

ORIGINALDecision No. 58653

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 HIGHWAY TRANSPORT, INC., a corporation,
 under Section 454 of the Public Utilities
 Code of the State of California for an
 order granting permission to cancel
 certain commodity rates on "exempt"
 commodities in Local and Joint Freight
 and Express Tariff No. 1. Cal. P.U.C.
 No. 1 of Joseph Robertson, Agent.

Application No. 40709

Norman R. Moon for Highway Transport, Inc., applicant.O P I N I O N

By the above-entitled application Highway Transport, Inc., a highway common carrier, seeks authority to cancel from its tariff certain items naming commodity rates and minimum charges on so-called "exempt" commodities between specified points in the San Francisco Bay Area.^{1/} After cancellation of these items, the regular class rates and minimum charges would apply.

Public hearing was held before Examiner William E. Turpen at San Francisco on April 15, 1959.

Applicant's president testified that his company has been operating at a loss and has been engaged in an economy program. As part of this program, he said, Highway Transport has closed four of its terminals and consolidated the operations with other nearby stations. The president also said that he does not want to maintain non-compensatory rates in his tariff.

The traffic manager of Highway Transport presented an exhibit comparing the commodity rates proposed to be canceled with

^{1/} The commodities involved include: butter, cement clinker, cheese, eggs, fertilizers, fungicides, insecticides, ice cream mix, margarine, nuts, field seeds and dried vegetables.

the fourth-class rates. The exhibit shows that the commodity rates are approximately at the level of the fourth-class rates subject to a minimum weight of 4,000 pounds, and approximately half the level of the any-quantity fourth-class rates. The witness stated that eight shippers use the rates involved and ship four to five tons a day, mostly minimum-charge shipments. Although two other carriers have lower rates on the same commodities between the same points, according to the traffic manager, applicant's minimum charge on these commodities is considerably lower than that of the other carriers. Applicant's minimum charge is 78 cents between Oakland and San Francisco on these commodities, and \$1.43 between other points. If the items are canceled, the regular minimum charge would apply, which ranges from \$1.60, for shipments of 50 pounds or less, to \$4.30 for shipments of over 250 pounds.

Applicant had no other evidence to offer. A comparison of rates with some other rates that happen to be higher does not show that the lower rates are unreasonable. An applicant must make a showing that will enable the Commission to find that the sought increase is justified. Applicant has failed to make such a showing on this record. However, it is clear that these rates are subject to minimum charges that are unreasonably low. It appears and we so find, that cancellation of the minimum charge applicable to the commodity rates in question is justified. Applicant will be authorized to cancel the minimum charge specified in these items. In all other respects the application will be denied.

O R D E R

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

IT IS ORDERED:

1. That Highway Transport, Inc., be and it is hereby authorized to cancel, on not less than thirty days' notice to the Commission and to the public, the minimum charges named in Items Nos. 3030 and 3036 of its Local and Joint Freight and Express Tariff No. 1, Cal. P. U. C. No. 1 of Joseph Robertson, Agent.

2. That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

3. In all other respects, Application No. 40709 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 93rd day of June, 1959.

[Signature]
President

[Signature]

[Signature]

Theodore Jensen
Everett M. Long
Commissioners