

ORIGINAL

Decision No. 57679

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 INTERLINES MOTOR EXPRESS, a corporation,
 for authority under Section 452 of the
 Public Utilities Code of the State of
 California to establish an exception
 rating on Wood Briquettes.

Application No. 40291

Norman R. Moon and Marvin D. Gilardy, for applicant.
Arlo D. Poe, J. C. Kaspar and J. X. Quintrall, for
 California Trucking Associations, protestant.
Joseph Sampietro, for Pres-to-Logs Distributors of
 California, interested party.

O P I N I O N

Interlines Motor Express operates as a highway common carrier between points in this state. Its operations lie generally within the territory bounded by San Francisco and Oakland, on the south, and Alturas, Redding and Eureka, on the north, with service from and to some, but not all, intermediate points. By this application the utility seeks authority to establish in its common carrier tariff an exception classification rating of Class E, minimum weight 36,000 pounds, to apply on truckload shipments of wood briquettes. The sought rating is lower than the rating of Class D, minimum weight 40,000 pounds, presently applicable under the Commission's outstanding minimum rate orders.

¹The Class D rating is published in Item No. 180 of Pacific Southcoast Freight Bureau Exception Sheet No. 1-S.

Public hearing of the application was held before Examiner Carter R. Bishop on September 12, 1958, in San Francisco. Evidence in support of the proposal was adduced through applicant's vice president in charge of sales and through the president of the corporation for which applicant transports the commodity in question.

While applicant proposes to establish the sought Class E rating for application between all points which it serves, the record discloses that all of the wood briquettes handled by Interlines move from Sacramento and West Sacramento to San Francisco and Oakland. The record shows that applicant is concerned actually only with the establishment of the proposed Class E rating between these points. That rate is 22 cents per 100 pounds whereas the presently applicable Class D rate is 24 cents.

Applicant's vice president testified that Interlines has in the past handled a substantial tonnage of wood briquettes from Sacramento to the San Francisco Bay Area. The bulk of the movement is during the winter months. Applicant, he said, has been informed by the shipper that the 22 cent rate is necessary if applicant is to continue to enjoy the wood briquette traffic.

Applicant, the vice president further stated, is satisfied that it can transport the briquettes under the sought rate without financial loss. He pointed out that the heavy movement of freight in applicant's vehicles is from the Bay Area to Sacramento, with a lighter movement westbound. Applicant has ample vehicle space to handle the briquette movement. Moreover, employees are available at Sacramento to perform the loading of briquettes, which can be done² in the morning, when there is little loading of other commodities.

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According to the record, most of the loading of applicant's vehicles takes place during the latter part of the day.

Loading is also facilitated by power-operated devices.

In view of the foregoing circumstances, the vice president stated, the wood briquette traffic will provide a better balance of eastbound and westbound movements between the Bay Area and Sacramento. The proposed 22 cent rate, he said, would return the out-of-pocket cost of transporting the briquettes and would improve applicant's over-all operating results.

The president of the briquette manufacturer testified that because of competition with another briquette producer, the proposed rate of 22 cents is necessary if his company is to continue distribution of its product in the Bay Area. In the event of denial of the sought rate, he said, his company would be forced out of the Bay Area business, unless it should transport the shipments in its own vehicles. The producer does not now have the necessary equipment for such an operation. However, the witness stated his company has been giving considerable thought to the possibility of proprietary operation.

The record indicates that there are rail carload commodity rates on wood briquettes applicable from Sacramento to the Bay Area which are lower than the sought Class E rate. The shipper witness pointed out, however, that these rates do not include split delivery, and rail service is used only when both consignor and consignee are served by spur track and the entire shipment is to be unloaded at a single point. Applicant's services have been utilized, at the applicable class rate, when multiple deliveries were involved. Most of the shipments to the Bay Area have involved such deliveries.

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According to this witness, as many as 15 split deliveries have been made of a single truckload shipment.

Granting of the application was opposed by California Trucking Associations, Inc. ⁴ The Association, its director stated, believes that it would be unsound to adjust the rating here in issue on the "backhaul" theory advanced by applicant. He further stated that if the sought rating should be authorized and established it could be alternatively established and applied by other carriers serving the same points. A movement which is a backhaul for applicant, he added, may be just the reverse for competing carriers.

Conclusions

As previously stated, the application herein resolves itself to a request for the establishment of a rate of 22 cents per 100 pounds, minimum weight 36,000 pounds, in lieu of the present Class D rate of 24 cents, minimum weight 40,000 pounds, on truckload shipments of wood briquettes moving from Sacramento and West Sacramento to San Francisco and Oakland. The record contains no evidence in support of the establishment of a Class E exception rating or of equivalent rates on wood briquettes between points served by applicant other than those mentioned above and points intermediate thereto.

With reference to the rate sought for application between Sacramento-West Sacramento and the Bay points, the record indicates that applicant is satisfied that said rate will return out-of-pocket costs. However, there is no concrete evidence as to either the out-of-pocket costs or the full costs of moving the traffic in question. No cost studies were introduced, which would assist the Commission in determining whether the sought rate of 22 cents would

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At the hearing the representative of California Trucking Associations, Inc., moved that the Commission consolidate Application No. 40291 with Petition for Modification No. 123 in Case No. 5432, or that the decisions in the two matters be rendered concurrently. He further stated that if the motion should be granted the Association is not a protestant in the instant proceeding. The motion is hereby denied.

be compensatory and otherwise just and reasonable. Such evidence as was adduced in support of the application was insufficient to enable the Commission to make a finding authorizing the establishment by applicant of a rate or rating on wood briquettes lower than the Class D rate or rating.⁵

Upon careful consideration of all the evidence we are of the opinion and hereby find that the sought relief has not been justified. The application will be denied.

⁵ It is pertinent here to point out that there is now pending before the Commission Petition for Modification No. 123 in Case 5432, in which Pres-to-Logs Distributors of California, Inc., seek the establishment, in the Commission's Minimum Rate Tariff No. 2, of a state-wide exception rating on "Pres-to-Logs" (wood briquettes) of Class E. Should that petition be granted, applicant herein may, pursuant thereto, reduce its presently published Class D rating to Class E.

ORDER

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

IT IS ORDERED that Application No. 40291 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 2nd day of December, 1958.

E. L. Fox
 President

W. E. Mitchell

Paul L. ...

William J. ...

Commissioners

Commissioner Theodore E. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.