

ORIGINAL

Decision No. 56295

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
D. J. GLARDON, operating under the)
duly established name of HARBOR)
TRANSFER CO., for permission to)
charge less than established rates)
for transporting goods and wares as)
dealt in by retail grocery stores)
and grocery store warehouses.)
(Transportation for which rates are)
provided in Minimum Rate Tariff)
No. 9-A.))

Application No. 39446

Milton Hallen, for applicant.

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

Jackson W. Kendall, for Bekins Van & Storage Co.,
interested party.

R. A. Lubich and Leonard Diamond, for the staff
of the Public Utilities Commission of the
State of California.

O P I N I O N

D. J. Glardon is engaged in the business of transporting property as a for-hire carrier within and about the City of San Diego under permits authorizing operations as a highway contract carrier, as a radial highway common carrier, and as a city carrier. By this application, as amended, he seeks authority, in connection with his city carrier operations, to deviate from the provisions of Minimum Rate Tariff No. 9-A by charging lesser rates than those which apply as minimum for certain transportation which he performs within San Diego for Safeway Stores, Inc.

Public hearings on the application were held before Examiner C. S. Abernathy at San Diego on November 14, 1957, and at Los Angeles on December 2, 1957. Evidence was presented by applicant through exhibits and testimony. Representatives of the California Trucking Associations, Inc., of Bekins Van & Storage Co., and of the Commission's staff participated in the development of the record. No one appeared in opposition to the application. On December 16, 1957, following the receipt of a late-filed exhibit, the application was taken under submission for decision.

The transportation which is involved in this matter consists of the movement of groceries, grocers' supplies and other specified articles between warehouses of Safeway Stores, Inc. and to said warehouses from rail cars located on a nearby team track. In connection with shipments of 10,000 pounds or more (which shipments constitute the bulk of the shipments transported) applicant seeks authority to assess rates of 10 cents per 100 pounds for shipments subject to a minimum weight of 10,000 pounds and of 9 cents per 100 pounds for shipments subject to a minimum weight of 20,000 pounds. With certain exceptions the minimum rates which apply to this transportation under the provisions of Minimum Rate Tariff No. 9-A are as follows:

Minimum Rates in Cents per 100 Pounds

<u>Rate</u>	<u>Minimum Weight (in pounds)</u>
18	10,000
14	20,000
12	30,000

Applicant testified to the effect that the transportation for Safeway is performed under circumstances which result

in substantially lower operating costs than those which apply to transportation within San Diego generally. He said that the volume of the traffic is in excess of a million pounds per month; that the shipments move in a regular flow which permits the attainment of a high use factor of the equipment employed in the service; that very little supervision over the operations is required; that the length of haul is very short in comparison with other transportation for which the minimum rates apply; that the commodities involved are commodities which are handled and transported easily; that the transportation is performed with virtually no loss or damage to the shipments; and that the handling of the shipments is performed largely by mechanical means which require relatively little manual labor.

Applicant further testified that at the time the rates in Minimum Rate Tariff No. 9-A became effective, on September 1, 1957, he was providing the transportation at a rate of 8 cents per 100 pounds for shipments of 10,000 pounds or more. This rate, he said, had been arrived at as a result of negotiations with Safeway and was more than the minimum rates then in effect. Assertedly, it was a profitable rate. According to figures which he presented to show the charges under the rates in Minimum Rate Tariff No. 9-A, the establishment of these rates have had the effect of increasing the charges for the service by more than 50 per cent. He said that he had been notified by Safeway that from its standpoint the increased rates are excessive for the services involved and that unless he assesses lower rates, Safeway would expand proprietary transportation operations, in which it is now engaged, to include the

transportation in question. Applicant stated that in order to avoid this consequence and the loss of an important segment of his business, he had been performing the transportation since September 20, 1957, at hourly rates which Minimum Rate Tariff No. 9-A also provides. Applicant said that the use of the hourly rates has enabled him to reduce his charges to about the same level as that which would result under the rates herein sought. He said, however, that notwithstanding the lower charges the hourly basis of rates for the service is not satisfactory to Safeway. He urged approval of the sought rates in order that he may assess rates which both as to level and form are acceptable to Safeway.

The record in this matter is clear that the transportation which is involved is performed under particularly favorable operating conditions. It appears that these conditions permit operating economies not generally attainable in the performance of for-hire transportation services within San Diego. It appears, moreover, that the proposed rates would return the costs of the service plus an adequate margin for profit. In the circumstances, the Commission finds and concludes that the proposed rates are reasonable and that granting of the application, as amended, is consistent with the public interest. The sought rates will be authorized. Because the conditions which justify the granting of the sought authority may change, the authority will be made to expire at the end of one year, unless sooner canceled, changed, or extended by order of the Commission.

ORDER

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

IT IS ORDERED that D. J. Glardon, doing business as Harbor Transfer Co., be and he is hereby authorized to deviate from the requirements of Minimum Rate Tariff No. 9-A to the extent of assessing rates which are not less than 10 cents per 100 pounds, minimum weight 10,000 pounds, and 9 cents per 100 pounds, minimum weight 20,000 pounds, in connection with the transportation of groceries and other articles for Safeway Stores, Inc., which transportation is more fully described in Appendix "A" attached hereto and by this reference made a part hereof.

IT IS FURTHER ORDERED that the authority herein granted shall expire one year after the effective date of this order unless sooner canceled, changed, or extended by order of the Commission.

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

Dated at Los Angeles, California, this 3rd day of MARCH, 1958.

W. E. Maxwell
President
Paulo J. Ferrisier
Wm. J. Deane
E. L. Fox

Commissioners

APPENDIX "A" TO DECISION NO. 56295
IN APPLICATION NO. 39446

1. The rate authority granted by this decision applies only in connection with transportation for Safeway Stores, Inc.,
 - a. Between warehouses of Safeway Stores, Inc., located at 715 "J" Street and at 700 East Harbor Street in the City of San Diego, and
 - b. To said warehouses from the 8th Street Teamtrack of The Atchison, Topeka and Santa Fe Railway Company in the City of San Diego.
2. The rate authority granted by this decision applies only in connection with the transportation of groceries, grocers' supplies and other articles in packages in boxes or cartons, or in earthenware, glass or metal cans in boxes or cartons; or in bottles in boxes, cartons or crates, or in bulk in bags, boxes, pails, tubs, metal cans, steel drums or barrels.
3. The term "groceries, grocers' supplies, and other articles," as used in this decision, means the articles which are listed below and merchandise of similar nature or purpose.

Groceries, Grocers' Supplies and Other Articles

Aluminum Foil
Aspic, Fruit or Vegetable

Bakery Goods
Beans and Pork
Beverages, liquid, non-alcoholic
Beverage Preparations, viz.:
 Dry, in packages
 Liquid, in cans or bottles
 Malt; crushed, malt syrup or liquid malt extract
 Malt, or milk and chocolate or cocoa compound

Bicarbonate of Soda
Bird seed and gravel
Bleaches, laundry, liquid or dry
Bluing, laundry, combined with soap, washing compounds or water softening compounds, liquid or dry
Bluing, laundry, liquid or dry
Books
Bread, cake or roll, in metal cans
Bread Crumbs or Meal
Breads
Brine
Broths
Butter, fruit
Butter, peanut
Buttermilk (not Casein) not powdered or flaked

APPENDIX "A" (CONT'D) TO DECISION NO. 56295
IN APPLICATION NO. 39446

Candles
Candy or Confectionery
Celery Salt
Celery Seed
Cereal and nuts combined (meat substitutes)
Cereal Food Preparations, (other than puffed)
Charcoal
Chili Con Carne with or without beans
Chili, ground
Chinaware, earthenware or pottery
Chocolate
Chocolate Coating
Chop Suey Dinner Ingredients
Chowders
Chow Mein Dinner Ingredients
Cocoa
Cocoanut, prepared
Coffee
Coffee, extract of (condensed) dry
Coffee Substitutes, Cereal, Fruit or Vegetable, including
Chikory
Colorings, confectioners'
Compounds; cleaning, scouring, washing or polishing
Compounds, Food Curing, Preserving or Seasoning
Corn
Corn Meal
Corn Starch
Cracker Meal or Crumbs
Cups, paper or pulpboard

Dessert Preparations, including ice cream, jelly, pie, pudding,
or gelatine, other than frozen, with or without inner
containers of dry or liquid flavoring

Feed, animal or poultry, canned, with or without meat or fish
ingredients
Feed, animal or poultry, other than canned, with or without
meat or fish ingredients
Fish, cooked, pickled or preserved, with or without fruit or
vegetable ingredients
Fish Roe, cooked, pickled or preserved
Flour, prepared, edible, including cake mixes, pie mixes,
pancake mixes, breadmaking compounds, muffin or cake
mixes, with or without dehydrated, dried or evaporated
fruit
Fondant, candy
Food, Infants' or Invalids', canned or preserved, other than
frozen
Food, Infants' or Invalids', Cereal
Food, prepared, NOI*
Fruit, crushed

APPENDIX "A" (CONT'D) TO DECISION NO. 56295
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Fruit, dried, evaporated, cooked, cured or preserved
Fruit Drink, concentrated fruit juice
Fruit, or fruit peel, candied, crystallized, glazed or stuffed
Fruit Juice Powders or Crystals

Garlic Chips
Garlic Powder
Gelatine
Glasses, jelly, and their lids
Glassware (tableware)
Glucose
Grain and Grain Products
Gravy
Gum, chewing

Hominy
Honey
Horseradish

Insecticides, liquid, dry or other than liquid or dry

Jam
Jars, mason, and their lids
Jelly
Juice (not syrups), fruit, unfermented, artificial or natural
Juice, including clam and oyster
Juice, sauerkraut
Juice, tomato
Juice, vegetable

Lard, Lard Compounds or Lard Substitutes, including benzoinated
lard, vegetable oil shortening in liquid, semi solid or
plastic form
Liquors, malt, including Ale, Beer, Beer Tonic, Porter and
Stout

Macaroni
Macaroni and cheese, prepared, with or without sauce
Macaroni, prepared, with or without meat or vegetable
ingredients
Marshmallows
Matches
Mayonnaise
Meats, cooked, cured or preserved, with or without vegetable or
cereal ingredients
Milk, Buttermilk, Malted or Dry Milk Solids, powdered or flaked
Milk, condensed or evaporated, liquid
Milk, sterilized, liquid, flavored or not flavored
Mince Meat
Molasses or Syrups
Mushrooms, other than fresh
Mustard

APPENDIX "A" (CONT'D) TO DECISION NO. 56295
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Noodles
Noodles, prepared, with or without cheese, meat or vegetables
Noodles and Cheese, prepared with or without sauce
Nuts, edible, in the shell
Nuts, edible, shelled, plain, salted or sweetened

Oil, cooking, olive, salad or vegetable
Oleomargarine
Olives
Onion Chips
Onion Powder

Pads, cleaning, or cleaning and polishing compounds combined
Paper Bags
Paper, shelf decorating
Paper Towels
Paraffin Wax
Paste, confectioners' or icings
Paste, fruit or vegetable, alimentary
Pectin, fruit or vegetable
Pet Food, NOI*
Pickles, including Cauliflower, Cucumber, Dillweed, Kraut,
Mangoes, Onions and Tomato
Pie Preparations (fruit in syrup or in paste compounded with
flour or sugar and flavored)
Pimentos, canned
Pizza Pie Mix
Popcorn, not popped
Poultry, other than fresh or frozen
Powder, baking or yeast
Powders, icing or confectioners'
Prunes, canned or preserved, in juice, syrup or liquid,
other than alcoholic
Puddings
Pulp, fruit or vegetable
Puree, fruit or vegetable

Ravioli, prepared, with or without cheese, meat or vegetable
ingredients
Rice, cooked or other than cooked
Rice and Milk, cooked

Salads, including fish, macaroni, meat or vegetable
Salad Dressing
Salt, refined or not refined
Sandwich Spreads
Sauce Mixes, including spaghetti, dry or liquid
Sausage Casings, pickled or salted
Sausage, prepared
Shellfish, preserved or cooked, other than frozen

APPENDIX "A" (CONT'D) TO DECISION NO. 56295
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Shortening
Soap or Detergents, powdered or granulated
Soap or Detergents, liquid
Soap or Detergents, other than liquid, powdered or granulated
Soup mixes, dry
Soups
Spaghetti
Spaghetti and cheese, with sauce in combined package
Spaghetti, prepared, with or without cheese, meat or vegetable ingredients
Spices
Starch, liquid or dry
Starch substitutes, liquid or dry
Sugar
Syrups

Table sauces, including Catsup, Prepared Horseradish, Prepared Mustard, and Pepper Sauce
Tableware, plastic, including plates, cups, saucers and other table accessories
Tapioca
Tea
Tea, condensed (instant)

Vegetables, other than fresh or frozen
Vermicelli, prepared, with or without cheese, meat or vegetable ingredients
Vinegar

Water Softening Agents or Detergents, dry or liquid
Wax, polishing, liquid or dry or other than liquid or dry
Waxed Paper
Welsh Rarebit

Whey, condensed or powdered
Yeast

* NOI means Not Otherwise Indexed in Classification No. 1 (Appendix "C" of Decision No. 55256 in Case No. 5439).

(End of Appendix)