

Decision No. 59187

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HASLETT WAREHOUSE COMPANY, a corporation, for authority to charge less than certain minimum rates prescribed in City Carriers' Tariff No. 2-A, Minimum Rate Tariff No. 1-A, pursuant to the provisions of Section 4015 of the Public Utilities Code.)
)
) Application No. 41458
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In the Matter of the Application of WALKUP DRAYAGE AND WAREHOUSE COMPANY, a corporation, for authority to charge less than certain minimum rates prescribed in City Carriers' Tariff No. 1-A.)
)
) Application No. 41476
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In the Matter of the Application of SAN FRANCISCO WAREHOUSE CO., a corporation, for authorization to transport tobacco products for AMERICAN TOBACCO COMPANY, BROWN & WILLIAMSON TOBACCO CORPORATION and LIGGETT AND MYERS TOBACCO COMPANY within San Francisco at rate below minimum rate prescribed by City Carriers' Tariff No. 1-A.)
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) Application No. 41477
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In the Matter of the Application of HASLETT WAREHOUSE COMPANY, a corporation, for authority to charge less than certain minimum rates prescribed in City Carriers' Tariff No. 2-A, Minimum Rate Tariff No. 1-A, pursuant to the provisions of Section 4015 of the Public Utilities Code.)
)
) Application No. 41504
)
)

OPINION AND ORDER

Applicants hold radial highway common carrier, highway contract carrier and city carrier permits. Prior orders have authorized them to deviate from the established minimum rates for the transportation of cigarettes and manufactured tobacco for designated shippers. The authorities of San Francisco Warehouse Co. and Walkup Drayage and Warehouse Company are limited to transportation from their respective warehouses in San Francisco to points and places in Zone 1 as described in City Carriers' Tariff No. 1-A. The authority of Haslett Warehouse Company applies from its warehouse in Oakland to a specified Oakland Jobber Zone. All of the authorities are scheduled to expire November 1, 1959.

By these applications, authority is sought to continue the above deviations. Haslett Warehouse Company also seeks authority to extend its deviation authority for the account of an additional shipper, American Tobacco Company.

Applicants state that the authorized rates yield revenues sufficient to produce a reasonable profit; that the conditions which justified the current authority still prevail; and that, while they have been subjected to substantial increases in wage rates, the currently authorized rates continue to be profitable.

Applicant Haslett Warehouse Company also states that it has been requested by American Tobacco Company to provide it with the same rates and services now accorded R. J. Reynolds Tobacco Co. under its current deviation authority. It alleges that the proposed transportation, which is scheduled to commence October 12, 1959, is similar to that which it performs for R. J. Reynolds; that the additional expense it will incur will be minor in the light of increased revenues; and that the profit to be realized from the combined operations will be greater both proportionately and in net amount than at present.

The applications show that copies thereof were served on interested parties. The California Trucking Associations, Inc., has requested that a hearing be scheduled concerning the requested extension of service to the American Tobacco Company by Haslett Warehouse Company. Otherwise no objection has been received in the granting of the several applications. The Transportation Division staff has reviewed these applications and has recommended that they be granted.

All the rates involved in these applications were the subject of public hearings and have been found by the Commission to be reasonable and consistent with the public interest. In the latest decision in these proceedings involving transportation in San Francisco (Decision No. 58818, dated July 28, 1959, in applications Nos. 41031 and 41107), the Commission concluded for reasons stated in that decision that warehousemen should have equal opportunity to compete for the traffic herein involved until such time as the minimum rates may be revised on a broader regional

basis in the Bay Area as a result of further proceedings in Case No. 5441. The extension of the rates to an additional shipper, as now requested by one of the applicants, is not a deviation of such nature as would require a further public hearing at this time. Upon consideration of the verified applications in these proceedings, the Commission is of the opinion and finds that the proposed rates are reasonable and consistent with the public interest. The applications will be granted.

Because the conditions under which the service in question is performed may change at any time, the authority will be limited to a one-year period. In view of the expiration date of the current authorities, this order will be made effective immediately.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That Haslett Warehouse Company, a corporation, San Francisco Warehouse Co., a corporation, and Walkup Drayage and Warehouse Company, a corporation, and each of them, are hereby authorized to assess less than the applicable minimum rates set forth in City Carriers' Tariff No. 1-A, and City Carriers' Tariff No. 2-A-Highway Carriers' Tariff No. 1-A, but not less than those set forth in Appendix "A" attached hereto and by this reference made a part hereof for the transportation described therein.

(2) That the authority herein granted shall expire November 1, 1960, unless sooner canceled, changed or extended by order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 20th day of October, 1959.

President

Theodore J. Deane
Commissioners

APPENDIX "A" TO DECISION NO. 59187

Authorized rates for the transportation of cigarettes and manufactured tobacco products as described in Items 26880 to 26940, inclusive, of Western Classification No. 77 by:

SAN FRANCISCO WAREHOUSE COMPANY from its warehouse at 180 Napoleon Street, San Francisco, for American Tobacco Company, Brown and Williamson Tobacco Corporation and Liggett and Myers Tobacco Company; and,

WALKUP DRAYAGE AND WAREHOUSE COMPANY from its warehouse at 20th and Illinois Streets, San Francisco, for Phillip Morris, Inc., and P. Lorillard Co.;

TO: Points and places in Zone 1 as described in City Carriers' Tariff No. 1-A.

Rates are subject to a minimum weight of 75,000 pounds per month tendered to the carrier by the shipper.

<u>Minimum Weight</u> <u>in Pounds</u>		<u>Minimum Charge</u> <u>in Cents</u>	<u>Rates in Cents</u> <u>Per 100 Pounds</u>
<u>Over</u>	<u>But Not</u> <u>Over</u>		
0	25	93	
25	50	120	
50	75	140	
75	100	165	
100	598	215	
598	3,776		36
3,776	4,000	1,360	
4,000			34

Authorized rates for the transportation of cigarettes and manufactured tobacco products as described in Items Nos. 26880 to 26940, inclusive, of Western Classification No. 77 for the R.J. Reynolds Tobacco Co and American Tobacco Company, from the warehouse of Haslett Warehouse Company, a corporation, located at 1991 Dennison Street, Oakland, to locations within the Oakland Jobber Zone described below:

<u>Minimum Weight</u>	<u>Rates in Cents Per 100 Pounds*</u>
Any Quantity	104
500 Pounds	52
1,000 Pounds	42
2,000 Pounds	36

*These rates are subject to a minimum weight of 75,000 pounds per month.

The OAKLAND JOBBER ZONE consists of the area bounded as follows:

Beginning at the intersection of San Francisco Bay and the Oakland approach to the San Francisco-Oakland Bay Bridge; thence northeast along said bridge approach to the intersection of 32nd Street; thence northeast on 32nd Street to Peralta Street, south on Peralta Street to 30th Street; east on 30th Street to Broadway; south on Broadway to 26th Street; east on 26th Street to Harrison; south on Harrison to Lakeside Drive; southeast on Lakeside Drive to Oak Street; thence south on Oak Street to 12th Street; east on 12th Street to Fallon Street; south on Fallon Street to Estuary; west on Estuary to Waterfront and north to point of beginning, including both sides of designated streets.