

**ORIGINAL**Decision No. 69531

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 Western Motor Tariff Bureau, Inc.,  
 a corporation, for permission to  
 establish on behalf of certain of  
 its member carriers special provi-  
 sions for the computation of rates  
 between points in the State of  
 California.

Application No. 47420

Arlo D. Poe and W. J. Knoell, for applicant.

Robert C. Ellis, for California Motor Express, Ltd.  
 and California Motor Transport Company; M. L. Frost,  
 for Associated Freight Lines; W. N. Greenham, for  
 Pacific Motor Trucking Company; Armand Karp, for  
 Callison Truck Lines; Irving L. Lewis, for Willig  
 Freight Lines; John McSweeney, for Delta Lines;  
Eugene A. Read, for California Manufacturers  
 Association; Richard W. Smith, J. C. Kasper and  
H. F. Kollmyer, for California Trucking Association;  
 interested parties.

W. J. Kane and George H. Morrison, for the Commission staff.O P I N I O N

Western Motor Tariff Bureau, Inc. (Bureau) is a nonprofit carrier-owned corporation, existing for the primary purpose of preparing, printing and distributing highway common carrier tariffs for its members. One of the tariff publications issued by the Bureau is designated as Local, Joint and Proportional Freight and Express Tariff No. 111 (Tariff No. 111). Said tariff provides rates and rules for more than 200 participating carriers.

By this application, as amended, the Bureau seeks authority, under Sections 454 and 460 of the Public Utilities Code to establish the following provisions in the aforesaid Tariff No. 111:

"On shipments moving between points in the Redwood Empire territory as described in Note 1 on the one hand, and on the other hand, points outside thereof located north of the southern boundary of Sonoma, Solano, Sacramento, Amador and Alpine Counties, mileage rates shall be based on the through mileage from origin to destination via the point of Novato, subject to the provisions of Item No. 650 (split pickup) and Item No. 670 (split delivery).

"Note 1 - The Redwood Empire territory consists of the following area:

"The Counties of Del Norte, Humboldt, Lake, Mendocino, Sonoma and (1) Trinity.

- (1) Applies only in connection with that portion of Trinity County which requires the traversing of that part of U.S. Highway 299 located west of Del Loma and/or that portion of Trinity County which requires the traversing of that part of the unnumbered highway which passes through Hayfork and is located south and/or west of Hayfork."

Public hearing of the application was held before Examiner Bishop at San Francisco on May 14, 1965. Evidence was presented on behalf of applicant through its tariff issuing officer and officials of seven highway common carriers, parties to Tariff No. 111. With the filing of an amendment to the application on May 25, 1965, the matter was taken under submission.

Tariff No. 111, the record shows, is a statewide class and commodity tariff having both mileage and point-to-point rates. The mileage rates are used in connection with constructive highway distances published elsewhere. The distances to be used in ascertaining the rates in Tariff No. 111 for movements between points located in Redwood Empire territory, as described in the proposed rule, and points in the Sacramento Valley for example, are in many instances

constructed over more or less direct routes through the Coast Range, which lies between the two areas. According to the record, however, the actual route of movement of such traffic, when transported by carriers involved herein, is via San Francisco Bay terminals.

In many instances the movement involves two or more carriers, one carrier serving the Redwood Empire territory points and another the Sacramento Valley points. Interchange between the carriers, the record shows, is accomplished at the San Francisco Bay terminal of one of the carriers. Even when a single carrier reaches both origin and destination, one linehaul truck will carry the shipment between the Redwood Empire territory point and that carrier's San Francisco Bay terminal, where transfer is made from or to another linehaul vehicle operating between said terminal and Sacramento Valley points, or points beyond reached via connecting carriers. The normal route of travel between San Francisco Bay terminals and points in Redwood Empire territory, for all the involved carriers so operating, is via Novato, on U. S. Highway 101 in Marin County.

The witnesses gave the reasons for the above-described manner of operation. As to those carriers which serve both of the areas here under consideration, the volume of traffic moving between said areas is insufficient to make it economically feasible to schedule trucks for direct movement. Thus, the shipments in question are loaded onto trucks containing freight destined to the San Francisco Bay area or points south or east thereof. Similar handling is accorded said shipments on the movement from the Bay terminal to the Sacramento Valley destination points.<sup>1/</sup> As previously indicated, shipments moving over the lines of two carriers, one of which serves

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<sup>1/</sup> Circumstances prevailing with respect to Sacramento Valley traffic, the record shows, are also true for shipments moving from or to points, other than Sacramento Valley points, located east of Redwood Empire territory and north of the boundary line set forth in the proposed rule.

Redwood Empire territory and the other the Sacramento Valley, are necessarily interchanged between the carriers at the Bay terminals. A third reason is the fact that the certificates held by most of the general freight carriers do not authorize operation over the few direct routes between the two involved areas.

The relief requested herein is sought, the tariff issuing agent testified, because the applicable rates, based on the relatively short direct highway routes over the mountains, are not adequate to compensate the carriers for the much longer hauls over the actual routes of operation between the two areas. For example, the constructive highway mileage presently applicable between Redding and Eureka is 187 miles, while the constructive mileage between the same points computed over Novato, under the proposed rule, would be 508 miles. Thus, the aforesaid witness testified, a carrier party to Tariff No. 111 must, in this instance, transport a shipment more than 508 miles (since the shipment would actually move via one of the Bay terminals) and be compensated on the basis of only 187 miles.<sup>2/</sup>

Establishment of the proposed rule would naturally result in increased rates for the traffic moving between the two areas. The more circuitous the route of movement as compared with the route via which the presently applicable constructive mileage is calculated, the greater would be the increase in rates and charges. However, the record indicates that such increases would augment the revenues of the affected carriers by less than one percent, and would probably be far less than that figure.

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<sup>2/</sup> It is here noted that the constructive mileages reflect the actual highway distances via the respective routes, increased to compensate for such factors as grades, curves and traffic congestion and controls.

The proposed rule is similar to one currently in effect in the aforesaid Tariff No. 111. The latter rule <sup>3/</sup> involves joint mileage rates between Redwood Empire points served by Willig Freight Lines and Callison Truck Lines, on the one hand, and points in the Sacramento Valley and adjacent areas served by Pacific Motor Trucking Company, on the other hand. The rule provides that such rates shall reflect constructive highway mileages computed via San Francisco. It appears that the proposal herein, if adopted, will supersede said rule and will result in reductions in the mileage rates applicable to the above-described joint movements.

Representatives of California Manufacturers Association (CMA) and of the Commission's Transportation Division staff assisted in the development of the record through examination of applicant's witnesses. The representative of CMA, in a closing statement, objected to the location of the southern boundary of the proposed interior area. He pointed out that the effect of the proposed location would place Sacramento in said area, making it subject to some rate increases. This, he said, would place Sacramento at a competitive disadvantage, as compared to Stockton, on traffic from and to Redwood Empire territory. He felt that the boundary in question should lie north of Placerville, Roseville and Woodland, so as to exclude Sacramento. It appears that the increases in rates to and from Sacramento under the proposed rule would be minor. Said representative offered no evidence in support of his position with respect to the proposed boundary.

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3/ Published in Item No. 240, Paragraph 6, of Tariff No. 111.

It is clear from the record that distance rates based on constructive highway mileages computed in accordance with existing tariff provisions do not adequately compensate the carriers for the transportation services which they perform in connection with the traffic here in issue. This is particularly so as to movements between points located in the more northerly portions of the respective areas described in the proposed rule. The operating routes utilized by the involved carriers are, because of the various circumstances heretofore mentioned, the practicable routes of operation between said areas. Rates which are reflective of constructive mileages based over Novato will not give full effect to the distances travelled via said routes<sup>4/</sup> but will comport with the actualities of operating practices much more closely than do the distance rates presently applicable to the traffic in question.

We find:

1. The distance rates presently applicable under the provisions of Tariff No. 111 to the traffic here in issue are insufficient to compensate the involved carriers for the transportation services performed in connection therewith.
2. The increases in rates which will result from the following order are justified.
3. Departure from the long- and short-haul provisions of Section 460 of the Public Utilities Code, to the extent necessary to give effect to the authority granted herein, is justified.

We conclude that the application should be granted.

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<sup>4/</sup> The constructive highway distances between Novato, on the one hand, and Metropolitan Zones 101 (San Francisco) and 111 (Oakland), on the other hand, are 43 and 47 miles, respectively.

O R D E R

IT IS ORDERED that:

1. Subject to the limitation in Paragraph 4 of this order, Western Motor Tariff Bureau, Inc. is authorized to establish the rule proposed in Application No. 47420. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.

2. 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.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

4. The authority granted herein shall not apply to carriers possessing certificates authorizing operations into or from the Redwood Empire territory via U. S. Highway 299.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of August, 1965.

Fredrick B. Hohlhoff  
President

Walter E. D. [unclear]  
Negotiator

William A. Berens

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