

ORIGINALDecision No. 69850

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
 (Order Setting Hearing dated
 May 18, 1965)

A. D. Poe, H. F. Kollmyer and C. D. Gilbert
 for the California Trucking Association;
Eugene A. Road, for California Manufacturers
 Association, interested parties.
R. J. Carberry and J. R. Laurie, for the
 Commission staff.

O P I N I O N

The Commission's Transportation Division recommended a public hearing be scheduled for the purpose of receiving evidence relative to a staff report concerning the minimum commodity rates in Item 650 of Minimum Rate Tariff No. 2 for transportation of infusorial or diatomaceous earth from White Hills and Lompoc to San Francisco and vicinity. The staff report recommends that the aforementioned commodity rates be canceled and that the current minimum class rates be made applicable in lieu thereof.

A public hearing was held on July 27, 1965, before Examiner Gagnon at San Francisco. The matter stands submitted for decision. The California Trucking Association fully supports the staff proposal. The California Manufacturers Association alternatively suggests the establishment of a single truckload commodity rate.

By Decision No. 31606 (41 C.R.C. 698) minimum commodity rates were first established, effective May 16, 1939, for the transportation of infusorial earth from White Hills to the San Francisco Territory on the same level as the then effective point-to-point class rates applicable between the Los Angeles Territory and the San Francisco Territory. The commodity rates thus established equalized the competitive rates from the two major production areas of Torrance (located within the Los Angeles Territory) and White Hills (located outside the Los Angeles Territory). Subsequently, by Decision No. 50705 (unreported) Item 650 of the tariff was further amended, effective December 1, 1954, by extending the application of the commodity rates to include Lompoc, as an additional origin point and diatomaceous earth as an additional commodity reference. This adjustment had the effect of equalizing the rates from Walteria (located within the Los Angeles Territory) and Lompoc (located outside the Los Angeles Territory) for transportation to the San Francisco Territory.

A staff economic rate study was conducted relative to the transportation of infusorial and diatomaceous earth. Discussions were held with the representatives of the two producers located at White Hills and Lompoc. In addition, interviews were held with the carriers transporting the commodity in question. The staff rate study assertedly developed the following pertinent information:

1. The shipments of diatomaceous earth are tendered both on a prepaid and collect basis. The usual tender is a truckload quantity ranging from 40,000 pounds to 45,000 pounds and averaging about 43,000 pounds. Shipments are made to all the major commercial and wine producing areas. The split-delivery rule is utilized frequently because some receivers are unable to use a full truckload.

2. The competitive situation between WALTERIA and the Lompoc-White Hills production areas is completely changed from that which existed when the rates in Item 650 of the tariff were first established. WALTERIA no longer exists as a producing point. WALTERIA and Lompoc-White Hills no longer compete with respect to the production and marketing of infusorial or diatomaceous earth.
3. The historic rate relationships have also changed over the years. The current distance class rates are now lower from Lompoc-White Hills to principal receiving points in the San Francisco Territory than the otherwise applicable commodity rates named in Item 650 of the tariff. For example, the current available truckload class rates on infusorial earth from Lompoc-White Hills to San Francisco or Oakland are 48 and 52 cents per 100 pounds, subject to minimum weights of 45,000 and 36,000 pounds, respectively, whereas the commodity rate named in Item 650 is 55 cents per 100 pounds, minimum weight 40,000 pounds.
4. There is nothing unusual about the movement of infusorial earth by truck from the Lompoc-White Hills area to San Francisco Territory as compared to truck movements of this commodity from Lompoc-White Hills to other points. The volume of the movement to San Francisco is not significantly different from the volume to other major commercial or wine producing areas.
5. Diatomaceous or infusorial earth is currently being transported to all points in California at the applicable class rates.

The Transportation Division staff also developed a study of the cost of transporting diatomaceous earth in truckload lots on a statewide (distance) basis and a point-to-point (Lompoc Area to San Francisco Territory) basis. The cost study reflects labor and allied costs as of July 1, 1965. The cost information was employed by the staff rate expert in class-rate and commodity-rate analysis. The staff analysis is summarized in the following table:

TABLE I

(Appendix B, Exhibit No. 2)
 Infusorial or Diatomaceous Earth
 Minimum Rate Tariff No. 2
 (Rates in Cents per 100 Pounds)

| From: Lompoc/White Hills | Minimum Weight in Pounds | | | | | | | | |
|--------------------------|--------------------------|-----|--------|-----|--------|--------|--------|-----|-----|
| | 10,000 | | 20,000 | | 36,000 | 45,000 | 40,000 | | |
| To: | (1) | (2) | (1) | (2) | (1) | (1) | (2) | (3) | (4) |
| Richmond | 90 | 99 | 73 | 83 | 52 | 48 | 55 | 53 | 51 |
| San Francisco | 90 | 99 | 73 | 83 | 52 | 48 | 55 | 53 | 51 |
| Oakland | 90 | 99 | 73 | 83 | 52 | 48 | 55 | 53 | 51 |
| San Leandro | 90 | 99 | 73 | 83 | 52 | 48 | 55 | 53 | 51 |
| Sunnyvale | 87 | 99 | 70 | 83 | 50 | 46 | 55 | 51 | 51 |
| San Jose | 85 | 99 | 67 | 83 | 48 | 44 | 55 | 48 | 51 |

- (1) Class Rates
 (2) Commodity Rates
 (3) Alternative Commodity Rates - Based on distance staff cost data (Exhibit 1)
 (4) Alternative Commodity Rates - Based on point-to-point staff cost data (Exhibit 1)

Note: All rates subject to Central Coastal Territory Surcharges, Supplement 63 of the tariff.

From the foregoing table it will be noted that the existing level of class rates is lower than the present commodity rate scales in all instances. In addition, the 45,000-pound truckload volume incentive class rates are also lower than the commodity rate scales developed by the staff.

As a result of its economic rate study, the staff concludes that there is nothing unusual about the truck movement of infusorial or diatomaceous earth from the Lompoc-White Hills area to the San Francisco Territory as compared to like movements elsewhere in California. The staff asserts that the volume of the movement to San Francisco is not significantly different from the volume to other major commercial or wine producing areas. The staff further points out that the statewide movement of infusorial or diatomaceous earth, which represents about 75 percent of the traffic, is subject

to the existing minimum class rates. The current "going" rates are, according to the facts of record, the existing class rates. Therefore, it appears to the staff that continuation of the commodity rates in Item 650 of Minimum Rate Tariff No. 2 is unnecessary and serves no useful purpose. The staff recommends that Item 650 and Route 12 of Item 900-1 be canceled.

As an alternative to the cancellation of the foregoing commodity rates the California Manufacturers Association (CMA) suggests the adoption of the 40,000-pound distance commodity rate of 48 cents shown in the staff rate analysis for movements between Lompoc-White Hills and San Jose. It is proposed that such rate be established on a point-to-point basis applicable to all points in the San Francisco Territory; the comparative rate as developed by the staff for such movement would be, however, 51 cents per 100 pounds. The retention of a commodity rate scale as proposed for the movement here in issue is contrary to the cost and rate evidence of record. The alternative proposal will not, therefore, be further considered herein.

Upon careful consideration of all the facts of record we find that:

1. The continuation of the existing point-to-point commodity rates for the transportation of infusorial or diatomaceous earth, as set forth in Item 650 of Minimum Rate Tariff No. 2, serves no useful purpose and is no longer justified.

2. The application of the minimum class rates, in lieu of the otherwise applicable commodity rates, will provide a just, reasonable and nondiscriminatory basis of charges for the statewide movement of infusorial or diatomaceous earth.

3. The revision of Minimum Rate Tariff No. 2 as recommended by the Commission's Transportation Division staff should be authorized.

We conclude that Item 650 and Route 12 of Item 900-1 as set forth in Minimum Rate Tariff No. 2 should be canceled.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix A to Decision No. 31606, as amended) is hereby further amended by incorporating therein, to become effective December 4, 1965, the tariff pages which are attached hereto and by this reference made a part hereof, viz.:

Thirty-fourth Revised Page 2
Forty-sixth Revised Page 5
Fifteenth Revised Page 48
Twelfth Revised Page 68.

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 December 4, 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.

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

Dated at San Francisco, California, this 26th day of OCTOBER, 1965.

Frederic B. Helms
President
George T. Trover
August
Commissioners

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

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** "Earth, Infusorial" eliminated, Decision No. 69850

EFFECTIVE DECEMBER 4, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 1669

INDEX OF COMMODITIES (Continued)

| COMMODITY | Item Number | COMMODITY | Item Number |
|---|---------------|---|---------------|
| Candles (M) | 377.5,723-726 | Compound, electrical insulating (M) | 377.5,723-726 |
| Candy | 360 | Compound, metal cutting, drawing or drilling(M) | 377.5,723-726 |
| Candy Coating, other than chocolate | 360 | Compound, paint thinning (M) | 377.5,723-726 |
| Canned Goods | 320,620,630 | Compound, pneumatic tire mounting (M) | 377.5,723-726 |
| Cants, wooden | 365 | Compound, radiator cleaning (M) | 377.5,723-726 |
| Caps, Sand Line | 365 | Compound, rust pre-venting or removing(M) | 377.5,723-726 |
| Carriers (used packages) | 330 | Compound, type cleaning (M) | 377.5,723-726 |
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| Casing Shoes | 365 | Compounds, anti-freeze (M) | 377.5,723-726 |
| Castings, Swing Post | 365 | Compounds, Bleaching, Cleaning, Scouring, Washing | 730 |
| Catchers, Tubing | 365 | Compounds, carbon, green or sludge removing(M) | 377.5,723-726 |
| Catsup | 320 | Compounds, Flavoring | 360 |
| Cement, pipe fitting(M) | 377.5,723-726 | Compounds, floor hardening (M) | 377.5,723-726 |
| Cereal and Nuts combined | 360 | Compounds, Food Curing, Preserving or Seasoning | 360 |
| Cereal Food | 360 | Compounds, Lard | 335.5 |
| Chaff | 652-654½ | Compounds, Oil Well Drilling Mud | 365 |
| Chap Sticks | 395 | Concentrate, Flavin | 652-654½ |
| Charcoal (M) | 652-654½ | Confectionery | 360 |
| Cheese | 335.5 | Containers, Aluminum Bulk Shipping | 330 |
| Cheese Foods | 335.5 | Containers, Beverage | 330 |
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| Chowders | 320 | Covers, cotton cloth | 335 |
| Citrus Fruit Juice | | Covers, Thief Hole | 365 |
| Powders or Crystals | 360 | Cow Peas | 652-654½ |
| Clamps | 365 | Cranes, Derrick | 365 |
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| Cloth, abrasive | 302 | Cross Arms, wooden | 690,710 |
| Clover | 652-654½ | Crystals, Citrus Fruit Juice | 360 |
| Coating, candy, other than chocolate | 360 | Cylinders, Well Pump | 365 |
| Coating, Chocolate | 360 | | |
| Cocoa | 360 | | |
| Coconut, prepared | 333.5 | | |
| Coffee | 360 | | |
| Coffee, extract of (condensed or instant), dry | 360 | | |
| Coffee Substitutes | 360 | | |
| Coloring, Confectioners' | 360 | | |
| Compound, cleaning (M) | 377.5,723-726 | | |

| | | | |
|----------------------|----------------|--------------------------|----------------|
| Darso | 652-654½ | *** | |
| Derrick Cranes | 365 | Egg Yoke | 320 |
| Derricks | 365 | Eggs, Shelled | 360 |
| Dessert Preparations | 360 | Egyptian Wheat | 652-654½ |
| Diglycerides of Fat- | | Elevator Dust | 652-654½ |
| forming Acids | 335.5 | Elevators, Pipe or | |
| Disinfectants | 730 | Sucker Rod | 365 |
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| Dressing, rubber (M) | 377.5, 723-726 | Extracts | 360 |
| Drossing, Salad | 320 | Extracts, coffee or | |
| Dressing, shoe (M) | 377.5, 723-726 | tea (condensed or | |
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| Drink, fruit | 320 | | |
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| Durra | 652-654½ | Feed, Animal | 338, 620-630 |
| Dust, Elevator | 652-654½ | - | 652-654½ |
| | | Feed, Barley Hay | 652-654½ |
| | | Feed, Bean Straw (M) | 652-654½ |

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

***"Earths, Infusorial or Diatomaceous" eliminated, Decision No. 69850

EFFECTIVE DECEMBER 1, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 1670

| Item No. | SECTION NO. 3 COMMODITY RATES (Continued) |
|--|--|
| 0650 | Item canceled. Class rates apply. |
| <p style="text-align: center;">o Reduction, Decision No. 69850</p> | |
| EFFECTIVE DECEMBER 4, 1965 | |
| Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 1671 | |

| Item No. | SECTION NO. 4 | ROUTING (Concluded) |
|------------|---------------|--|
| | | <p>Route No. 4: From San Francisco Territory via U.S. Highway No. 101 to Gilroy; State Highway No. 152 through Los Banos to its junction with U.S. Highway No. 99 north of Madera; via U.S. Highway No. 99 to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 5: From North Sacramento via U.S. Highway No. 99 to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 6: From San Francisco Territory via U.S. Highway No. 101 to its junction with State Highway No. 118, 4.0 miles southeast of Ventura; via (a) State Highway No. 118 through Chatsworth, or (b) U.S. Highway No. 101 through Girard, or (c) U.S. Highway No. 101 to its junction with U.S. Highway No. 101, Alternate, at El Rio, thence via U.S. Highway No. 101, Alternate, through Oxnard to Los Angeles Territory or to Los Angeles Basin Territory.</p> <p>Route No. 7: From San Francisco Territory via Route 1, 2 or 3 to the junction of U.S. Highway No. 50 and State Highway No. 33, 3.0 miles east of Tracy; via State Highway No. 33 to Los Banos; via State Highway No. 152 to its junction with U.S. Highway No. 99 north of Madera; via Route 1, 2 or 3 beyond.</p> |
| ∅ 900-1 | | <p>(1) Route No. 8: From San Francisco Metropolitan Zone Group via U.S. Highway No. 101 to San Jose Metropolitan Zone Group.</p> <p>(1) Route No. 10: From East Bay Metropolitan Zone Group via State Highway No. 17 to San Jose Metropolitan Zone Group.</p> <p>***</p> <p>(4) Route No. 13: From Spreckels via unnumbered highway (Spreckels Road and Harris Road) to its junction with U.S. Highway 101 approximately 5.3 miles north of Chualar, thence via Route No. 6 to Los Angeles Territory.</p> <p>(5) Route No. 14: From San Francisco Territory via (a) U.S. Highway No. 40, or (b) State Highway No. 24 to Sacramento Valley Territory.</p> <p>(5) Route No. 15: From San Francisco Territory via (a) U.S. Highway No. 50, or (b) U.S. Highway No. 101 to Gilroy, thence via State Highway No. 152 to San Joaquin Valley Territory.</p> <p>(5) Route No. 16: From North Sacramento via U.S. Highway No. 99 to San Joaquin Valley Territory.</p> |

(5) Route No. 17: From Sacramento via U.S. Highway No. 99 to Sacramento Valley Territory.

- (1) Applies only in connection with rates named in Item No. 509.
- ***
- (4) Applies only in connection with rates named in Item No. 740.
- (5) Applies only in connection with rates named in Item No. 620.

***Route No. 12 and (3) reference eliminated, Decision No. 69850

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Correction No. 1672