

**ORIGINAL**Decision No. 58269

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 property in the City and County of )  
 San Francisco and the Counties of )  
 Alameda, Contra Costa, Santa Clara, San )  
 Mateo, Marin, Monterey, Napa, Santa )  
 Cruz, San Benito, Solano and Sonoma. )

Case No. 5441  
 (Petition for Modification  
 No. 32)

Arthur R. Woodman, for The Nestle Co., Inc.,  
 petitioner.

L. E. Olander, for Hershey Chocolate  
 Corporation; Ward G. Walkup, in propria  
 persona; Russell Bevans, for Draymen's  
 Association of San Francisco, Inc.;  
J. K. Miller and J. Quintrall, for  
 California Trucking Associations, Inc.;  
 interested parties.

O P I N I O N

By this petition The Nestle Company, Inc., seeks reductions in the classification ratings on (1) milk and chocolate or cocoa compounds, (2) cocoa, with or without sugar, and (3) coffee, extract of (condensed or instant coffee), dry, applicable to movements, in less-than-truckload quantities, between points in San Francisco. The ratings in question apply in connection with minimum class rates provided in City Carriers' Tariff No. 1-A. The presently applicable ratings are second class for milk and chocolate or cocoa compounds and third class for cocoa and coffee extract.<sup>1</sup> An exception rating of fourth class is requested.

Public hearing of the petition was held before Examiner Carter R. Bishop in San Francisco on January 15, 1959.

<sup>1</sup> These ratings are published in Items Nos. 39650 and 40310 of the Western Classification, and in Item No. 300-D of City Carriers' Tariff No. 1-A, respectively.

Evidence in support of the petition was adduced through the Pacific Coast operations manager of The Nestle Company, Inc., and the warehouse office manager of Hershey Chocolate Corporation.<sup>2</sup>

The record discloses the following facts: Nestle manufactures milk and chocolate or cocoa compounds, cocoa, and extract of coffee, among other products, at its plant in Fulton, New York. Hershey manufactures milk and chocolate or cocoa compounds and cocoa, in addition to other products, at its plant in Hershey, Pennsylvania. The latter company does not produce coffee extract. Both concerns ship their products from the eastern factories to San Francisco for warehousing and distribution in the San Francisco area.

Granting of the petition is urged, among other reasons, for the sake of uniformity. The fourth-class less-than-truckload rating now applies within the so-called East Bay Drayage Area on cocoa, and on extract of coffee. On movements between San Francisco and points in the East Bay Drayage Area the fourth-class rating now applies on milk and cocoa compounds, cocoa, and extract of coffee. Shipments of milk and chocolate or cocoa compounds transported within the East Bay Drayage Area are subject to third class, while shipments of milk and chocolate compounds transported between San Francisco and the East Bay Drayage Area take second class.<sup>3</sup> For ready comparison the above-mentioned classification ratings are set forth in tabular form in Appendix "A" hereof.

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The appearance of Hershey was entered as an interested party supporting the granting of the petition.

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According to the petition, on movements of milk and chocolate compounds between San Francisco and the East Bay Drayage Area fourth class is applicable. The authority given is Item No. 822 of Pacific Southcoast Freight Bureau Exception Sheet No. 1-S. However, an examination of that item discloses that it does not mention milk and chocolate compound.

The witnesses drew attention to Decision No. 54616, dated March 5, 1957, in Petition for Modification No. 20, Case No. 5441, in which the Commission reduced the less-than-truckload classification rating on candy and confectionery, applicable within the San Francisco Drayage Area, from third class to fourth class. That decision discloses that the reduction in question was made to place San Francisco draymen on a competitive equality with the East Bay operators, and to promote uniformity of minimum classification ratings within the San Francisco Bay metropolitan area.<sup>4</sup>

The witnesses also compared the transportation characteristics, average densities, values and claim experience of the commodities here in issue with corresponding data for candy and confectionery. The record shows that the values of the subject commodities are lower than those of the latter group; that the densities are slightly lower; that the transportation characteristics are as favorable, if not more so; and that the claim experience of the subject commodities is more favorable than that experienced in the transportation of candy and confectionery. These facts, the witnesses urged, support the reasonableness of prescribing a minimum classification rating for the former commodity group no higher than fourth class.

With reference to extract of coffee, the record shows that the present less-than-truckload rating of third class, applicable within the San Francisco Drayage Area, is published in City Carriers' Tariff No. 1-A as an exception to that provided in the Western Classification. The latter rating is fourth class, the same as that herein sought.

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<sup>4</sup>

The decision in question effected reductions also in the ratings on various other commodities (applicable within San Francisco) to the levels of those applicable within the East Bay Drayage Area.

Granting of the petition was also supported by the Draymen's Association of San Francisco and by an individual engaged in substantial for-hire motor carrier operations within the San Francisco Bay area. The secretary of the Association, speaking for the membership of that body, stated that the draymen strongly support uniformity of classification ratings for movements within the San Francisco-East Bay area. The aforementioned operator expressed like views, indicating the simplicity in rating procedures to be promoted thereby.

No one appeared in opposition to the granting of the petition.

As hereinbefore mentioned, less-than-truckload shipments of milk and chocolate compounds are not subject to fourth class in the compared movements, but take third class within the East Bay, and second class between that area and San Francisco. Also, while milk and cocoa compounds are subject to fourth class between the East Bay and San Francisco, they take third class within the East Bay. Thus the approval of a fourth-class rating for City Carriers' Tariff No. 1-A on milk and chocolate or cocoa compounds, would, in some instances, go beyond the requirements of uniformity. Considered in its entirety, however, the record is persuasive that a fourth-class rating for transportation of the aforementioned compounds within San Francisco is reasonable. Establishment of the sought fourth-class rating on cocoa and on extract of coffee would, of course, achieve uniformity for these commodities with ratings applicable from, to and within the East Bay Drayage Area. As to these latter commodities, the other evidence of record also indicates that a fourth-class rating, for application within San Francisco, is reasonable.

Upon consideration of all the evidence of record, the Commission is of the opinion and hereby finds that the proposed reduction in ratings has been justified. The petition will be granted.

O R D E R

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

IT IS ORDERED that City Carriers' Tariff No. 1-A (Appendix "A" of Decision No. 41363, as amended) be and it is hereby further amended by incorporating therein the revised pages attached hereto and by reference made a part hereof, to become effective May 15, 1959, which pages are numbered as follows:

Tenth Revised Page 4  
Fifth Revised Page 28

In all other respects said Decision No. 41363, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 14<sup>th</sup> day of April, 1959.

E. L. Fox  
President  
John E. ...  
William ...  
Richard ...  
Ernest ...  
Commissioners

## APPENDIX "A"

COMPARISON OF PRESENT LESS-THAN-CARLOAD RATINGS

<u>Commodity Description</u>	<u>Within San Francisco Drayage Area</u>		<u>Within East Bay Drayage Area</u>		<u>Between San Fran- cisco and East Bay Drayage Area</u>	
	<u>Rating</u>	<u>Authority</u>	<u>Rating</u>	<u>Authority</u>	<u>Rating</u>	<u>Authority</u>
Milk and Chocolate Compounds	2	A	3	D	2	A
Milk and Cocoa Compounds	2	A	3	D	4	F
Cocoa, with or without sugar	3	B	4	E	4	G
Coffee, extract of (condensed or instant coffee), dry	3	C	4	E	4	H

Explanation of Tariff Authorities:

- A Item No. 40310, Western Classification No. 77.
- B Item No. 39650, Western Classification No. 77.
- C Item No. 300-D, City Carriers' Tariff No. 1-A.
- D Item No. 340-A, City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A.
- E Item No. 370-C, City Carriers' Tariff No. 2-A - Highway Carriers' Tariff No. 1-A.
- F Item No. 822-A, Pacific Southcoast Freight Bureau Exception Sheet No. 1-S.
- G Item No. 473-E, Pacific Southcoast Freight Bureau Exception Sheet No. 1-S.
- H Item No. 450-A, Pacific Southcoast Freight Bureau Exception Sheet No. 1-S.

## INDEX OF COMMODITIES (Continued)

Only those articles which are named in commodity items or in Exceptions to the Current Classification are shown in the following list.

Commodity	Item Number	Commodity	Item Number
Chinaware, N.O.I.D.N.	290	Decks, Steel	300
Chips, Soap	330	Dessert Preparations	300
#Cocoa, with or without sugar	300	Dishes, paper	320
Cocoanuts ***	620	Earthenware, N.O.I.D.N.	290
Coffee, Green	400,410	Feed	395
Coffee, Roasted	300	File Cabinets	300
#Compounds, Milk and Chocolate or Cocoa	300	Fillers, wood	320
Conduit	320	Fish	300
Containers, Empty	290,690	Flour	390,392
Corn	660	Foodstuffs	300
Corn Grits	395	Freezers	300
Cranberries	610	Freight	425
Crates	690	Fruit, Fresh, N.O.S.	630
Crockery	290	Furniture, N.O.S.	300
Cucumbers	660	Furniture, Office	460
Cutlery	300		

\*\*\* Coffee Extract, dry, eliminated } Decision No. 58269  
# Addition

EFFECTIVE MARCH 15, 1959

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

Correction No. 301

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)	Less-than-Carload Rating
EXCEPTION TO CURRENT CLASSIFICATION (Continued)		
COMMODITY		
	Foodstuffs, viz:	
	Beans, vanilla	1
	#6 Cocoa, with or without sugar	4
	***	
	Coffee, roasted	3
	Dessert Preparations, dry, N.O.I.B.N.	2
	Juice, fruit or vegetable, canned (not frozen)	4
	#6 Milk and Chocolate or Cocoa Compounds	4
	Syrups	4
	Foodstuffs, viz:	
	Fish, canned,	
	Honey,	
	Jams,	
	Jellies,	
	Meats, canned,	
	Olives,	
	Pickles,	
	Table Sauces,	
	Vinegar,	
	In packages each weighing less than 30 pounds	3
	In packages each weighing 30 pounds or over	4
*300-E Cancels 300-D	Furniture, as described under that heading in the Classification, viz:	
	Cabinets, N.O.S.	1½
	Cabinets, File, insulated or not insulated, fire resistant or not fire resistant	1½
	Chairs, iron or steel, with or without padded seats and backs, S.U., in fibre-board boxes	1½
	Desks, steel	1½
	Furniture, N.O.S.	D1
	Hammocks	1
	Lockers, steel, S.U.	1½
	K.D., in boxes or crates	3
	K.D., loose	1
	Tables, steel and wood combined, K.D., or folded flat, in fibreboard boxes	2
	Freezers, as described in Item No. 30650 of the Classification	1
	Glassware, cut, N.O.I.B.N.	1½
	Glassware, other than cut, N.O.I.B.N.	
	Actual value exceeding 25¢ per pound	1
	Actual value not exceeding 25¢ per pound	3
	Gum, Arabic	3

Hardware, as described under that heading  
 in the Classification, viz:  
 Chain, iron or steel,  
     Loose  
     In packages  
 Cutlery, other than gold or silver plated  
 Hardware, N.O.S.  
 Hollowware, enameled or other than enameled  
 Nails  
 Sash Weights  
 Spikes

Ink, printing, in barrels or drums

2  
2  
3  
2  
4  
4  
3

\* Change  
 \*\*\* Coffee, extract of (condensed) eliminated )  
 # Addition ) Decision No.  
 o Reduction )

58269

EFFECTIVE MAY 15, 1959

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 San Francisco, California.

Correction No. 302