

INTERSTATE COMMERCE COMMISSION v. ALLEN E. KROBLIN, Inc.
UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF IOWA
113 F. Supp. 599 (1953)

OPINION: GRAVEN

The issue in this case is whether or not the interstate transportation by truck of New York dressed and eviscerated poultry is within the scope of the so-called 'agricultural' exemption of the Interstate Commerce Act. ...

In this action the Interstate Commerce Commission claims that the defendant is engaged in transporting New York dressed and eviscerated poultry in interstate commerce without a certificate of public convenience and necessity. The Commission asks that the defendant be enjoined from so doing until he obtains such certificate. The defendant admits that it is so engaged and that it does not have a certificate of public convenience and necessity. It claims that under the provisions of Section 203(b)(6) it is not required to have such certificate. The defendant having admitted that it is engaged in interstate transportation of property by motor vehicle, the burden is upon it to establish that its activities come within the exemption.

Section 203(b)(6), above referred to, in its present form exempts from the certificate provisions of the Act:

'* * * (6) motor vehicles used in carrying property consisting of ordinary livestock, fish (including shell fish), or agricultural (including horticultural) commodities (not including manufactured products thereof), if such motor vehicles are not used in carrying any other property, or passengers, for

compensation’.

While Section 203(b)(6) includes fish as well as horticultural commodities, it is commonly and generally referred to as the agricultural exemption.

In the present case the defendant is a corporation that owns and operates a number of trucks which are used to haul New York dressed and eviscerated poultry from points in Iowa to Chicago, Illinois, and other points in other states. New York dressed poultry is defined by those engaged in the poultry trade as being poultry with the head and feathers removed and in some instances with the feet also removed. Eviscerated poultry is defined by those engaged in the poultry trade as poultry with the head, feet, feathers, and entrails removed and with the liver, heart, and gizzard cleaned, wrapped, and replaced in the carcass....

The parties are in agreement that live poultry is an agricultural commodity. They are in disagreement as to whether New York dressed and eviscerated poultry is an ‘agricultural commodity’ or a ‘manufactured product.’ While eviscerated poultry is somewhat more extensively processed than is New York dressed poultry, yet counsel in argument stated that no distinction is claimed as between the two so far as the agricultural exemption is concerned. Since the parties are in agreement that live fowls as they leave the farm are an ‘agricultural commodity,’ the real disagreement between the parties is as to when they become a ‘manufactured product.’ It is the claim of the Interstate Commerce Commission that they probably become such upon being killed and in all events after they have been New York dressed or eviscerated. It is the claim of the defendant and the Secretary of Agriculture that by such dressing or eviscerating the fowls have not as yet reached the point where they can be properly and legally classified as a

‘manufactured product’ and that something further or other is required before they have that status....

The defendant and the Secretary of Agriculture particularly rely upon the definition of the word ‘manufacture’ approved in the case of *American Fruit Growers, Inc., v. Brogdex Co.*, 1931, 283 U.S. 1, 51 S.Ct. 328, 75 L.Ed. 801.... [The Interstate Commerce Commission] stated that the definition which was approved in the *Fruit Growers* case was the appropriate and applicable definition to be used in connection with the determination of whether a commodity is or is not a ‘manufactured product’ under the agricultural exemption. The definition referred to is as follows, at page 11 of 283 U.S., at page 330 of 51 S.C t.:

“Manufacture,’ as well defined by the Century Dictionary, is ‘the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery’; also ‘anything made for use from raw or prepared materials.’”

It is the claim of the defendant and the Secretary of Agriculture that under the latter definition dressed poultry is not a manufactured product. The Interstate Commerce Commission making use of the same definition concluded that dressed poultry is a manufactured product...

The definitions relied upon by the parties are broad, general definitions. ...This Court is of the view that the tracing out of the meaning of ‘manufactured products’ in the agricultural exemption by means of general definitions and the attempted definitions of those definitions would only lead into a semantic wilderness. All of the parties are agreed that the words ‘agricultural commodities’ and ‘manufactured products thereof’ used in

the agricultural exemption are ambiguous words. They are not defined in the Act.

Therefore, it is necessary that resort be made to decisions construing the provisions of the agricultural exemption and to the extrinsic aids of legislative history and administrative interpretation....

In the present case, the only relevancy of administrative construction or interpretation is to the matter of Congressional intent. The question is whether or not the agency making the particular contention or interpretation has correctly ascertained the intent of Congress. Administrative construction or interpretation is but one of several extrinsic aids in the interpretation of statutes. Another extrinsic aid is legislative history. Where the provisions of a statute are ambiguous, the legislative history may often be revealing on the matter of legislative intent and may be more satisfactory evidence of legislative intent than administrative construction or interpretation. In the present case the parties are in controversy as to whether the administrative constructions or interpretations advanced are in accord with the intent of Congress as revealed by the legislative history of the Act. All of the parties contend that the legislative history of the Act supports their respective claims as to the intent of Congress. It would then seem desirable to next give consideration to the legislative history of the Act before proceeding any further with the matter of administrative construction or interpretation.

In the present case, the matters of importance are what was the purpose of Congress in enacting Section 203(b)(6), and what commodities did it intend to include within its provisions? The parties are agreed that the purpose of Section 203(b)(6) was to benefit the farmers.... In the present case it was claimed in oral argument by counsel for the defendant and the Secretary of Agriculture that the biggest benefit to the farmers of

exempting commercial truckers engaged in hauling farm commodities from the certificate provisions of the Act was the flexibility of operations permitted such carriers. It was stated by them that poultry is a commodity as to which the market is variable and shifting and that it is frequently necessary to be able to make shifts and changes in marketing arrangements on short notice and, in some cases, even when the commodities are en route....

An unusually large number of amendments have been proposed to Section 203 (b) (6) and there is an unusually large amount of legislative history material available in connection therewith. The action and attitude of Congress as to proposed amendments could be indicative of Congressional intent as to the scope and coverage of that subparagraph....

There are two features that stand out most predominantly in the voluminous legislative history relating to amendments made or proposed to Section 203(b) (6). One feature is that every amendment that Congress has made to it has broadened and liberalized its provisions in favor of exemption and the other feature is that although often importuned to do so, Congress has uniformly and steadfastly refused or rejected amendments which would either directly or indirectly have denied the benefits of the exemptions contained therein to truckers who are engaged in operations similar to that of the defendant herein. It is believed that the actions and attitude of Congress as manifested in connection with amendments to Section 203(b)(6) are preponderantly indicative of an intent on the part of Congress that the words 'manufactured products' used in that subparagraph are not to be given the restricted meaning contended for by the Interstate Commerce Commission herein.

It is the holding of the Court that New York dressed poultry or eviscerated poultry do not constitute 'manufactured' products within the intent and meaning of Section 203(b)(6). It is the feeling of the Court that an opposite holding would in reality constitute an attempt to accomplish by means of judicial construction that which Congress has steadfastly refused to allow to be accomplished by legislation.

Judgment will be entered in accord with this opinion.