

ORIGINAL

Decision No. 62398

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 relat-)
 ing to the transportation of live-)
 stock and related items (commodi-)
 ties for which rates are provided)
 in Minimum Rate Tariff No. 3-A).)

Case No. 5433
 Petition for
 Modification No. 14

Berol & Geernaert by Edward M. Berol, for petitioners.
Chester W. L'Ecluse, Arthur W. Bastian, Keith Garrett, John Shubin, Albert Yroz and Will C. Freitas, for various livestock carriers, protestants.
J. C. Kaspar, A. D. Poe and J. K. Quintrall, for California Trucking Associations; Ralph Hubbard and William L. Knecht, for California Farm Bureau Federation; D. E. Alexander, for California Cattle Feeders Association; T. W. Curley, for Swift & Co., interested parties.
M. J. Gagnon and Grant L. Malquist, for the Commission staff.

O P I N I O N

By this petition, filed March 31, 1961, and amended May 15, 1961, A. & G. Chanley, doing business as Chanley Bros. Trucking Co., Don E. Keith, an individual, John, Joe and Mariana Morosa, doing business as Morosa Bros. Transportation, Keyser Bros. Trucking Co., Valley Livestock Transportation Service, and J. X. Paul Alley, an individual, seek the establishment in Minimum Rate Tariff No. 3-A rates for the transportation of cattle to slaughter houses at a level lower than the minimum rates now applicable.

Public hearings on the petition were held before Examiner William E. Turpen on May 4, 5 and 31, 1961, at San Francisco.

Minimum Rate Tariff No. 3-A presently contains rate scales for the transportation of cattle subject to various minimum weights, the highest of which is 38,000 pounds. Petitioners' proposal is to establish a separate scale of rates, subject to a minimum weight of 39,000 pounds,¹ but with the rates for distances over 30 constructive miles lower than the present 38,000-pound rates. The proposed scale of rates would apply only to the transportation of cattle to packing houses or slaughter houses for slaughter. The proposed rates are lower than the present rates by varying amounts, ranging from one half cent at 35 miles up to a maximum differential of 5 cents at 200 miles and decreasing to 2 cents for distances over 500 miles.

Representatives of six livestock carriers testified in support of the petition. In general, they stated that the conditions surrounding the transportation of cattle to slaughter houses were better than for pasture movements, including better loading and unloading facilities, better roads, better load factors and less damage to the cattle. In view of these conditions, the witnesses said, the costs of hauling slaughter cattle are less than for other cattle movements. A number of these witnesses said that they are now hauling less slaughter cattle than they were several years ago. They attributed this to a greater use of proprietary equipment for these movements. The witnesses felt that the proposed lower rates would arrest this trend.

The petitioners presented a cost study prepared by a traffic consultant, which showed that the proposed rates exceed the cost estimates. The study also showed that the average billing

¹ As originally filed, the petition called for minimum weights of 38,000 pounds. Following the initial hearings, the petition was amended to change the minimum weight to 39,000 pounds.

weight of the movements studied amounted to 39,360 pounds. In view of this, the petition was amended to change the minimum weight from 38,000 to 39,000 pounds.

A transportation rate expert from the Commission staff presented an exhibit containing some suggested rules to govern the proposed rates if they are adopted. The rate expert's recommendations were adopted by petitioners in the amendment to the petition.

Representatives of the California Cattle Feeders Association and of the California Farm Bureau Federation supported the petition as amended.

Five livestock carriers appeared in opposition to the petition. They stated that the conditions surrounding the transportation of slaughter cattle are not as favorable in comparison to other cattle transportation as claimed by petitioners, and that the costs are not lower. The protestants also felt that adoption of the proposed rates would result in loss of revenues. Several of the protestants felt it might be difficult to load 39,000 pounds.

It appears that the transportation involved can be performed under the proposed rates profitably and that these lower rates would aid in preventing a further loss of business. None of the present rates for the transportation of cattle are being canceled. The petition, as amended, will be granted.

Upon consideration of all of the facts and circumstances of record, we are of the opinion and find that the proposed rates are just, reasonable and nondiscriminatory and should be established as the minimum rates for the transportation involved.

O R D E R

Based upon 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 September 23, 1961, Fifth Revised Page 18 and Second Revised Page 18-A, which revised pages are attached hereto and by this reference made a part hereof.

2. That tariff publications authorized to be made by common carriers as a result of the order herein 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 date of the tariff changes herein involved.

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.

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

Dated at San Francisco, California, this 8th day of August, 1961.

[Signature]
President

[Signature]

[Signature]

George G. Hoover

Fredrick B. Hallock
Commissioner's

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							
		Any Quan- tity	10,000		20,000		30,000 (See Note 1, Item No. 275)	(1) 35,000 (See Note 2, Item No. 275)	(1) 38,000 (See Note 3, Item No. 275)
Over	But Not Over								
0	3	19	10	9	6	5½	5	5	5
3	5	20	11	10	7	6	5½	5½	5½
5	10	22	12	11	8	7	6	6	6
10	15	24	13	12	9	8	7	7	7
15	20	27	15	14	10	9	8	8	8
20	25	30	17	15	11	10	9	9	9
25	30	33	19	17	12	11	10	10	10
30	35	36	21	18	13	12	11	11	11
35	40	39	25	19	14	13	12	12	11½
40	45	42	25	21	15	14	13	13	12½
45	50	45	27	22	16	15	14	14	13
50	60	48	30	24	18	17	16	16	15
60	70	51	33	26	20	19	17	17	16
70	80	54	36	29	22	21	19	19	17½
80	90	57	39	32	24	23	21	21	19
90	100	60	42	34	26	25	23	23	20
100	110	62	46	37	28	26½	25	25	22
110	120	64	50	40	30	28	26½	26½	23
120	130	66	54	43	32	30	28	28	24½
130	140	68	58	45	34	31½	29½	29½	26
140	150	71	61	48	36	33	31	31	27½
150	160	74	65	51	38	34	32	32	29
160	170	78	68	53	40	36	34	34	30½
170	180	82	72	56	42	38	36	36	32
180	190	86	75	59	44	40	38	38	34
190	200	91	79	62	46	42	40	40	35½
200	220	96	84	66	49	45	43	43	38
220	240	102	90	70	52	48	45	45	41
240	260	108	96	74	56	51	48	48	44
260	280	114	103	78	59	53	50	50	46
280	300	120	110	82	63	57	55	55	48
300	325	127	117	88	68	63	59	59	51
325	350	134	126	93	72	67	62	62	53
350	375	141	134	99	77	71	67	67	55
375	400	148	142	104	82	75	71	71	58

*270

400	425	155	150	110	87	79	75	72
425	450	162	157	116	92	83	79	76
450	475	169	165	121	97	88	84	81
475	500	176	172	127	102	93	89	86
500	525	183	180	132	107	97	93	91
525	550	190	186	138	112	101	97	95
550	575	197	192	143	117	105	101	99
575	600	204	198	149	122	109	105	103
For distances over 600 miles add for each 25 miles or fraction thereof in excess of 600 miles		7	6	5½	5	4	4	04

(1) Does not apply on hogs or calves or mixed shipments including hogs or calves.

#(2) Rates apply only:

- (a) To the transportation of cattle to packing houses or slaughter houses for slaughter, subject to the varying minimum weights per shipment as set forth in Item No. 275 (Note 4), and
- (b) When the actual weight of the shipment is confirmed by a public weighmaster's certificate.

#(3) Rates are not subject to the provisions of:

- (a) Item No. 130(2), "Shipments of livestock for which the carrier may, but is not required to, obtain a public weighmaster's certificate;"
- (b) Item No. 140(2), "Determination of weights and charges;"
- (c) Item No. 150, "Provided weights per animal;"

and do not apply to the transportation of cattle in mixed shipments with other livestock.

(Continued in Item No. 275)

* Change)
 # Addition) Decision No. 62398
 ó Reduction, except as noted)
 o No change)

EFFECTIVE SEPTEMBER 23, 1961

Issued by the Public Utilities Commission of the State of California,
 San Francisco, California.
 Correction No. 22

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

Number of Units of Equipment Used	Minimum Weight (In Pounds)
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.

*275

Number of Units of Equipment Used	Minimum Weight (In Pounds)
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 equip-
ment in excess of 4.

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.

#NOTE 4.-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 39,000 pounds or actual weight, whichever is greater.

<u>Number of Units of Equipment Used</u>	<u>Minimum Weight (In Pounds)</u>
1	39,000
2	78,000
3	117,000
4	156,000
Over 4--Add to the minimum weight for 4 units of equipment	39,000 pounds for each unit of equip- ment in excess of 4.

*For the purposes of Notes 1, 2, 3 and #4 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. 62398

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San Francisco, California.

Correction No. 23