

Decision No. 31597

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CO-OPERATIVE DELIVERY SERVICE, LTD.,
a corporation, for permission to charge
less than minimum rates on shipments,
regardless of classifications.) Application No. 22429

BY THE COMMISSION:

OPINION AND ORDER

By this application Co-Operative Delivery Service, Ltd., a corporation, seeks authority under Section 10 of the City Carriers' Act and Section 11 of the Highway Carriers' Act to transport property for William Volker Co. in shipments weighing 100 pounds or over, but not exceeding 500 pounds, as a city carrier and highway contract carrier, at rates less than the minimum rates established by Decision No. 30785, as amended, in Case No. 4121.¹ The rate which applicant proposes to charge is 15 cents per 100 pounds, subject to a minimum charge of 35 cents per shipment and to a guaranteed monthly revenue of \$350.00.

In support of the application it is alleged that this carrier performs a scheduled and routed parcel delivery service which is highly specialized in nature and is essentially different from ordinary drayage service. It is asserted that the minimum rates on shipments exceeding 99 pounds are not adaptable to this type of transportation in that they require the classification of freight, the issuance of separate bills of lading and the observance of zoning boundaries. It is also claimed that certain economies are possible in an operation of this type by reason of which service can be performed profitably at rates lower than the established minimum rates.

¹ Effective December 1, 1938, said Decision No. 30785, as amended, was superseded by Decision No. 31473 of November 25, 1938, in the same proceeding. However, the changes do not materially affect this application.

In further support of this application, it is stated that William Volker Co., for whom the transportation here involved is being performed, has definitely decided to commence proprietary operations if applicant is required to assess the established minimum rates and abide by the governing rules and regulations, and, in fact, that this shipper has already purchased some truck equipment.

It is evident from the allegations of the application that the routed and scheduled transportation service performed by Co-Operative Delivery Service, Ltd. is of a specialized nature for which the established minimum rates are not readily adaptable. It is evident also that in a service of this nature economies which should permit profitable operations at rates lower than those required for ordinary drayage are possible. In declining to establish special rates for routed and scheduled services in Decision No. 31473, supra, the Commission specifically recognized that in certain instances lower and different rates might be justified for this type of operation and stated that in proper cases relief would be afforded the carriers engaged therein upon the filing of appropriate applications under Section 10 of the City Carriers' Act and Section 11 of the Highway Carriers' Act. Under these circumstances, this is not a matter in which a public hearing is required. The application will be granted. Therefore, good cause appearing,

IT IS HEREBY ORDERED that Co-Operative Delivery Service, Ltd., be and it is hereby authorized to charge for the transportation for William Volker Co. in scheduled and routed delivery service, of shipments weighing not less than 100 pounds and not more than 500 pounds, rates less than the minimum rates established by Decision No. 31473 of November 25, 1938, in Case No. 4121, but not less than 15 cents per 100 pounds subject to a minimum charge of 35 cents per shipment and to a monthly guaranteed revenue of \$350.00.

The authority herein granted shall expire one (1) year from

the date hereof unless sooner changed, cancelled or extended by an appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 27th day of December, 1938.

R. B. ...

Frank ...

[Signature]
Commissioners