

58413

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
 into the rates, rules and regula-)
 tions, charges, allowances and)
 practices of all common carriers,)
 highway carriers and city carriers)
 relating to the transportation of)
 any and all commodities between and)
 within all points and places in the)
 State of California (including, but)
 not limited to, transportation for)
 which rates are provided in Minimum)
 Rate Tariff No. 2).

Case No. 5432
 (Order Setting Hearing
 dated April 1, 1958)

J. C. Kaspar, J. X. Quintrall and A. D. Poe for California Trucking Associations, Inc., William F. Giacomazzi, Jr., for Giacomazzi Bros. Transportation Co., A. W. Merrifield for Merrifield Transportation Co., James L. Roney for Dart Transportation Service, Ralph B. Harlan for California Manufacturing Association, Carl F. Breidenstein for California Packing Corporation, W. R. Donovan and George M. Clute for C & H Sugar Refining Corp., J. R. Copeland for Holly Sugar Corporation, Thomas B. Kircher for Spreckles Sugar Co., and B. M. Martin for Union Sugar Division, Consolidated Foods Corporation, interested parties.
Grant L. Malquist and Marcel Gagnon, for the Commission's staff.

O P I N I O N

This phase of Case No. 5432 is one of several dealing with possible revisions of the various commodity rates, rules and regulations named in Minimum Rate Tariff No. 2. The instant proceeding involves the rates for the transportation of sugar.

Public hearing on the matter was held before Examiner William E. Turpen on January 20, 1959, at San Francisco. Evidence was presented by an engineer and by a rate expert of the Commission's

staff. Representatives of various shippers and carriers participated in the development of the record.

The record shows that the point-to-point rate for the transportation of sugar from San Francisco and Crockett to the Los Angeles Territory was initially established in 1938, predicated upon the then current rail carload commodity rate, and that the mileage rates were initially established in 1939, based upon studies made by the Commission staff. Subsequent changes in the rate levels have been incidental to general rate changes in the tariff. No specific studies have been made concerning the transportation of sugar since the initial establishment of the commodity rates some twenty years ago.

The Commission engineer presented in evidence and explained a study he had made of the cost of transporting sugar by motor vehicle. The basic information was obtained from 17 carriers engaged in this type of service. In addition, time studies were conducted of loading operations at sugar refineries and of unloading operations at various consignee locations. Separate cost data are shown for the transportation of sugar in sacks and for the transportation of bulk sugar (dry).

The rate expert presented in evidence and explained an exhibit containing suggested revisions in the rates, rules and regulations. He proposed that the commodity rates, in so far as they apply on packaged sugar be canceled ^{1/}, and that the 90 per cent of fourth-class rating, previously found reasonable for shipments of less than 10,000 pounds, be made applicable to shipments subject to a minimum weight of 20,000 pounds or less. The witness stated that no cost studies were made for shipments of under 30,000 pounds, but that the suggested rates based on 90 per cent of fourth-class appear to bear a reasonable relationship to the present commodity rates. For truck-

^{1/} The present commodity rates do not apply on shipments of less than 10,000 pounds.

load shipments of packaged sugar the witness proposed a Class B rating, subject to a minimum weight of 30,000 pounds, and a Class C rating, subject to a minimum weight of 40,000 pounds. He stated that sugar in packages is handled in a like manner and in like equipment and has similar transportation characteristics as other commodities for which class rates apply, and that the levels of the proposed rates reflect the density and value of the commodity, the methods of handling, the frequency of movement and other transportation conditions and the costs of performing the service. He also proposed a commodity rate of 54 cents per hundred pounds subject to a minimum weight of 40,000 pounds, from Spreckels to the Los Angeles Territory, the same as the Class C rate applicable between the San Francisco and Los Angeles Territories.

In regard to sugar in bulk, the rate expert proposed three specific commodity rate scales subject to minimum weights of 23,000 pounds, 33,000 pounds and 43,000 pounds. These proposed rates reflect the costs of transportation, as developed by the engineer, and other rate making considerations. According to the witness, the following factors were given consideration in his development of the proposed rates: the transportation of sugar in bulk is a one-way haul in special equipment, other commodities cannot readily be transported in such equipment, and sanitation and other factors peculiar to this transportation are present.

The rate expert's exhibit shows that in the transportation of bulk sugar the trailer equipment is often owned by the shipper, and that in such cases the carrier usually pays an agreed amount per constructive mile as rental for the use of the equipment. The witness stated that, in the opinion of the staff, permit carriers may not pay rental or other remuneration to shippers for the use of shipper-owned trailers unless the minimum rate tariff specifically provides

for such payment or equivalent allowance. Accordingly, he proposed a scale of deductions from the proposed rates to apply when the trailers operated by the carrier are furnished by the shipper.

Various minor changes in the present tariff provisions were proposed, which do not need to be discussed.

The research director of the California Trucking Associations stated that his organization agreed with the staff proposals except in two particulars. He said that the association feels that the 54-cent rate, subject to minimum weight of 40,000 pounds, from San Francisco, Crockett and Spreckels should be 48 cents, subject to a minimum weight of 42,000 pounds. He stated that the higher minimum weight and the competitive conditions in existence warrant the lower rate. He also stated that, in the case of the allowance for shipper-owned trailers, it would be preferable to have a separate scale of rates which include the deduction.

Representatives of the major sugar producers all endorsed the staff proposals provided they were modified as suggested by the research director of the California Trucking Associations. Several of them also suggested that the rate from San Francisco, Crockett and Spreckels be applicable to the Los Angeles Basin Territory instead of just the Los Angeles Territory. They stated that for twenty years the sugar rates have applied throughout the Basin Territory and that the situation should not now be changed. It was also suggested by the traffic manager of one of the producers that the point-to-point rate apply in both directions instead of only on southbound movements. He said that his company is often faced with inventory maladjustments and finds it necessary to ship from the Los Angeles area to San Francisco.

From a careful examination of the evidence of record, we are of the opinion and find that the changes in the minimum rates,

rules and regulations as proposed by the rate expert in this proceeding modified as stated above, and which are established in the order which follows, are justified, that the minimum rates, rules and regulations as so changed are and will be just, reasonable and non-discriminatory minimum rates for the transportation of sugar and that the increases required to be made or authorized to be made by said order are justified.

O R D E R

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

IT IS ORDERED:

(1) That Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein to become effective June 26, 1959, the revised pages attached hereto and listed in Appendix "A" also attached hereto, which pages and appendix by this reference are made a part hereof.

(2) That tariff publications required to be made by common carriers as a result of the order herein may be made effective no earlier than the effective date hereof on not less than five days' notice to the Commission and to the public, and that such tariff publications shall be made effective not later than June 26, 1959; and that tariff publications which are authorized but not required 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 common carriers, in establishing and maintaining the increased rates authorized hereinabove, be and they are authorized

to depart from the provisions of Article XII, Section 21, of the Constitution, and Section 460 of the Public Utilities Code, to the extent necessary to adjust long-and-short-haul departures now maintained under outstanding authorizations; that such outstanding authorizations be and they are hereby modified only to the extent necessary to comply with this order; and that schedules containing the commodity descriptions published under this authority shall make reference to the prior orders authorizing long-and-short-haul departures and to this order.

(4) That in all other respects said Decision No. 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 12th day of May, 1959.

E. L. Fox
President
W. H. Smith
W. H. Smith
Theodore J. Jenner
Commissioners

Commissioner Everett C. McKenna, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX "A" TO DECISION

Revised Pages to Minimum
Rate Tariff No. 2 Authorized by Said Decision

Ninth Revised Page 38

Eleventh Revised Page 39

Third Revised Page 40

Eighth Revised Page 65

Sixth Revised Page 66

Eighth Revised Page 68

End of Appendix "A"

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)	
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)	Class Rating
*360-I Cancels 360-H	<p>GROCERIES AND GROCERS' SUPPLIES, viz.:</p> <p>Bakery Goods, as described under that heading in the Western Classification,</p> <p>Beverages, or Beverage preparations, as described in Items Nos. 39480, 39490, 39491, 40295, 40296, 40310, 40410 and 40420 of the Western Classification,</p> <p>Candy or Confectionery, as described in Items Nos. 20110, 20111 and 20112 of the Western Classification,</p> <p>Cereal and Nuts combined (Meat Substitutes),</p> <p>Cereal Food Preparations, as described under that heading in the Western Classification (subject to Notes 1 and 2),</p> <p>Chocolate,</p> <p>Chocolate Coating,</p> <p>Cocoa,</p> <p>Coffee,</p> <p>Coffee, extract of (condensed coffee), dry,</p> <p>Coffee Substitutes, Cereal, Fruit or Vegetable, including Chicory Colorings, confectioners',</p> <p>Compounds, Food Curing, Preserving or Seasoning,</p> <p>Dessert Preparations, as described in Items Nos. 39760 and 39761 of the Western Classification,</p> <p>Eggs, Shelled (Egg Albumen, white or yolks), desiccated or frozen</p> <p>Extracts or Flavoring Compounds, not otherwise indexed by name in the Western Classification,</p> <p>Fish, other than fresh or frozen,</p> <p>Fondant, candy (candy filler),</p> <p>Food, Infants' or Invalids' cereal, or Food, Prepared, not otherwise indexed by name in the Western Classification,</p> <p>Fruit, or Fruit Peel, candied, crystallized, glazed or stuffed,</p> <p>Fruit Juice Powders or Crystals, Citrus,</p> <p>Fruit Syrups,</p> <p>Gelatine,</p> <p>Glucose,</p> <p>Gum, Chewing,</p> <p>Honey,</p> <p>Horseradish,</p> <p>Lard, Lard Compounds or Lard Substitutes, as described in Items Nos. 33460 and 67840 of the Western Classification,</p> <p>Liquors, malt, viz.:</p> <p>Ale,</p> <p>Beer,</p> <p>**</p> <p>Porter,</p> <p>Stout,</p> <p>Liquors, vinous,</p> <p>Macaroni, except Canned,</p> <p>Malt Syrup,</p> <p>Meat, other than fresh,</p> <p>Milk, malted,</p> <p>Mustard,</p> <p>Noodles,</p> <p>Nuts, edible, shelled, plain, salted or sweetened,</p> <p>Paste, alimentary,</p> <p>Paste, confectioners' or icings,</p> <p>Popcorn, not popped,</p> <p>Popped Corn (subject to Notes 1 and 2),</p> <p>Potato Chips (subject to Notes 1 and 2),</p> <p>Powder, Baking or Yeast,</p> <p>Sago,</p> <p>Salads, Fish, Macaroni, Meat or Vegetable,</p> <p>Salt (subject to Note 1),</p> <p>Shortening,</p> <p>Spaghetti, except Canned,</p> <p>Spices,</p> <p>**</p> <p>Tapioca,</p> <p>Tea,</p> <p>Tornicelli, except Canned,</p> <p>Yeast</p>	

C. 5432 (OSH 4-1-58) *

Minimum Weight 20,000 pounds
Minimum Weight 30,000 pounds

4
5

NOTE 1. - Ratings shown apply only when commodities subject to this note are shipped in mixed shipments with one or more other commodities named in this item.

NOTE 2. - Ratings shown apply only when the weight of the commodities subject to this note does not exceed 5 percent of the total weight of the shipment.

* Change
** Sugar and Door
Tonic eliminated)

Decision No.

58418

EFFECTIVE JUNE 26, 1959

Issued by the Public Utilities Commission of the State of California,
Correction No. 894 San Francisco, California.

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION(Continued)	
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)	Class Rating
370	Ice cream, less carload.....	2
375-A Cancels 375	<div> Malt, milk and cocoa compound Milk and cocoa compound Milk, malted Milk Food, other than liquid, other than malted milk </div> } less carload	4
377-A Cancels 377	Paints or Varnishes, not otherwise indexed by name in the Western Classification, Bronzing Liquids, Lacquers or Shellacs, liquid or paste, less carload..... Paint, Lacquer or Varnish Reducing, Removing or Thinning Compounds, not otherwise indexed by name in the Western Classification, less carload	4
378-A Cancels 378	Pipe, cast iron pressure, not less than 12 feet and not more than 18½ feet in length, in straight shipments or in mixed shipments with cast iron pressure pipe fittings Pipe, cast iron soil, not less than 5 feet and not more than 5½ feet in length, in straight shipments, or in mixed shipments with cast iron soil pipe fittings. Minimum weight, 36,000 pounds	5
379	Plastics, synthetic, liquid or other than liquid, not otherwise indexed by name in the Western Classification, weighing 30 pounds or more per cubic foot, in rubber bags, each bag containing not less than 9,000 pounds of plastics; consignor to load and consignee to unload by mechanical means. Minimum weight, 40,000 pounds	B

C. 5432 (OSH 4-1-58) *		
389	Salt, common, less carload	90% of 4
**390-B Cancels 390-A	Sugar, in packages Less carload #Carload: Minimum weight 30,000 pounds Minimum weight 40,000 pounds	90% of 4 B C
* Change # Addition b Reduction o Increase		
} Decision No. 58413		
EFFECTIVE JUNE 26, 1959		
Issued by the Public Utilities Commission of the State of California, San Francisco, California.		
Correction No. 895		

Third Revised Page 40
Cancels
Second Revised Page 40

C. 5432 (OSH 4-1-58) *

MINIMUM RATE TARIFF NO. 2

SECTION NO. 2

CLASS RATES

If the charge accruing under Section No. 3 of this tariff is lower than the charge accruing under this section on the same shipment between the same points, the charge accruing under Section No. 3 will apply.

#Rates in this section will not apply to the transportation of sugar, granulated, in bulk, in quantities of 23,000 pounds (or subject to rates based on a minimum weight of 23,000 pounds), or more, for which rates are provided in Items Nos. 745 and 755 (Section No. 3) of this tariff.

#Addition, Decision No. 58418

EFFECTIVE JUNE 26, 1959

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 896

Eighth Revised Page 65
 Cancels
 Seventh Revised Page ... 65

C.5432 (OSH 4-1-58) *

MINIMUM RATE TARIFF NO. 2

Item No.	SECTION NO. 3		COMMODITY RATES (Continued)	
	In Cents per 100 Pounds			
	COMMODITY	*BETWEEN	*AND	RATE
*740-H Cancels 740-G	Sugar, in packages Minimum Weight 42,000 Pounds	// SPRECKELS SAN FRAN- CISCO (See Item No.260-7) CROCKETT	LOS ANGELES BASIN TERRITORY as described in Item No. 270	(1) (3) 0 48
	(1) Subject to Item No. 900. 0 (2) ***			

(3) Not subject to the provisions of Supplement No. 43.

* Change	}	Decision No. 58418
0 Reduction		
0 Increase		
*** Addition		
*** Provision canceled.)	

EFFECTIVE JUNE 26, 1959

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

Correction No. 697

Sixth Revised Page 66
Cancels
Fifth Revised Page 66

MINIMUM RATE TARIFF NO. 2

Item No.	SECTION NO. 3										COMMODITY RATES (Concluded) In Cents per 100 Pounds									
	SUGAR, Granulated, in bulk(See Item No. 755 for application of rates.)																			
	Miles		Rates						Miles		Rates									
	But Not Over Over		Minimum Weight						But Not Over Over		Minimum Weight									
			23,000 Pounds		33,000 Pounds		43,000 Pounds				23,000 Pounds		33,000 Pounds		43,000 Pounds					
			(1)	(2)	(1)	(2)	(1)	(2)			(1)	(2)	(1)	(2)	(1)	(2)				
	0	3	8½	8	7½	7	6½	5½	140	150	45	40½	39	34½	33	27½				
	3	5	9½	9	8½	8	7½	6½	150	160	47	42½	41	36½	34	28½				
	5	10	10½	10	9½	9	8½	7½	160	170	49	44½	43	38	36	30				
	10	15	12	11½	10½	9½	9½	8½	170	180	51	46	44	39	37	31				
	15	20	14	13½	11½	10½	10½	9½	180	190	53	47½	46	40½	39	32½				
	20	25	15	14	14	13	12	10½	190	200	55	49½	48	42½	42	34½				
	25	30	17	16	15	14	13	11½	200	220	58	52	51	45	44	37				
	30	35	19	17½	16	14½	14	11½	220	240	61	54½	54	47½	47	39½				
	35	40	20	18½	18	16½	15	12½	240	260	63	56	57	50	50	42				
	40	45	22	20	19	17	16	13½	260	280	66	58½	60	52½	53	44½				
	45	50	24	22	21	19	17	14½	280	300	70	62	63	55	56	47				
	50	60	26	24	23	21	19	16½	300	325	73	64½	66	57½	59	49½				
	60	70	28	25½	25	22½	20	16½	325	350	76	67	69	60	62	52				
	70	80	30	27½	26	23½	22	18½	350	375	78	68½	72	62½	65	54½				
#745	80	90	33	30	28	25	24	20	375	400	81	71½	75	65½	68	57½				
	90	100	35	32	30	27	25	21	400	425	83	73½	77	67½	71	60½				
	100	110	37	33½	32	28½	27	22½	425	450	86	76½	80	70½	74	63½				
	110	120	39	35½	34	30½	28	23½	450	475	88	78½	83	73½	77	66½				
	120	130	41	37	36	32	30	25	475	500	91	81½	86	76½	80	69½				
	130	140	43	39	37	33	31	26	500	---	(3)	(3)	(3)	(3)	(4)	(4)				
	(1) Rates apply to shipments not subject to Column (2) rates.																			
	(2) Rates apply when trailer equipment furnished by the shipper is used for the transportation of sugar, granulated, in bulk, and such equipment is furnished at no expense to the carrier(other than public liability, property damage, comprehensive and cargo insurance).																			
	(3) Add to the rate for 500 miles 3 cents per 100 pounds for each 25 miles or fraction thereof in excess of 500 miles.																			
	(4) Add to the rate for 500 miles 2 cents per 100 pounds for each 25 miles or fraction thereof in excess of 500 miles.																			
*750-E Can- cels 750-D	Item canceled. ☐ Class rates or rates in Item No. 745 apply.																			

RULES AND REGULATIONS GOVERNING
THE APPLICATION OF RATES IN ITEM NO. 745

#755

- NOTE 1 - The rates do not alternate with the class rates named in Section No. 2 of this tariff.
- NOTE 2 - The rates are not subject to Item No. 85 - Shipment Transported in Multiple Lots; Item No. 126 - Application of Rates - Shipments Loaded or Unloaded by Shipper with Power Equipment; Item No. 142 - Delays to Equipment; Item No. 160 - Split Pickup; or Paragraphs 1 or 2 of Item No. 240 - Accessorial Services Not Included in Common Carrier Rates.
- NOTE 3 - The initial weighing of shipments at point of origin may be performed by the carrier at the carrier's expense. For reweighing of shipments the carrier shall assess a charge of not less than 50 cents.
- NOTE 4 - Rates do not include pumping service when rendered with carrier's equipment. When pumping service is performed by the carrier's equipment, a charge of one cent per 100 pounds will be made. Pumping service means the discharge of sugar from the carrier's equipment by the means of blowers.
- NOTE 5 - The shipping document issued for each shipment transported shall show the trailer numbers and identification of the ownership of the trailers used to perform the transportation.

* Change)	
# Addition)	Decision No. 58418
o Reduction)	
o Increase)	

EFFECTIVE JUNE 26, 1959

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 898

Item No.	SECTION NO. 4 ROUTING (Concluded)
	<p>Route No. 4: From San Francisco Territory via U. S. Highway No. 101 to Gilroy; State Highway No. 152 through Los Banos to its junction with U. S. Highway No. 99 north of Madera; via U. S. Highway No. 99 to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 5: From Sacramento via U. S. Highway No. 99 to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 6: From San Francisco Territory via U.S. Highway No. 101 to its junction with State Highway No. 118, 4.0 miles southeast of Ventura; via (a) State Highway No. 118 through Chatsworth, or (b) U.S. Highway No. 101 through Girard, or (c) U.S. Highway No. 101 to its junction with U.S. Highway No. 101, Alternate, at El Rio, thence via U.S. Highway No. 101, Alternate, through Oxnard to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 7: From San Francisco Territory via Route 1, 2 or 3 to the junction of U.S. Highway No. 50 and State Highway No. 33, 3.0 miles east of Tracy; via State Highway No. 33 to Los Banos; via State Highway No. 152 to its junction with U.S. Highway No. 99 north of Madera; via Route 1, 2 or 3 beyond.</p>
*900-1-C Cancels 900-1-B	<p>(1) Route No. 8: From San Francisco via U.S. Highway No. 101 to Santa Clara and San Jose</p>
	<p>(1) Route No. 9: From Oakland via State Highway No. 17 to its junction with Trimble Road; southwesterly via Trimble Road to the San Jose-Alviso Road; southerly along San Jose-Alviso Road to Brokaw Road; southwesterly along Brokaw Road to Santa Clara.</p>
	<p>(1) Route No. 10: From Oakland via State Highway No. 17 to San Jose</p>
	<p>(2) Route No. 11: From Los Angeles Zone 1 as described in the Distance Table via Anaheim Telegraph Road to its junction with Norwalk Boulevard; via Norwalk Boulevard to its junction with Firestone Boulevard; and via Firestone Boulevard to Santa Ana.</p>
	<p>(3) Route No. 12: From White Hills via unnumbered highway to Lompoc; (a) northerly via State Highway No. 1 to Orcutt; via unnumbered highway to its junction with U.S. Highway No. 101, 2.6 miles south of Santa Maria; via U.S. Highway 101 to San Francisco Territory; or (b) easterly via State Highway No. 150 to its junction with U.S. Highway No. 101 at Buellton; via U.S. Highway 101 to San Francisco Territory</p>

C.5432 (OSH 4-1-58) *

#(4) Route No. 13: From Spreckels via unnumbered highway (Spreckels Road and Harris Road) to its junction with U.S. Highway 101 approximately 5.3 miles north of Chualar, thence via Route No. 6 to Los Angeles Territory.

- (1) Applies only in connection with rates named in Item No. 509.
- (2) Applies only in connection with rates named in Item No. 515.
- (3) Applies only in connection with rates named in Item No. 650.
- (4) Applies only in connection with rates named in Item No. 740.

#Addition } Decision No. 58413
*Change }

EFFECTIVE JUNE 26, 1959

Issued by the Public Utilities Commission of the State of California,
Correction No. 899 San Francisco, California.