

Decision No. 61736

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 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
(Petition for Modification
No. 212)

Arlo D. Poe, J. C. Kaspar and James Quintrall,
for California Trucking Associations, Inc.,
petitioner.
Armand Karp, for Callison Truck Lines; E. J. McSweeney, for Pacific Motor Trucking Company and Pacific Motor Transport Company; Charles W. Burkett, Jr., for Southern Pacific Company, The Atchison, Topeka and Santa Fe Railway Company, Northwestern Pacific Railroad Company, Pacific Electric Railway Company, California Western Railroad Company, Petaluma and Santa Rosa Railroad Company, and The Arcata and Mad River Railroad Company; respondents.
E. H. Griffiths, for Arcata Chamber of Commerce, interested party.
Grant L. Malquist and Marcel Gagnon, for the Commission staff.

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 56458, dated April 1, 1958, as amended by Decision No. 58231, dated April 7, 1959, and Decision No. 59919, dated April 12, 1960, in this proceeding, the Commission established certain less-than-carload and less-than-truckload minimum rates and charges from and to Del Norte and Humboldt Counties on a basis differentially higher than the general statewide rates. The higher basis of rates is scheduled to expire on May 1, 1961.^{1/}

^{1/} In establishing the higher basis, the Commission said: "The minimum rate differentials which will be established herein should be maintained only as long as they are urgently needed to assure the maintenance of dependable service. So that the situation will come before the Commission periodically for review, the minimum rate adjustments which will be established herein will be made effective for a period of one year subject to cancellation, modification or extension upon further order of the Commission." (Decision No. 56458, supra.)

In granting the most recent extension of the expiration date of the rate differentials, the Commission pointed out, in Decision No. 59919, above, that at the conclusion of said extension the rate differentials would have been in effect three years. The Commission concluded that the three-year period represented the maximum length of time that rate differentials of this nature should be continued on a temporary basis. In granting the one-year extension from May 1, 1960 to May 1, 1961 the Commission placed petitioner herein and other interested parties on notice that any request for further extension should be made sufficiently in advance to permit full hearing and orderly disposition, and that evidence would be expected from which it might be determined whether or not the rate differentials continued to be urgently needed to insure the maintenance of dependable service.

California Trucking Associations, Inc., by Petition for Modification No. 212, filed February 8, 1961, in this proceeding, asks that the rate differentials in question be extended from and after May 1, 1961 until December 31, 1961, without modification or adjustment. The petition says that petitioner is aware of the above-stated admonition, as set forth in Decision No. 59919, and agrees that the circumstances which resulted in the establishment of the differentials should be reviewed. The petition alleges, however, that such review would not be timely prior to May 1, 1961, for reasons hereinafter set forth.

Public hearing of Petition No. 212 was held before Examiner Carter R. Bishop at San Francisco on March 10, 1961.

The director of petitioner's research division testified as follows: Petitioner is currently engaged in conducting comprehensive studies of the costs of transporting property by highway carriers throughout the State of California, including transportation

to and from Humboldt and Del Norte Counties (also designated as Redwood Empire Territory). It will be impossible to complete these studies prior to May 1, 1961 and they cannot be completed until after new collective bargaining agreements with the Teamsters Union have been negotiated. All agreements between the highway carrier industry and the union covering wages and working conditions of truck drivers, helpers, freight handlers and dock employees in California will expire with June 30, 1961. It is impossible to foresee the results of the negotiations of new contracts, but the consequent wage adjustments may affect operating costs in Redwood Empire Territory in a relatively different manner than in other parts of the State. There is no assurance that wage negotiations will be completed by June 30. As in times past, it is conceivable that they will be concluded at some subsequent date.

The director testified also concerning the results of an investigation he had made to determine whether current conditions in Redwood Empire Territory were such as to justify the continuation of the rate differentials pending completion of petitioner's studies. He found that population and retail sales in the area had increased somewhat since the time when the rate differentials were established, but to a far less degree than in the State as a whole. Other pertinent factors had remained substantially unchanged.

According to figures introduced by the director, the two highway carriers which perform the preponderance of the transportation involved in this petition were not far below the break-even point in their 1960 operations, and had the rate differentials not been in effect one of these would have sustained a substantial loss. The witness was of the opinion that the 10 percent differential now in effect is not adequate, and that to let it expire pending completion of petitioner's studies would result in extreme economic

hardship on the carriers serving Humboldt and Del Norte Counties.

The commerce agent of Southern Pacific Company testified in behalf of the rail carriers which either directly serve Redwood Empire Territory or participate in joint rates from and to that area. He explained the application of the rates, pointed out that rail movement under rates subject to the differentials here in issue is relatively small, and stated that the rail lines support the proposed expiration date extension.

A representative of the Arcata Chamber of Commerce stated the position of that body, to the effect that if traffic to and from Redwood Empire Territory is to be subjected to differentials in the minimum rates, such differentials should be prescribed only if an adequate study of the circumstances, conditions and costs surrounding the transportation service warrants the differentials.

Members of the Commission's Transportation Division staff assisted in the development of the record.

It is clear from the record that realistic cost data for the purpose of evaluating the propriety of maintaining, after May 1, 1961, rate differentials for the traffic here in issue cannot be completed until after the above-mentioned wage agreements have been negotiated. The evidence is persuasive, moreover, that the rate differentials should be continued in effect for a reasonable period after May 1, 1961, to permit the completion and presentation of petitioner's studies, and orderly disposition thereof.

In the circumstances, we are of the opinion, and hereby find, that extension of the rate differentials for a further period of six months is justified. To this extent the petition will be granted.

O R D E R

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

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended) is hereby further amended by incorporating therein, to become effective May 1, 1961, 21st Revised Page 20 and 20th Revised Page 44, 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 May 1, 1961.

3. Such other authorizations, limitations and conditions applicable to the aforesaid increased rates and charges shall be equally applicable to the extension of the expiration date authorized herein.

4. In all other respects Petition for Modification No. 212, in Case No. 5432, is hereby denied.

5. In all other respects said Decision No. 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 28th day of March, 1961.

Robert A. Pease
President

John E. Mitchell

E. J. Fox

George H. Brown

Frederick B. Halchelt
Commissioners

Item
No.

SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)

MINIMUM CHARGE

(The provisions of this item will not apply to shipments transported under the provisions of Item No. 119.)

The minimum charge per shipment shall be as follows:

(a) For distances not exceeding 150 constructive miles (See Exceptions 1 and 2):

Weight of Shipment (In Pounds)		Minimum Charge (In Cents)
Over	But Not Over	
0	25	175
25	50	185
50	75	205
75	100	240
100	150	295
150	200	350
200	250	405
250	-	470

(b) For distances exceeding 150 constructive miles, the minimum charge per shipment shall be (See Exceptions 1 and 2):

1. If classified first class or lower, for 100 pounds at the class or commodity rate applicable thereto; or

2. If classified higher than first class, for 100 pounds at the first class rate; or

3. If shipment contains different articles and no article is rated higher than first class, for 100 pounds at the class or commodity rate applicable to the article taking the highest rate; or if any article is rated higher than first class, for 100 pounds at the first class rate; but

4. In no event shall the minimum charge be less than:

Weight of Shipment (In Pounds)		Minimum Charge (In Cents)
Over	But Not Over	
0	100	240
100	150	295
150	200	350
200	250	405
250	-	470

*150

EXCEPTION 1: For shipments (a) having point of origin or point of destination on steamship wharves or docks, or (b) transported beyond public highways to or from oil or gas well sites, the minimum charges shall in no event be less than those set forth in Paragraph (b) 4 plus an additional 35 cents per shipment.

(1) EXCEPTION 2: For shipments transported between points in the Redwood Empire Territory, as described in Item No. 271-3, on the one hand, and points within the areas described in Paragraphs (b) and (c) of Item No. 512, on the other hand, the minimum charge shall be the applicable charge set forth in this item plus 10 percent per shipment. Fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to one cent.

(1) Expires with *October 31, 1961.

* Change, Decision No. **61736**

EFFECTIVE MAY 1, 1961

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

Correction No. 1135

Item No.	SECTION NO. 2		CLASS RATES (Continued) In Cents per 100 Pounds																																					
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<p>NOTE 1.—If charges accruing under the Class Rates in this item, applied on shipments from, to or between points intermediate between origin and destination territories shown in this item via routes shown in Items Nos. 900 and 900-1 are lower than charges accruing under the Distance Class Rates in Items Nos. 500, 505 or 507 on the same shipment via the same route, such lower charges will apply.</p> <p>NOTE 2.—When applied in connection with carload ratings, minimum weight will be as provided in the Western Classification, Exception Sheet or this tariff, subject to Item No. 290.</p> <p>NOTE 3.—When applied in connection with carload ratings, minimum weight will be as provided in the Western Classification, Exception Sheet or in this tariff (subject to Item No. 290) but in no event less than 20,000 pounds.</p>																																								

RATES TO AND FROM POINTS IN THE REDWOOD EMPIRE TERRITORY
AS DESCRIBED IN ITEM NO. 271-3

- (a) The provisions of this item apply only to shipments, including split pickup and split delivery shipments, subject to minimum weights of 10,000 pounds and less.
- (b) On shipments, including split pickup and split delivery shipments, transported between points in the Redwood Empire Territory, on the one hand, and points in the San Francisco Territory, as described in Item No. 270-3, and points in the Counties of Marin, Mendocino, Napa and Sonoma, on the other hand, determine the class rates in accordance with the rates provided in this section and increase the rates so determined by 10 percent.
- (c) On shipments, including split pickup and split delivery shipments, not embraced within Paragraph (b) above, transported between the Redwood Empire Territory, on the one hand, and points in California southerly of the Counties of Napa, Nevada, San Francisco, Sutter Yolo and Yuba, on the other hand, determine the class rates in accordance with the rates provided in this section and increase the rates so determined by adding the following arbitraries:

(1)
*512

(Arbitraries in Cents per 100 Pounds)

Any Quantity				Minimum Weight 4,000 Pounds				Minimum Weight 10,000 Pounds			
1	2	3	4	1	2	3	4	1	2	3	4
26½	24½	21½	18½	17	15½	13½	12	13½	12	11	9½

- (d) Fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to one cent.
- (e) When the charges on all or any portion of a shipment are subject to the increase provided for in this item, the provisions of Item No. 80 shall apply only after the increase has been added in accordance with this item.

*(1) Expires with October 31, 1961

* Change, Decision No. 61736

EFFECTIVE MAY 1, 1961

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

Correction No. 1136