

Decision No. 63245

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 car-) Case No. 5432
riers relating to the transportation of) Petition for Modification
any and all commodities between and within) No. 239
all points and places in the State of) (Filed November 29, 1961)
California (including, but not limited to,) (Amended January 8, 1962)
transportation for which rates are)
provided in Minimum Rate Tariff No. 2).

OPINION AND ORDER

California Trucking Associations, Inc., by Petition for Modification No. 239, as amended, seeks the establishment of minimum rates based upon a minimum weight of 48,000 pounds for the transportation of certain grain, grain products and related articles as described in Lists Nos. 1, 6 and 10 of Items Nos. 652-653 of Minimum Rate Tariff No. 2. Petitioner also requests that common carriers be authorized to depart from the provisions of Article XII, Section 21 of the Constitution of the State of California, and Section 460 of the Public Utilities Code to the extent necessary to carry into effect such modifications.

Petitioner states that the present provisions of Item No. 654½ do not adequately reflect the current and foreseeable needs of shippers and carriers of grain and certain related articles. It further states that technological improvements since the original establishment of the item permit the transportation of certain commodities governed by this item in substantially larger truckload quantities than those contemplated in the item. According to the petition, lack of a truckload minimum weight reasonably related to current carrying capacities deprives carriers of complete economic utilization of modern equipment, and deprives shippers of the lower

rates possible through use of such increased minimum weights.

Petitioner's Director of Research, by affidavit attached to the amended application as Exhibit "B", avers that, during the period of field investigations and subsequent hearings involving the basic staff studies for the aforesaid transportation¹, important changes were occurring in the practices of carriers and shippers involved in certain movements of grain and related articles. The Director states that the Commission is aware of the objections which were raised by certain parties to the use by the Commission staff in their studies of smaller capacity gas-powered equipment; i.e.: the comment of the hearing officer in his Proposed Examiner's Report:

"The (staff) engineer underwent extensive cross-examination. Most of the questions related to the methods and procedures used in arriving at the final figures and to the source of the basic data. Discussion of most of the points so developed does not appear to be necessary. However, some points were developed which various parties contended should result in changes in the final cost data. Various parties contended that, as the field investigations were made nearly two years ago, current operating practices are not truly reflected in the studies. These parties contended that the engineer's use of gasoline powered equipment for transporting grain produced higher costs than would result from the use of diesel-powered equipment and that the diesel equipment is used to the largest extent at the present time. In answer, the engineer stated that it was his opinion that, on a state-wide basis, the gasoline equipment is still predominant and is proper to use for the cost estimates in developing minimum rates on grain. Although the witness agreed that hopper-bottom trucks are being used to an increasing extent, he did not feel that they were yet the typical equipment for grain hauling. The California Trucking Associations developed that the newest equipment considered in developing fixed vehicle costs in the study was that of 1956."

Because of the predominance of the older equipment considered by the engineer, the Examiner concluded:

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The last general adjustment of these rates was authorized by Decision No. 59084 dated September 29, 1959, in Case No. 5432 (Order Setting Hearing dated June 17, 1958).

"It should be apparent that studies of this magnitude take considerable time, not only in the actual work, but in fitting them in with the other work load. A time-lag between the start of a major study and the presentation of the results is unavoidable. Further field studies at this time would only cause further extensive delay in the much needed adjustment of the minimum rates. It does not appear that the results that would be obtained from a new study would be sufficiently different from the present cost study to warrant its being undertaken."

The Director further states that periodic checks since 1959 have developed that carriers have increasingly converted to a higher-capacity diesel equipment, and that in connection with the transportation of certain grains and related articles, such equipment has now become predominant. Investigation into certain rate violations which had become the subject of formal Commission investigation, and into certain lease arrangements which had diverted traffic from legitimate for-hire carriers, indicated that operations utilizing newer equipment and transporting larger loads were realizing economic advantages to the detriment of the for-hire industry, which, although also modernizing their fleets, were bound by minimum rate provisions based upon the older equipment.

According to the Director, an analysis of the Commission staff studies and a relationship of carrier equipment costs and capacities today compared with 1956 was made to determine the possible adjustments in costs and rates which would be possible at varying minimum weights; agreement was reached by shipper and carrier interests that normal loadings of certain high-density commodities now permitted minimum weights of 48,000 pounds; this information was then related to the present rate levels and the present commodity description lists of Items 652 through 653; and

where commodity lists encompassed commodities of sufficient density and traffic volume to meet the above criteria, such lists were adopted for use with the new rate levels and minimum weights.

The Director avers that the petition as filed reflects the considered opinions of experienced shippers and carriers as to a reasonable basis for immediate action to ameliorate existing problems of both shippers and carriers; that the levels of the rates and weights have been analyzed by staff members of petitioner's Research Division; that they were recommended as reasonable to member grain-haulers; that they were adopted unanimously by their chosen representatives; and that inquiry among representative shipper interests reveals an equal unanimity of approval of the proposed revisions for immediate adoption.

In the circumstances, it appears, and the Commission finds, that petitioner's proposal is reasonable and that the resulting minimum rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation of grain and related articles. Minimum Rate Tariff No. 2 will be revised accordingly. This is a matter in which a public hearing is not necessary. The petition will be granted.

Good cause appearing,

IT IS ORDERED that:

(1) Minimum Rate Tariff No. 2 (Appendix D to Decision No. 31606, as amended) is hereby further amended by incorporating therein to become effective March 17, 1962, Fifth Revised Page 51-A, which revised page is attached hereto and by this reference made a part hereof.

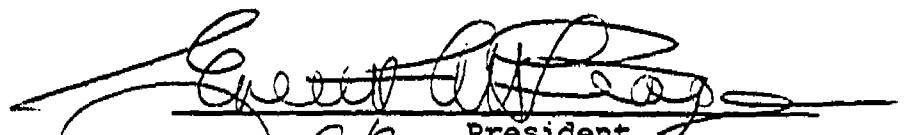
(2) Tariff publications authorized to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff page incorporated in this order.

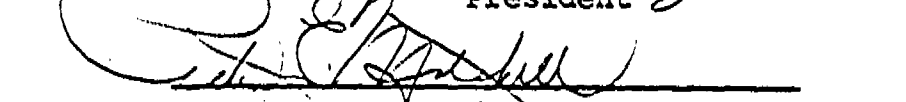
(3) Common carriers in establishing minimum rates, charges, rules and regulations authorized hereinabove, are hereby authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California and Section 460 of the Public Utilities Code to the extent necessary to adjust long-and-short-haul departures now maintained under outstanding authorizations; that such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and that schedules containing the minimum rates, charges, rules and regulations published under this authority shall make reference to the prior orders authorizing long-and-short-haul departures and to this order.

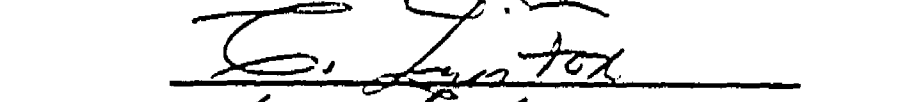
In all other respects, the aforesaid Decision No. 31606, as amended, shall remain in full force and effect.

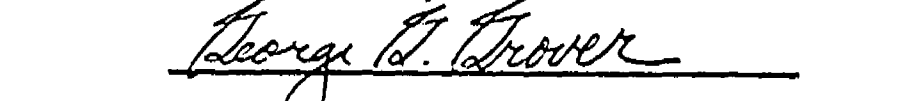
This order shall become effective twenty days after the date hereof.


Dated at San Francisco, California, this 6th day of February, 1962. ✓



President








Commissioners

Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents per 100 Pounds							
	GRAIN, RICE, GRAIN PRODUCTS AND RELATED ARTICLES as described in Lists Nos. 1 through 10 of Items Nos. 652-653. (See Item No. 653½ for Application of Rates in this item.)									
	MILES But Not Over Over		RATES (See Note)							
			MINIMUM WEIGHT IN POUNDS							
			10,000	20,000	30,000		40,000		#5(2) 48,000	
					Package	Bulk	Package	Bulk	Package	Bulk
*654½	0	3	12	9½	8½	7½	8	6	08	06
	3	5	13	11	9	8½	8½	6½	08½	6½
	5	10	14	12	10	8½	9½	7½	09½	7½
	10	15	15	13	12	9½	11	7½	10½	7½
	15	20	17½	14	13	10½	12	8½	11½	8
	20	25	19½	15	14	11½	13	9½	12½	9
	25	30	20½	16	15	12½	14	10½	13½	10
	30	35	22	17½	16	13½	15	11½	14½	11
	35	40	23	18½	17½	14½	16	12½	15½	12
	40	45	25	19½	18½	15½	17½	13½	16½	13
	45	50	27	21	20	16½	18½	14½	17½	14
	50	60	30	22	21	18½	20	16½	19	15
	60	70	32	23	22	19½	21	17½	20	16
	70	80	34	24	23	20½	22	18½	21	17
	80	90	36	26	24	21½	23	19½	22	18
	90	100	39	27	25	24	24	20½	23½	19½
	100	110	41	29	27	26	25	23	025	21
	110	120	43	30	28	27	26	24	026	22
	120	130	45	31	29	28	27	25	027	23
	130	140	48	33	31	30	29	27	029	25
	140	150	51	35	32	31	30	28	030	26
	150	160	53	37	33	32	31	29	031	27
	160	170	55	38	35	34	33	31	32	28
	170	180	57	39	36	35	34	32	33	29
	180	190	59	41	37	36	36	34	34	30
	190	200	63	43	40	39	37	36	36	32
	200	220	66	46	43	42	39	38	38	34
	220	240	69	48	45	44	41	40	40	36
	240	260	72	50	48	46	43	42	42	38
	260	280	75	53	50	47	45	44	44	40
	280	300	79	56		53		48		45
	300	325	82	58		55		50		46
	325	350	85	60		58		52		48
	350	375	88	65		60		54		50
	375	400	92	67		62		56		52
	400	425	95	70		64		58		54
	425	450	99	73		67		60		56
	450	475	102	76		70		62		58
	475	500	105	78		72		64		60
	500	-	Over 500 miles, class rates apply					(1)	(1)	

NOTE.--(a) Except as to Rice, Exception 2 of Item No. 100 will not apply in connection with rates in this item.

(b) For the transportation of whole grain, the distance between Simmler and Paso Robles shall be 60 constructive miles; between Simmler and Santa Margarita shall be 56.5 constructive miles; and between Simmler and Blackwells Corner shall be 39 constructive miles.

(c) On all Field Pickup Shipments, as defined in Item No. 653½, add 2 cents per 100 pounds to the rates otherwise applicable.

(1) Add to rate for 500 miles, 2½ cents per 100 pounds for each 25 miles or fraction thereof.

#(2) Rates apply only to commodities described in Lists 1, 6 and 10 of Items Nos. 652-653.

* Change)
o No change)
Addition)
o Reduction, except as)
otherwise indicated)

Decision No. 63215

EFFECTIVE MARCH 17, 1962

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

Correction No. 1221