

Decision No. 68039**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SENF & COMPANY, a California )  
corporation, for exemption from )  
certain provisions of General )  
Order No. 84-D. )

Application No. 45988  
Filed November 29, 1963

Roy A. Senf, Jr., for Senf & Company,  
applicant.  
T. W. Curley, for Swift & Company;  
and C. D. Gilbert, H. F. Kollmyer  
and A. D. Poe, for California  
Trucking Association, interested  
parties.  
Arthur F. Burns, for the Commission  
staff.

O P I N I O N

Senf & Company, a California corporation, is authorized to operate as a radial highway common carrier, highway contract carrier and city carrier. By this application it seeks authority to depart from certain provisions of General Order No. 84-E<sup>1</sup> in connection with shipments of meat transported for Swift & Company from Royal Packing Company, the shipper's subsidiary packing plant at Broderick,<sup>2</sup> to customers located within a radius of 150 miles thereof. Specifically, applicant seeks authority to make C.O.D. (Collect on Delivery) shipments part of a split-delivery shipment.

<sup>1</sup> General Order No. 84-E, adopted February 1, 1964, by Decision No. 66552, dated December 27, 1963, in Case No. 7402, superseded General Order No. 84-D. The application, initially filed seeking relief from General Order No. 84-D, was orally amended at the hearing to seek relief from General Order No. 84-E. The provisions of both general orders are identical insofar as this application is concerned.

<sup>2</sup> The application referred to transportation from Swift & Company's San Francisco plant. It was orally amended at the hearing to show that the transportation is from the shipper's plant at Broderick.

Such arrangements are prohibited by paragraph 7(g) of General Order No. 84-E which provides that permit carriers, among others, shall "not make a C.O.D. shipment part of a split-delivery shipment."

A public hearing in this matter was held in Sacramento before Examiner Mooney on July 20, 1964, at which time the matter was submitted. Testimony in support of the requested authority was presented by the president of applicant and the transportation manager of Swift & Company. The Commission staff assisted in the development of the record.

The evidence shows that applicant has been transporting split-delivery shipments of meat in truckload quantities from the Broderick plant to consignees within 150 miles thereof for over three years; that approximately 30 C.O.D. orders are included in the split-delivery shipments each month; that the C.O.D. components consist generally of one or two beefs which are ordered by small buyers and weight from 600 to 700 pounds each. The record further shows that subsequent to the effective date of paragraph 7(g), each C.O.D. component has been consigned to the local distributor of the shipper located nearest to the buyer; that the distributor then delivers the order to the buyer and makes the C.O.D. collection; and that this additional handling is not good for the product. According to the evidence, the margin of profit in the meat business is not sufficient to cover either the added cost to the shipper of having its distributors make local deliveries of C.O.D. orders in company equipment or the higher freight charges that would result from shipping each C.O.D. order as a separate shipment from the Broderick plant to the buyer. It is alleged that if the sought authority is not granted, Swift & Company will be precluded from continuing to sell to C.O.D. customers because of the increased cost under the present transportation arrangements and that the only

alternative is for the shipper to make all deliveries from the Broderick plant now handled by applicant in proprietary equipment.

The California Trucking Association protested the granting of the requested relief. At the hearing, the traffic manager of Swift & Company stated that the shipper would not hold applicant responsible for checks which were accepted in payment of C.O.D. charges and which were not honored by the bank. The California Trucking Association, on the basis of this statement, withdrew its protest. No one else opposed the granting of the application.

The relief herein sought from General Order No. 84-E is in connection with specific transportation performed by applicant under contract with a single shipper. In the limited circumstances involved herein, the Commission finds that the sought exemption is justified.

The Commission concludes that the application should be granted; however, because the conditions under which the service is performed may change at any time, the authority will be limited to a one-year period.

O R D E R

IT IS ORDERED that Senf & Company, a California corporation, may make C.O.D. shipments part of split-delivery shipments handled by it as a highway contract carrier, a city carrier or a radial highway common carrier for Swift & Company from said company's subsidiary plant, Royal Packing Company, at Broderick to its customers located within a radius of 150 miles thereof and that this

authority shall expire one year after the effective date of this order unless sooner canceled, changed or extended by order of the Commission.

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

Dated at San Francisco, California, this 13th day of October, 1964.

Frederick B. Holloff  
President  
Ed L. Ditch  
George G. Grover  
William W. Dennis

Commissioners

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