is located the community of Duarte. No showing was made which would justify inclusion of this area in the Los Angeles Territory.

O R D E R

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

IT IS HEREBY ORDERED:

1. That Minimum Rate Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended) be and it hereby is further amended by incorporating therein, to become effective May 1, 1957, Fourth Revised Page 34 Cancels Third Revised Page 34, which page is attached hereto and by this reference is made a part hereof.

2. That tariff publications authorized to be made by common carriers as a result of the order herein may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the tariff changes herein involved.

3. That in all other respects the aforesaid Decision No. 31606, as amended, shall remain in full force and effect.

4. That except to the extent it is granted by this order, Petition No. 65 in this proceeding be and it hereby is denied.

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

Dated at Los Angeles, California, this 26th day of MARCH, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p style="text-align: center;">TERRITORIAL DESCRIPTIONS (Continued)</p> <p style="text-align: center;">(Items Nos 270 and 271)</p> <p>3. SAN FRANCISCO TERRITORY includes that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Boundary Line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U. S. Highway No. 101; southerly along an imaginary line 1 mile west of and paralleling U.S. Highway No. 101 to its intersection with the corporate boundary of the City of San Jose; southerly, easterly and northerly along said corporate boundary to its intersection with State Highway No. 17; northerly along State Highway No. 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U. S. Highway No. 40 (San Pablo Avenue); northerly along U. S. Highway No. 40 to and including the City of Richmond; southwesterly along the highway extending from the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco Waterfront at the foot of Market Street; westerly along said water front and shore line to the Pacific Ocean; southerly along the shore line of the Pacific Ocean to point of beginning.</p> <p>3½. SAN FRANCISCO BAY COUNTIES TERRITORY includes that area consisting of the City and County of San Francisco and the Counties of San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.</p> <p>64. Los Angeles Territory includes that area embraced by the following boundary: Beginning at the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northeasterly on Sunset Boulevard to State Highway No. 7; northerly along State Highway No. 7 to State Highway No. 118; northeasterly along State Highway No. 118 through and including the City of San Fernando; continuing northeasterly and southeasterly along State Highway No. 118 to and including the City of Pasadena; easterly along Foothill Boulevard from the intersection of Foothill Boulevard and Michillinda Avenue to Valencia Way; northerly on Valencia Way to Hillcrest Boulevard; easterly and northeasterly along Hillcrest Boulevard to Grand Avenue; easterly and southerly along Grand Avenue to Greystone Avenue; easterly on Greystone Avenue to Oak Park Lane; easterly on Oak Park Lane and the prolongation thereof to the west side of the Sawpit</p>

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Wash; southerly along the Sawpit Wash to the north side of the Pacific Electric Railway right of way; easterly along the north side of the Pacific Electric Railway right of way to Buena Vista Street; south and southerly on Buena Vista Street to its intersection with Meridian Street; due south along an imaginary line to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Beverly Boulevard; southeasterly on Beverly Boulevard to Painter Avenue in the City of Whittier; southerly on Painter Avenue to Telegraph Road; westerly on Telegraph Road to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Imperial Highway; westerly on Imperial Highway to State Highway No. 19; southerly along State Highway No. 19 to its intersection with U. S. Highway No. 101, Alternate, at Kimeno Street; southerly along Kimeno Street and its prolongation to the Pacific Ocean; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and U. S. Highway No. 101, Alternate; thence northerly along an imaginary line to point of beginning.

(Continued)

* Change }
& Reduction } Decision No. 54714

EFFECTIVE MAY 1, 1957

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 711