

Decision No. 60738**ORIGINAL**

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 car-)
 riers and city carriers relating to)
 the transportation of livestock and)
 related items (commodities for which)
 rates are provided in Minimum Rate)
 Tariff No. 3-A).)

Case No. 5433

Petition for Modification No. 9

J. C. Kaspar, A. D. Poe and J. X. Quintrall,
 for California Trucking Associations, Inc.,
 petitioner.

Alvin Chanley and Don E. Keith, for Chanley
 Bros.; John Morosa for Morosa Bros.
 Transportation; A. J. Batteate, Jr., for
 Batteate Livestock Transportation Co.,
 Inc.; respondents.

Ralph Hubbard, for California Farm Bureau
 Federation; P. J. Arturo, for Swift & Co.;
J. E. Dick, for California Cattlemen's
 Association; interested parties.

G. L. Malquist and M. J. Gagnon, for the
 Commission's staff.

INTERIM OPINION

Minimum Rate Tariff No. 3-A names rates and rules for the transportation of livestock by highway carriers generally throughout the State. The rates and charges named therein were last generally revised effective November 1, 1957, pursuant to Decision No. 55587, dated September 24, 1957, followed by the publication of additional higher weight minimums and related rates effective January 1, 1960, pursuant to Decision No. 59279, dated November 17, 1959.

By petition filed February 19, 1960, the California Trucking Associations, Inc., stated that it is informed and believes that changes in livestock marketing practices, distribution channels and equipment technology have occurred, and are occurring, which require consideration by the Commission to determine whether the

present truckload minimum weights and rates are reasonable. The petition included a suggested schedule of minimum weights and rates for the transportation of cattle which petitioner suggested to meet the competitive economic situation currently existing in livestock transportation. The petition then requested that the Commission direct its staff to conduct studies to determine what adjustments should be made in the livestock minimum rates. The staff then conducted such studies of the transportation of cattle, and when the studies were completed, the petition was set down for hearing.

Public hearing was held before Examiner William E. Turpen at San Francisco on June 27, 1960. Evidence was presented by a transportation engineer and by a rate expert of the Commission's staff.

Petitioner's director of research explained that due to differences of opinion among the livestock carriers, it was decided to ask for an impartial study to be made by the Commission staff to determine what adjustments should be made in the minimum rates. It was the intention, also, he said, that the minimum rates applicable to the transportation of sheep be included in the study. However, the petition was construed by the staff as applying only to the transportation of cattle. The research director requested, therefore, that this petition be kept open, that studies be made by the staff relating to the transportation of sheep, and that when such studies are ready further hearings be scheduled. A representative of the California Farm Bureau Federation also moved that a similar study be made on sheep.

The matter of adjustments in the minimum rates for the transportation of cattle will be disposed of at this time. However, Petition No. 9 will be kept open and further hearings will be scheduled when the staff has completed its studies relating to the transportation of sheep.

Members of the Commission staff conducted field studies concerning the cost and economic factors pertaining to the state-wide truckload transportation of cattle. A transportation engineer introduced into evidence and explained the study he made of the costs of performing the service. Information was obtained from various carriers and field surveys were made. Costs were developed for various mileage distances and for weight groups of 30,000 pounds, 35,000 pounds and 38,000 pounds. The rate expert explained that he made field studies and secured data from a number of shippers and carriers. He said that his studies showed that, due to technological improvements in vehicular equipment, there has been a tendency to increase the weight of the loads that are being transported. He further found that a greater proportion of heavier loads of cattle are being transported and that shipments of cattle of 38,000 pounds and more are being transported.

The exhibit introduced by the rate expert includes the staff's recommendations for revisions in the truckload minimum rates for the transportation of cattle. The principal change proposed is the addition of a rate scale based on a minimum weight of 38,000 pounds. However, according to the witness, the addition of the new rate scale and the current cost estimates make it desirable to make a few revisions in the rates for minimum weights of 30,000 and 35,000 pounds. In general, the staff proposal involves increases of a few cents in the 30,000 and 35,000-pound rates for distances over 240 miles, and reductions of about one cent in the 35,000-pound scale for distances under 80 miles. The rates in the proposed 38,000-pound scale range from one to four cents lower than the present 35,000-pound rates.

Representatives of the California Farm Bureau Federation and of the petitioner urged that no change be made in the rates

subject to minimum weights of 30,000 and 35,000 pounds. Petitioner's director of research also stated that experience since the establishment of the 35,000-pound scale on January 1, 1960, has shown that hogs or calves cannot be transported in that heavy a shipment. He therefore said that the 35,000-pound rates should be made inapplicable to shipments of hogs or calves or mixed shipments including hogs or calves.

As requested by petitioner, the staff has made studies of the truckload transportation of cattle and based on such studies, presented cost data and proposed revisions in the minimum rates. Upon consideration of all of the facts and circumstances of record, we are of the opinion and find that the minimum rate revisions proposed by the staff, modified by restricting the 35,000-pound scale so as not to apply on shipments of hogs or calves, are justified, and that the minimum rates as so revised are and will be just, reasonable and nondiscriminatory minimum rates for the transportation to which they apply.

INTERIM ORDER

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

IT IS ORDERED:

1. That Minimum Rate Tariff No. 3-A (Appendix A of Decision No. 55587, as amended) be and it is hereby further amended by incorporating therein, to become effective October 28, 1960, Fourth Revised Page 18 and First Revised Page 18-A, which revised pages are attached hereto and by this reference made a part hereof.

2. That tariff publications required to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, to become effective 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 October 28, 1960; 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 filed not earlier than the effective date of this order, and 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 minimum rate tariff pages incorporated in this order.


3. That, in the exercise of the authority hereinabove granted, common carriers are authorized to depart from the provisions of Section 460 of the Public Utilities Code and of Article XII, Section 21 of the Constitution of the State of California to the extent necessary to publish the rates established herein.


4. That in all other respects said Decision No. 55587, as amended, shall remain in full force and effect.

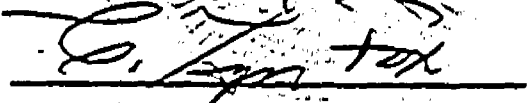
5. That proceedings in this petition are kept open and are continued to a time and place to be determined.

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

Dated at San Francisco, California, this 13th
day of SEPTEMBER, 1960.



President




Commissioners

Matthew J. Dooley
Commissioner S Theodore H. Jenner, being
necessarily absent, did not participate
in the disposition of this proceeding.

| SECTION NO. 2-DISTANCE COMMODITY RATES (In Cents per 100 Pounds) | | | | | | | | Item No. |
|---|------|--------------------------|--------|--------|--|--|--|---------------------------------|
| CATTLE, viz.: Bulls, Calves, Cattle, Cows, Dairy Cattle, Heifers, Oxen and Steers. | | | | | | | | |
| HOGS, viz.: Barrows, Boars, Butcher Hogs, Feeder Pigs, Gilts, Hogs, Pigs, Sows, Stags and Swine. | | | | | | | | |
| (For Application of Rates See Items Nos. 30 and 40) | | | | | | | | |
| MILES | | Minimum Weight in Pounds | | | | | | |
| But Not Over | Over | Any Quantity | 10,000 | 20,000 | 30,000 (See Note 1. Item No. 275) | 35,000 (See Note 2. Item No. 275) | 38,000 (See Note 3. Item No. 275) | *270-D Can- cels 270-C |
| | | | | | | | | |
| 0 | 3 | 19 | 10 | 9 | 6 | 5½ | 5 | |
| 3 | 5 | 20 | 11 | 10 | 7 | 6 | 5½ | |
| 5 | 10 | 22 | 12 | 11 | 8 | 7 | 6 | |
| 10 | 15 | 24 | 13 | 12 | 9 | 8 | 7 | |
| 15 | 20 | 27 | 15 | 14 | 10 | 9 | 8 | |
| 20 | 25 | 30 | 17 | 15 | 11 | 10 | 9 | |
| 25 | 30 | 33 | 19 | 17 | 12 | 11 | 10 | |
| 30 | 35 | 36 | 21 | 18 | 13 | 12 | 11 | |
| 35 | 40 | 39 | 25 | 19 | 14 | 13 | 12 | |
| 40 | 45 | 42 | 25 | 21 | 15 | 14 | 13 | |
| 45 | 50 | 45 | 27 | 22 | 16 | 15 | 14 | |
| 50 | 60 | 48 | 30 | 24 | 18 | 17 | 16 | |
| 60 | 70 | 51 | 33 | 26 | 20 | 19 | 17 | |
| 70 | 80 | 54 | 36 | 29 | 22 | 21 | 19 | |
| 80 | 90 | 57 | 39 | 32 | 24 | 23 | 21 | |
| 90 | 100 | 60 | 42 | 34 | 26 | 25 | 23 | |
| 100 | 110 | 62 | 46 | 37 | 28 | 26½ | 25 | |
| 110 | 120 | 64 | 50 | 40 | 30 | 28 | 26½ | |
| 120 | 130 | 66 | 54 | 43 | 32 | 30 | 28 | |
| 130 | 140 | 68 | 58 | 45 | 34 | 31½ | 29½ | |
| 140 | 150 | 71 | 61 | 48 | 36 | 33 | 31 | |
| 150 | 160 | 74 | 65 | 51 | 38 | 34 | 32 | |
| 160 | 170 | 78 | 68 | 53 | 40 | 36 | 34 | |
| 170 | 180 | 82 | 72 | 56 | 42 | 38 | 36 | |
| 180 | 190 | 86 | 75 | 59 | 44 | 40 | 38 | |
| 190 | 200 | 91 | 79 | 62 | 46 | 42 | 40 | |
| 200 | 220 | 96 | 84 | 66 | 49 | 45 | 43 | |
| 220 | 240 | 102 | 90 | 70 | 52 | 48 | 45 | |
| 240 | 260 | 108 | 96 | 74 | 56 | 51 | 48 | |
| 260 | 280 | 114 | 103 | 78 | 59 | 55 | 52 | |
| 280 | 300 | 120 | 110 | 82 | 63 | 59 | 55 | |
| 300 | 325 | 127 | 117 | 88 | 68 | 63 | 59 | |
| 325 | 350 | 134 | 126 | 93 | 72 | 67 | 63 | |
| 350 | 375 | 141 | 134 | 99 | 77 | 71 | 67 | |
| 375 | 400 | 148 | 142 | 104 | 82 | 75 | 71 | |
| 400 | 425 | 155 | 150 | 110 | 87 | 79 | 75 | |
| 425 | 450 | 162 | 157 | 116 | 92 | 83 | 79 | |
| 450 | 475 | 169 | 165 | 121 | 97 | 88 | 84 | |
| 475 | 500 | 176 | 172 | 127 | 102 | 93 | 89 | |
| 500 | 525 | 183 | 180 | 132 | 107 | 97 | 93 | |

*270-D
Can-
cels
270-C

| | | | | | | | |
|---|-----|--------------|-----|-------|------|-----|-----|
| 525 | 550 | 190 | 186 | 138 | ø112 | 101 | 97 |
| 550 | 575 | 197 | 192 | 143 | ø117 | 105 | 101 |
| 575 | 600 | 204 | 198 | 149 | ø122 | 109 | 105 |
| For distances over 600 miles add for each 25 miles or fraction thereof in excess of 600 miles | | 7 | 6 | 5½ | ø5 | 4 | 4 |
| (1) Does not apply on hogs or calves or mixed shipments including hogs or calves. | | | | | | | |
| (Continued in Item No. 275) | | | | | | | |
| * Change |) | Decision No. | | 60738 | | | |
| # Addition |) | | | | | | |
| ø Increase |) | | | | | | |
| ø Reduction |) | | | | | | |
| EFFECTIVE OCTOBER 28, 1960 | | | | | | | |
| Issued by the Public Utilities Commission of the State of California, San Francisco, California. | | | | | | | |
| Correction No. 17 | | | | | | | |

SECTION NO. 2 - DISTANCE COMMODITY RATES
(In Cents per 100 Pounds)

Item
No.

Applies in connection with rates on
Cattle and Hogs in Item No. 270.

NOTE 1.-Rates in Item No. 270 referring to this note are subject to varying minimum weights per shipment, dependent upon the number of carrier's units of equipment used, as shown below, regardless of the amount of livestock loaded in each unit of equipment used. In no event shall the minimum weight per shipment be less than 30,000 pounds or actual weight, whichever is greater.

| <u>Number of Units of Equipment Used</u> | <u>Minimum Weight (In Pounds)</u> |
|--|---------------------------------------|
| 1 | 30,000 |
| 2 | 60,000 |
| 3 | 90,000 |
| 4 | 120,000 |

Over 4 ---- Add to the minimum weight for 4 units of equipment 30,000 pounds for each unit of equipment in excess of 4.

NOTE 2.-Rates in Item No. 270 referring to this note are subject to varying minimum weights per shipment, dependent upon the number of carrier's units of equipment used, as shown below, regardless of the amount of livestock loaded in each unit of equipment used. In no event shall the minimum weight per shipment be less than 35,000 pounds or actual weight, whichever is greater.

| <u>Number of Units of Equipment Used</u> | <u>Minimum Weight (In Pounds)</u> |
|--|---------------------------------------|
| 1 | 35,000 |
| 2 | 70,000 |
| 3 | 105,000 |
| 4 | 140,000 |

Over 4 ---- Add to the minimum weight for 4 units of equipment 35,000 pounds for each unit of equipment in excess of 4.

*275-A
Cancels
275

NOTE 3.--Rates in Item No. 270 referring to this note are subject to varying minimum weights per shipment, dependent upon the number of carrier's units of equipment used, as shown below, regardless of the amount of livestock loaded in each unit of equipment used. In no event shall the minimum weight per shipment be less than 38,000 pounds or actual weight, whichever is greater.

| <u>Number of Units of Equipment Used</u> | <u>Minimum Weight (In Pounds)</u> |
|--|---------------------------------------|
| 1 | 38,000 |
| 2 | 76,000 |
| 3 | 114,000 |
| 4 | 152,000 |
| Over 4--Add to the minimum weight for 4 units of equipment 38,000 pounds for each unit of equip- ment in excess of 4. | |

 "For the purposes of Notes 1, 2, and #3 above, a unit of equipment shall be deemed as any vehicle or combination of vehicles as described in Item No. 10 propelled by the use of a single motor truck or single other self-propelled highway vehicle.

* Change)
 # Addition) Decision No. 60738

EFFECTIVE OCTOBER 28, 1960

Issued by the Public Utilities Commission of the State of California,
 San Francisco, California.
 Correction No. 18