

Decision No. 65448

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-)
riers 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 Modifi-
cation No. 293)
(Filed March 11,
1963)

And Related Matters.)

Case No. 5435
(Petition for Modifi-
cation No. 44)

Case No. 5441
(Petition for Modifi-
cation No. 69)

OPINION AND ORDER

Petitioner, Knox Gelatine, Inc., is engaged in the manu-
facture and sale of gelatine. By the above-numbered petitions for
modification, it seeks the establishment in Minimum Rate Tariffs
Nos. 2 and 5 and City Carriers' Tariff No. 1-A of a third class
less-truckload exception rating for the transportation of "gela-
tine, noibn."

According to petitioner, the distribution of its gelatine
within California is made through warehouse facilities located in
Los Angeles and San Francisco. Shipments move to the warehouses
in carload lots from petitioner's plant in Johnstown, New York.
The commodities are reshipped from the California warehouses to
points in the State of California predominantly in less-than-
truckload quantities and by for-hire carriers.

Petitioner avers that only a minor portion of the output of gelatine is used for nonedible purposes; that virtually the entire movement of gelatine within California is of edible gelatine, packaged and sold as a foodstuff; and that gelatine is sold to consumers in the same manner and through the same channels as are other staple food products. Petitioner alleges that competition is particularly intensive between its gelatine and gelatine-content articles that are denominated "dessert preparations" reflecting the addition of sugar or flavoring, or both, to gelatine; that the descriptive entry of dessert preparations also includes dietary gelatine products which contain sucaryl and saccharin in lieu of sugar; and that the dietary gelatine products are, like Knox Gelatine, free of sugar. The petition shows that the density per cubic foot is somewhat higher for unflavored gelatine than for dietary gelatine products; that the value of the two articles are substantially identical.¹

The petition states that on less-truckload shipments within California, competing articles, made partially of gelatine and described as dessert preparations, are accorded a rating of fourth class whereas gelatine, noibn, is rated second class. Petitioner alleges that the rate spread between gelatine and competing foodstuffs resulting from the second class rating in California is excessive, and subjects petitioner to particularly burdensome competitive disadvantages in the California market. Petitioner states that

¹ According to petitioner, dimensions, weights and retail prices of the two articles compare as follows:

	<u>Dimensions of package (inches)</u>	<u>Cube of Package Set-up (Cubic Inches)</u>	
Gelatine Dessert	3 3/16 x 4 1/8 x 6/8	9.67	
Unflavored Gelatine	2 6/8 x 3 1/2 x 6/8	7.22	
	<u>Net Weight of Contents (ounces)</u>	<u>Gross Weight of Package (ounces)</u>	<u>Retail Price Per Package (cents)</u>
Gelatine Dessert	0.614	1.0	24.5¢ to 25¢
Unflavored Gelatine	1.0	1.5	25 ¢ to 26¢

it is unable to develop that market to an extent comparable to other markets in the country where this disparity does not prevail. The relief sought herein petitioner avers, would be responsive to the acute need experienced by petitioner for a classification basis better adjusted to the marketing requirements of gelatine in competition with gelatine-content products embraced in the dessert preparations description.

Copies of the petitions have been served upon competing shippers, the California Trucking Association and other interested parties. No objection has been received to the granting of these petitions.

In the circumstances, it appears, and the Commission finds, that the classification changes sought by petitioner for incorporation in Minimum Rate Tariffs Nos. 2 and 5 are reasonable; that the proposed revisions in these tariffs have been shown to be justified and reasonable; and that the resulting minimum rates and charges will be just, reasonable and nondiscriminatory. The petitions applicable to these tariffs will be granted. No disparity in the rate relationship between the commodities involved exists in connection with minimum rates set forth in City Carriers' Tariff No. 1-A, however, and therefore Petition for Modification No. 69 in Case No. 5441 will be denied.² In order to avoid duplication of tariff distribution, Minimum Rate Tariff No. 5 will be amended by separate order.

This is a matter in which a public hearing is not necessary.

²

Item No. 300-E of City Carriers' Tariff No. 1-A provides a less-than-carload exception rating of second class for the transportation of dessert preparations, dry, noibn, within San Francisco. This rating is the same as the classification rating applicable to the transportation of gelatine, noibn, within the same drayage area.

Good cause appearing,

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 July 13, 1963, Twenty-fifth Revised Page 6 and Seventh Revised Page 37-D, which revised pages are 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 made effective not earlier than the tenth day after the effective date of this order, and may be made effective on not less than ten 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 pages incorporated in this order.

3. Common carriers, in establishing and maintaining the rating authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rating published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

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

5. Petition for Modification No. 69 in Case No. 5441 is hereby denied.

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

Dated at San Francisco, California, this 21st day of May, 1963.

George G. Hoover
President
Paul S. Stetson
Fredrick B. Holbrook
William W. Ginn

Commissioners

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

INDEX OF COMMODITIES (Continued)

COMMODITY	Item Number	COMMODITY	Item Number
Feed, Clover	652-654 ¹ / ₂	Glucose	360
Feed, Gluten	652-654 ¹ / ₂	Glycerine, unmedicated	395
Feed, Mill	652-654 ¹ / ₂	Grain Products, as described	652-654 ¹ / ₂
Feed, Poultry	652-654 ¹ / ₂	Grain	652-654 ¹ / ₂
Feed, Sorghum (M)	652-654 ¹ / ₂	Grains, Brewers'	652-654 ¹ / ₂
Feed, Soybean Mill	652-654 ¹ / ₂	Grains, Distillers'	652-654 ¹ / ₂
Feterita	652-654 ¹ / ₂	Grass, Sudan	652-654 ¹ / ₂
Film, cellulose	332	Grass, Water	652-654 ¹ / ₂
Fire Brick (M)	365	Grate Bars	365
Fire Clay (M)	365	Grips	365
Fish, cooked, pickled or preserved	320, 345	Grit	652-654 ¹ / ₂
Fish, other than fresh or frozen	360	Grits	652-654 ¹ / ₂
Fish Roe	320	Groats	652-654 ¹ / ₂
Fittings, Iron or Steel Pipe	365, 378	Guides, Wire Line	365
Flakes, Brewers'	652-654 ¹ / ₂	Gum, Chewing	360
Flakes, Hominy	652-654 ¹ / ₂	Handles, wooden	365
Flavoring Compounds	360	Heads, Control Casing, Drive Pipe or Casing	365
Flaxseed	652-654 ¹ / ₂	Hegari	652-654 ¹ / ₂
Flour, Bean	339, 652-654 ¹ / ₂	Higera	652-654 ¹ / ₂
Flour, Blood	652-654 ¹ / ₂	Hominy	320, 652-654 ¹ / ₂
Flour, edible	360	Hominy Flakes	652-654 ¹ / ₂
Flour, Grain	339, 652-654 ¹ / ₂	Honey	320-360
Flour, Potato	339, 652-654 ¹ / ₂	Hooks, Casing, Sucker Rod, Throwoff, or Tubing	365
Flour, Prepared	339, 652-654 ¹ / ₂	Horseradish	360
Flour, Rice-	339, 652-654 ¹ / ₂	Horseradish, prepared	320
Flowers, fresh cut	340	Hulls	652-654 ¹ / ₂
Flues, Boiler	365	Hulls, cottonseed	652-654 ¹ / ₂
Fondant, Candy	360	Hulls, Rice	652-654 ¹ / ₂
Food, Baby	320	Hulls, safflower seed	652-654 ¹ / ₂
Food, Cereal	360	Hulls, sunflower seed	652-654 ¹ / ₂
Food, Infants' or Invalids'	360	Hydrogen Peroxide	365
Food, Milk, other than milked, liquid	320	Ice Cream	370
Food, Milk, other than liquid, other than milked milk	375	Icings	360
Food Preparations, Cereal (M)	360	Insecticides (M)	377.5, 723-726
Foodstuffs for human consumption	345, 620-630	Iron, Plate or Sheet	365
Forges	365	Jacks, Oil Well Pumping	365
Fruit (not dried, evaporated nor fresh)	320	Jacks, Well Tool	365
Fruit, candied, crystallized, glazed or stuffed	360	Jam	320
Fruit, crushed	320	Jelly	320
Fruit, dehydrated, dried or evaporated	350	Joints, Rotary Tool and Sucker Rod	365
Fruit Drink	320	Juice, Clam	320
Fruit Juice Powders or Crystals, Citrus	360	Juice, Fruit	320

Fruit Peel, candied crystallized, glazed or stuffed	360	Kaffir Corn	652-654½
Fruit Syrup	360	Kaoliang	652-654½
Garlic Chips	320	Kelp	652-654½
Garlic Powder	320	Lacquers	377
Gas, petroleum liquefied	377.5, 723-726	Lard	360, 730
Gauges, Bit	365	Lard Compounds	360
Gelatine	* 352, 360	Lard Substitutes	360, 730
Generators, Electric(M)	365	Lentils (M)	652-654½
Germ	652-654½		

(M) Denotes articles on which application of rates is limited to mixed shipments.

* Addition, Decision No. 65448

EFFECTIVE JULY 13, 1963

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 1319

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)	
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)	Class Rating
345	<p>FOODSTUFFS FOR HUMAN CONSUMPTION, viz.:</p> <p>Fish, cooked, pickled or preserved, with or without fruit or vegetable ingredients, in bulk in boxes,</p> <p>Macaroni, noodles, rice, spaghetti or vermicelli, dry, not cooked, with cheese, fish, meat or poultry, vegetables or other ingredients, in combined packages in boxes (not less than 55 percent of the gross weight of the combined packages shall be that of the ingredients named, in metal cans),</p> <p>Meats, cooked, cured or preserved, with or without cereal or vegetable ingredients, in bulk, in crates or boxes, or in inner containers or packages, other than those specified in Item No. 320, in crates or boxes,</p> <p>Milk (not malted), Buttermilk (not casein), Dry Milk Solids, powdered or flaked, or Whey, condensed or powdered, in inner containers of earthenware, glass, metal cans or packages, in outer containers of boxes; or in bulk in barrels, fibre cans, boxes, double bags or multiple-wall paper bags,</p> <p>(2) Milk or Cream Substitutes, processed from vegetable, soybean or grain products, with or without other ingredients, in hermetically sealed glass or metal containers in boxes,</p> <p>Pizza Pie Mix, consisting of flour, yeast and sauce with or without cheese, in combined packages in boxes (not less than 50 percent of the gross weight of the combined packages shall be that of the ingredients named, in metal cans),</p> <p>Sandwich Spreads, including cheese spreads, in paper cartons in boxes,</p> <p>Spaghetti and Cheese or Noodles and Cheese, with sauce, in combined packages in boxes (not less than 55 percent of the gross weight of the combined packages shall be that of the ingredients named, in metal cans),</p> <p>Less carload _____</p> <p>Carload:</p> <p>Minimum Weight 30,000 Pounds _____</p> <p>Minimum Weight 36,000 Pounds _____</p> <p>Minimum Weight 42,000 Pounds _____</p> <p>Minimum Weight 45,000 Pounds _____</p> <p>(1) Not applicable to shipments which are subject to charges for temperature control service.</p> <p>(2) Subject only to the less carload rating shown in this item.</p> <p>Not subject to Item No. 300, see Note 1.</p>	<p>90% of L</p> <p>5</p> <p>B</p> <p>C</p> <p>(1)D</p>

NOTE 1.-(a) Rates or ratings applicable on shipments in boxes will apply also to such shipments in fibreboard boxes in metal strapped bundles or crates.

(b) Rates or ratings applicable to shipments in barrels will apply also to such shipments in hogheads, pipes, puncheons, tierces, casks, drums, half-barrels, quarter-barrels, sixth-barrels, eighth-barrels or kegs.

350	Fruit, Dehydrated, Dried or Evaporated, as described under that heading in the Western Classification. (See Item No. 40). Less carload ----- Carload: Minimum Weight 30,000 pounds ----- Minimum Weight 42,000 pounds -----	90% of 4 5 0
*o 352	Gelatine, not otherwise indexed by name in the Western Classification, Less carload -----	3

* Addition)
 o Reduction) Decision No. 65448

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 Correction No. 1320