

Decision No. 63447**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN CALIFORNIA FREIGHT LINES
and SOUTHERN CALIFORNIA FREIGHT
FORWARDERS for authority to publish
less than minimum rates under pro-
visions of Section 452 of the
Public Utilities Code.

Application No. 44018
(Filed December 14, 1961)

C. J. Boddington, for applicants.
J. Miller, A. D. Poe, J. Quintrall, for
California Trucking Associations, Inc.,
interested party.
R. J. Carberry and R. E. Walker, for the
Commission staff.

O P I N I O N

Southern California Freight Forwarders is an express corporation. Southern California Freight Lines is a highway common carrier engaged in transporting property as a common carrier between Hemet and Los Angeles, among other points, and also acts as the underlying carrier for the express corporation. Applicants are affiliated corporations and sometimes will be referred to collectively herein as So-Cal. By this application they seek authority to publish commodity rates for the transportation of canned goods from Hemet to points served by them in Los Angeles Basin Territory within a radius of not less than 30 miles and not more than 200 miles from Hemet. The proposed rates are 2-1/4 cents per 100 pounds lower than the established minimum rates.

Public hearing was held before Examiner J. E. Thompson at San Francisco on February 9, 1962, when, after the taking of evidence, the matter was submitted.

So-Cal transports numerous less-than-truckload shipments over their lines. During 1961 they transported 6,006,702 pounds of freight, most of which were shipments of less-than-truckload lots, from Los Angeles to Hemet. Applicants maintain a terminal at Hemet as well as at Colton, Indio and El Centro, among other places in California. The area in and about Hemet is devoted primarily to agriculture; about the only major industry is Hemet Packing Co. During 1961 applicants transported 11,136,025 pounds of freight from Hemet on vehicles returning to Los Angeles. Ninety-seven percent of that weight was canned goods from Hemet Packing Company.

Applicants have maintained commodity rates on canned goods from Hemet continuously since 1951.^{1/} The present authority to publish commodity rates less than the minimum rates expired February 28, 1962 (Decision No. 62696 dated October 17, 1961 in Application No. 43092). Applicants' executive vice president testified that the rates are necessary to retain the traffic to applicants; that the traffic, and the revenues resulting therefrom, are necessary to balance the predominant outbound movement from Los Angeles and to make the round trip movements of the vehicles reasonably compensatory; and that if the traffic of Hemet Packing Company is lost to them, they will have to close the terminal at Hemet, thereby reducing the service to the Hemet area. He stated that a large portion of the shipments from Hemet Packing Co. are in less-than-truckload quantities. The traffic moves under "Shipper load and count" so that there have been no claims for loss of the goods. The evidence shows that there were shipments tendered to applicants at Hemet almost every working day during the months of

^{1/} Decision No. 45339, dated February 6, 1951, in Application No. 31809.

July and September. Of a total of 40 days on which shipments were tendered, only on 17 of those days was there sufficient weight to comprise a shipment that would be subject to the proposed rates; the remainder would be subject to the less-than-truckload class rates regularly maintained by applicants.

Applicants have shown that the revenue which would be derived from the proposed rates would make a substantial contribution over and above the out-of-pocket cost of providing the service. Upon consideration of all of the facts and circumstances, we find that the proposed rates are reasonable and are justified by transportation conditions.

Suggestions were received from applicants and from California Trucking Associations, Inc., regarding an expiration date of the authority to maintain said rates. The parties are of the opinion that because of certain increases in labor costs already contracted and which will become effective July 1, 1962, there may be a change in the minimum rates which otherwise would be applicable to said transportation. Applicants indicated that they desire to maintain the commodity rates 2-1/4 cents per 100 pounds differentially lower than the otherwise applicable minimum rates. The changes in the minimum rates indicated above are conjectural. It would appear that an expiration date of February 28, 1963 will provide applicants with ample opportunity to analyze the operations performed under the commodity rates and to submit data for consideration of any renewal of the authority. If applicants desire to increase the rates prior thereto, they may file an appropriate pleading.

ORDER

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

IT IS ORDERED that:

1. Southern California Freight Lines and Southern California Freight Forwarders are authorized to publish in their tariffs the commodity rates set forth in Appendix A attached hereto and by this reference made a part hereof, said rates to be published to expire February 28, 1963.

2. The tariff publications authorized 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.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 20th day of MARCH, 1962.

Ernest H. Roop
President

W. E. [Signature]

George J. [Signature]

Fredrick B. [Signature]

Commissioners

C. Lyn Fox

Commissioner....., being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A TO DECISION NO. _____

SOUTHERN CALIFORNIA FREIGHT LINES

SOUTHERN CALIFORNIA FREIGHT FORWARDERS

Commodity: "Canned Goods and Other Articles" as described in Item 110 series of Southern California Freight Forwarders Local Express Tariff No. 4.

From: Hemet.

To: Points on authorized routes within Los Angeles Basin Territory as described in Rule 220 series of Local Express Tariff No. 4 within a radius of not less than 30 miles and not more than 200 miles from Hemet.

RATES IN CENTS PER HUNDRED POUNDS, SUBJECT TO NOTE 1.

<u>CONSTRUCTIVE MILES*</u>		<u>MINIMUM WEIGHT IN POUNDS (000)</u>			
<u>Over</u>	<u>But Not Over</u>	<u>30</u>	<u>36</u>	<u>42</u>	<u>45**</u>
0	30	17 1/4	16 1/4	14 3/4	13 3/4
30	35	18 1/4	17 1/4	15 3/4	14 3/4
35	40	19 1/4	18 1/4	16 3/4	15 3/4
40	45	20 3/4	19 1/4	18 1/4	17 1/4
45	50	22 3/4	20 3/4	19 3/4	18 3/4
50	60	24 3/4	22 3/4	20 3/4	19 3/4
60	70	26 3/4	23 3/4	22 3/4	20 3/4
70	80	28 3/4	24 3/4	23 3/4	22 3/4
80	90	30 3/4	25 3/4	24 3/4	23 3/4
90	100	32 3/4	26 3/4	25 3/4	24 3/4
100	110	34 3/4	28 3/4	26 3/4	25 3/4
110	120	36 3/4	30 3/4	27 3/4	26 3/4
120	130	38 3/4	32 3/4	28 3/4	27 3/4
130	140	41 3/4	34 3/4	29 3/4	28 3/4
140	150	43 3/4	38 3/4	31 3/4	29 3/4
150	160	44 3/4	40 3/4	32 3/4	30 3/4
160	170	46 3/4	42 3/4	34 3/4	31 3/4
170	180	48 3/4	44 3/4	36 3/4	32 3/4
180	190	50 3/4	46 3/4	38 3/4	33 3/4
190	200	51 3/4	47 3/4	41 3/4	35 3/4

NOTE 1: Shipments transported subject to the rates herein shall be loaded on carrier's vehicle by the shipper.

* As provided in distance tables governing Local Express Tariff No. 4.

** Not applicable on shipments which are subject to charges for temperature control service.

End of Appendix A.