

ORIGINALDecision No. 61419

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 property within
 and between all points and places in
 Orange County and portions of Los
 Angeles and San Bernardino Counties.

Case No. 6322Order Setting Hearing
dated July 12, 1960

(For appearances, see Appendix "A":)

O P I N I O N

This decision deals with a recommendation which has been submitted on behalf of the Commission's Transportation Division on the question of whether it is necessary and desirable in the public interest that a single minimum rate tariff be developed and established for the transportation of general commodities within that part of southern California area lying generally between the San Gabriel Mountains on the north, the Pacific Ocean on the south, Ontario and Santa Ana on the east, and San Fernando and Santa Monica on the west. Said recommendation was developed in the course of studies which the Transportation Division has been making (pursuant to directives of the Commission in Decision No. 53213) toward "such adjustments in the present minimum rates as are necessary to bring the rates into conformity with present conditions and those which may be expected to prevail for a reasonable period in the future."

Public hearing on the recommendation was held before Examiner C. S. Abernathy at Los Angeles on October 25, 1960. Evidence was submitted by a Commission rate expert. Representatives of various carriers and shippers participated in the development of the record.

At the present time the transportation of general commodities within a portion of the above-described area is subject to one basis of minimum rates. Within another portion a different basis of minimum rates applies. Within numerous segments of the area no minimum rates for the transportation of general commodities are applicable for the reason that minimum rates for said transportation within these segments have not yet been prescribed.

The evidence which the rate expert presented is to the effect that the rates which apply under the different minimum rate bases, and the rates which are being assessed by the carriers in the absence of minimum rates, together constitute a hodgepodge of rates which results in an unreasonable and discriminatory rate structure for the area as a whole. The rate expert stated that this situation can be corrected only by the establishment of a single minimum rate tariff to apply throughout the area, and he recommended that the pending rate studies be directed to this end.

With the exception of United Parcel Service, which asked that such a tariff, if established, not be made applicable to its operations, the rate expert's recommendation was not opposed.

If a reasonable minimum rate structure is to be developed for the transportation of general commodities within the above-described area, attention necessarily must be given to the inter-relationship of the rates to be applied throughout the area in

order to avoid unreasonable and unlawfully discriminatory results. Consideration being given to this fact, and to the matter of carrier and shipper convenience in making rate determinations for transportation within the area, we are of the opinion that the rate expert concluded correctly that it is necessary and desirable in the public interest that a single minimum rate tariff should be developed for the area. Accordingly, the staff's studies referred to hereinbefore will be so directed.

Our conclusions herein apply only to the form of the tariff to be developed for the area in general. They are not intended to delineate precisely either the territorial application of the tariff or to apply to the question of carrier exemptions therefrom. These are matters which should be considered in subsequent phases of this proceeding.

In view of our conclusions herein, a specific Order in this phase of Case No. 6322 is not necessary.

Dated at San Francisco, California, this 24th day of JANUARY, 1962.

[Signature]
President
[Signature]
[Signature]

Commissioners

Appearances

Roger L. Ramsey, for United Parcel Service, respondent.

Jerome M. Miller, for 20th Century Trucking Company, respondent.

Duff Wertz, for Brake Delivery Service, respondent.

A. D. Poe, J. C. Kaspar, and J. Quintrall, for California Trucking Associations, Inc., interested party.

A. E. Norrbom, for Toy Manufacturers of U.S.A., interested party.

Milton Hallen, for California Shippers Associates and Los Angeles Wholesale Institute, interested parties.

A. L. Russell and Robert R. Schwenig, for Sears Roebuck and Company, interested party.

B. F. Bolling, for The Flintkote Company, interested party.

Harry M. Scheck and W. M. Clough, for Glendale Chamber of Commerce, interested party.

Robert H. Evans, for Standard Register Company, interested party.

Robert A. Penk, for Continental Can Company, interested party.

G. C. Turner, for Owens Illinois Glass Company, interested party.

W. R. Czaban, for Purex Corporation, Ltd., interested party.

Eugene A. Read, for California Manufacturers Association, interested party.

Allen K. Pentilla, for Sherwin Williams Company, interested party.

M. S. Colgrove, for Pomona Chamber of Commerce and Potlatch Forests, interested parties.

C. G. Rickenbaugh, for Radio Corporation of America, interested party.

Appendix "A" to Decision No. 61419

(concluded)

V. A. Bordelon, for Los Angeles Chamber of
Commerce, interested party.

Robert P. Jack, for Orla Freight Traffic Manage-
ment Consultant Service, interested party.

C. Ray Bryant and R. A. Lubich for the Commis-
sion's staff.

(End of Appendix)