

**ORIGINAL**Decision No. 69171

## 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 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 Modification No. 370  
 (Filed February 2, 1965;  
 amended March 25, 1965)

A. D. Poe, J. C. Kasper, H. F. Kollmyer, for California  
 Trucking Association, petitioner.  
Armand Karp, for Callison Truck Lines; and John McSweeney,  
 for Delta Lines, Inc., respondents.  
Jefferson H. Myers and Thomas C. Lynch, Attorney General,  
 by Miriam Wolfe, for the San Francisco Port Authority;  
Charles C. Miller, for San Francisco Chamber of Com-  
 merce; E. R. Chapman, for Foremost Dairies, Inc.;  
Charles H. Costello, for Continental Can Company, Inc.;  
Gordon G. Gale, for The Clorox Company; and Lee Mounger, for  
 Owens-Illinois Glass Company, interested parties.  
Robert E. Walker and Robert J. Carberry, for the Commission  
 staff.

O P I N I O N

A duly noticed public hearing was held and the matter was  
 submitted before Examiner Mallory on April 27, 1965, at San Francisco.

Item No. 100 of Minimum Rate Tariff No. 2 provides that  
 constructive mileages from and to points outside the San Francisco  
 Bay Mileage Territory, on the one hand, and points within either the  
 San Francisco Metropolitan Zone Group or the East Bay Metropolitan  
 Zone Group, on the other hand, shall be the average of the distances

from or to the San Francisco Metropolitan Zone Group and the East Bay Metropolitan Zone Group.<sup>1</sup>

By this petition, California Trucking Association seeks amendment of Item No. 100 to cancel the so-called average mileage provisions, except for shipments (other than split pickup and split delivery shipments) originating at or destined to steamship wharves or docks located within the San Francisco Metropolitan Zone Group and the East Bay Metropolitan Zone Group.

Evidence in support of the proposal was adduced by the Director of CTA's Division of Transportation Economics. The Traffic Manager of the Port of San Francisco testified concerning the necessity for retaining the average mileage provision with respect to transportation to and from steamship docks and wharves. The San Francisco Chamber of Commerce supported the proposed tariff amendment. No one appeared in opposition to the relief sought.

The average mileage provision was initially established in 1938, and was incorporated in Minimum Rate Tariff No. 2 at its

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<sup>1</sup> Such provisions do not apply in connection with split pickup or split delivery shipments: (a) Having one or more components in the East Bay Metropolitan Zone Group (Metropolitan Zones 108, 109, 110, 111, 113 and 114) or the Hayward-Milpitas Metropolitan Zone Group (Metropolitan Zones 115, 116, 117, 118, 119, 120, 121 and 122), and one or more components in the San Francisco Metropolitan Zone Group (Metropolitan Zones 101, 102, 103 and 112) or the San Francisco Peninsula Metropolitan Zone Group (Metropolitan Zones 104, 105, 106, 107 and 135); or (b) Having one or more components within either the San Francisco Metropolitan Zone Group or the East Bay Metropolitan Group, and one or more components at other points within the San Francisco Bay Mileage Territory as defined in Section 2-C of the Distance Table, except when the average mileage for the segment of the split pickup or split delivery route is constructed by use of the average mileages set forth in Section 3 of the Distance Table.

The San Francisco Metropolitan Zone Group includes the Metropolitan Zones embracing the following communities: San Francisco, Daly City, Colma, South San Francisco, San Bruno, Millbrae and portions of Burlingame and Hillsborough. The East Bay Metropolitan Zone Group includes the Metropolitan Zones embracing the cities of Oakland, Alameda, Emeryville, Piedmont, Berkeley, Albany, Richmond, El Cerrito and San Leandro.

inception. The provisions have been amended several times. The latest amendment, concerning computation of mileages on split pickup and split delivery shipments having one or more points of origin or destination in the San Francisco or East Bay Metropolitan Zone Groups, was made pursuant to Decision No. 68505, dated January 15, 1965, in Case No. 5432, Petition No. 361. Decision No. 68505 contains a history of the average mileage provisions and describes in detail many of the current economic considerations underlying the modification of Item No. 100 with respect to split shipments. That decision stated as follows:

"The average mileage provisions, other than as they relate to split shipments, are not before the Commission in this proceeding. However, in reaching a determination herein, consideration must be given to the need for full retention of such provisions balanced against the simplified use of the tariff. Weight must be accorded to the conditions existing today against those in existence when the average mileage provisions were initially established."

In the instant proceeding C.T.A. presented evidence to show that the economy of the metropolitan San Francisco Bay Area has changed materially since the inception of the average mileage provisions and that such provisions are no longer necessary or reasonable. C.T.A. showed that the population of points within the metropolitan area outside of San Francisco and Oakland have increased more rapidly than the population of those communities; that the system of highways and bridges has been improved and has changed materially; that the metropolitan area has become a manufacturing center as well as a distribution center; that many large distributing firms now have locations on both sides of the Bay; and that the sources generating transportation have relocated within the metropolitan area.

C.T.A. contended that the changes so described have been so drastic and diverse that the circumstances which originally prompted

the establishment of the average provisions no longer exist. The witness stated that present minimum rates are cost-oriented rates; thus, the cancellation of the artificial basis of mileage determination would give greater effect to actual distances and, therefore, to costs. Moreover, the present average mileage provisions are difficult to interpret and apply, and the cancellation of said provisions would materially simplify the application of the minimum rate tariff.

The witness stated that the C.T.A. proposal had been given wide circulation among shipper associations and advisory groups, as well as to the membership of his association, and that C.T.A. had not been informed of any opposition to the proposal.

According to the C.T.A. witness and the witness for the San Francisco Port Authority, retention of the average mileage provision for port traffic is necessary to maintain the competitive position of the San Francisco port. Their testimony showed that the principal movement of commodities to the ports subject to Minimum Rate Tariff No. 2 is interstate traffic exempt from federal regulation under the Interstate Commerce Act. The C.T.A. witness indicated that it would continue a study of movements to the ports with the intent of ultimately proposing cancellation of the average mileage provision and substitution therefor of specific commodity rates.

We find that the cancellation of the average mileage provision is justified in face of current economic conditions; such provision is no longer required to provide an equality of rate treatment to the communities of San Francisco and Oakland (except ports located in said communities); such cancellation would simplify the determination of constructive mileages and the application of Minimum Rate Tariff No. 2; and the resulting minimum rates, charges and rules will be reasonable.

With respect to traffic originating at and destined to ports located within the San Francisco Metropolitan Zone Group and East Bay Metropolitan Zone Group, we find that the retention of the average mileage provision is required to provide an equality of rate treatment on said traffic, and that the maintenance of the average mileage provision will result in nondiscriminatory rate treatment for said ports.

Based upon the facts of record, we find that the minimum rates and rules established by the order which follows will be just, reasonable and nondiscriminatory minimum rates for the transportation governed thereby; and that to the extent that the provisions of Minimum Rate Tariff No. 2 have been found heretofore to constitute reasonable minimum rates and regulations for common carriers as defined in the Public Utilities Act, said provisions as hereinafter amended are, and will be for the future, reasonable minimum rate provisions for said common carriers. To the extent that existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for said carriers, to that same extent the rates and charges of said carriers are hereby found to be, now and for the future, unreasonable, insufficient and not justified by the actual competitive rates of competing carriers or by the costs of other means of transportation.

The Commission concludes that Petition No. 370, as amended, should be granted.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Decision No. 31606 as amended) is hereby further amended by incorporating therein, to become

effective July 11, 1965, Twenty-fifth Revised Page 18, attached hereto, and by this reference made a part hereof.

2. Tariff publications required 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 on not less than ten days' notice to the Commission and to the public and such tariff publications shall be made effective not later than July 11, 1965; and the tariff publications which are authorized but not required 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 rates 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 rates 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.

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

Dated at San Francisco, California, this 1st day of June, 1965.

Fredrick J. H. Bluff President  
Walter C. [unclear]  
George H. Hoover  
W. [unclear]  
William B. [unclear] Commissioners

Cancels

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
ø100	<p style="text-align: center;">COMPUTATION OF DISTANCES</p> <p>Distances to be used in connection with distance rates named herein shall be the shortest resulting mileage via any public highway route, computed in accordance with the method provided in the Distance Table, subject to the following exceptions:</p> <p>øø1. Distances from or to points outside the San Francisco Bay Mileage Territory, on the one hand, and steamship docks or wharves within either the San Francisco Metropolitan Zone Group or the East Bay Metropolitan Zone Group, on the other hand, shall be the average of the distances from or to the San Francisco Metropolitan Zone Group and the East Bay Metropolitan Zone Group (computed in accordance with the method herein provided). The provisions of this paragraph will not apply in connection with split pickup or split delivery shipments.</p> <p>2. For transportation under rates resulting from ratings in Item No. 377.5 from points in groups described in Item No. 724 to a point of destination outside of the same group, the applicable distance shall be the distance between the basing point of the group and the point of destination.</p> <p>3. When a permit shipment or a shipment of dangerous articles is required to move via a circuitous route because of conditions imposed by a governmental agency, distances shall be computed along the shortest legal route available to the carrier in accordance with the method provided in the Distance Table.</p> <p style="text-align: center;">***</p>
105	<p style="text-align: center;">REFERENCES TO NAMED POINTS OR COMMUNITIES</p> <p>Unless otherwise provided, references herein to named points or communities shall include the extended areas of such points or communities as provided in the Distance Table.</p>
	<p>ø Change )  ø Increase )  ø Reduction )  ** Note eliminated )</p> <p style="text-align: right;">Decision No. <b>69171</b></p>
EFFECTIVE JULY 11, 1965	
<p>Issued by the Public Utilities Commission of the State of California,  San Francisco, California.  Correction No. 1614</p>	