

Decision No. 37212

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the establishment of)
just, reasonable, and nondiscriminatory)
maximum or minimum or maximum and mini-)
mum rates, rules, classifications, and)
regulations for the transportation of)
property for compensation or hire over)
the public highways of the City of)
Los Angeles.)

ORIGINAL

Case No. 4121

BY THE COMMISSION:

Additional Appearances

Case No. 1231 John E. Hunt for Goodman Delivery Service, Inc.

SUPPLEMENTAL OPINION

By petition in the above-entitled proceeding, United Parcel Service of Los Angeles, Inc., asks that parcel post packages transported within the Los Angeles drayage area to United States post offices for mailing be exempted from the application of minimum rates.

Public hearing was had before Examiner Bryant at Los Angeles, and the matter is ready for decision.

Petitioner asserts that parcel delivery carriers in the Los Angeles area have assumed from the inception of minimum rate regulation that such regulation did not extend to the traffic herein considered. It alleges that the minimum rates heretofore established

¹ Minimum rates governing transportation within a defined portion of Los Angeles and adjacent communities, generally referred to as the Los Angeles "drayage area," are those provided in City Carriers' Tariff No. 4, Highway Carriers' Tariff No. 5, which is Appendix "A" of Decision No. 32504 of October 24, 1939, as amended, (42 C.R.C. 239). Petitioner originally proposed that the exemption cover both mail and parcel post packages and that it be subject to various conditions under which the property would be picked up and transported. At the hearing petitioner stated that it was not interested in mail other than parcel post packages, and suggested that the limiting conditions be omitted.

for the transportation of property within the Los Angeles drayage area are inappropriate and excessive when applied to this particular class of traffic; that under present conditions there is no competitive situation or other circumstance which would require or justify the expenditure of time and money in the determination and establishment of more appropriate rates; and that the interest of the public as well as that of the carriers would be best served by exemption of such traffic until it may appear that competitive conditions require the fixation of reasonable minimum rates.

Testimony in support of the petition was offered by petitioner's vice-president in charge of store service. This witness explained that his company makes daily scheduled calls at the places of business of its shippers, at which time it picks up parcel post along with other property tendered to it for transportation. All of the property is brought to the carrier's terminal, where the parcel post packages are segregated for delivery to the post office at the end of the day. At the post office the packages, except those to be insured or registered, are unloaded into a mail chute without counting. The witness stated that the parcel post packages are of generally similar size and shape; that postage stamps are affixed by the shipper; that no documentation or billing record is made, other than a notation of the number of packages on the margin of the carrier's manifest form; and that United Parcel ² assumes no liability for loss of or damage to parcel post packages. He said that his company makes generally uniform charges for the handling of parcel post, usually at a rate of 5 cents per package.

The witness declared that under these conditions the handling of parcel post packages was substantially less expensive than the transportation of other property for which the minimum rates

² The question of carrier's liability is not herein considered.

were designed. He asserted that application of the established rates to parcel post packages would return an excessive revenue to the carrier; would result in shipper dissatisfaction; and would tend to cause diversion of this traffic to other means of transportation. He testified that in his opinion there was no justification or necessity for the prescription of minimum rates for this movement.

A representative of the Motor Truck Association of Southern California explained that his association had little practical interest in the particular traffic herein considered, except as its exemption might open the door to discriminatory concessions, but was opposed as a matter of principle to any breaking down of the minimum rate structure through unnecessary exemptions. He suggested that any exemption based upon wartime conditions be limited to the period of the war emergency, to be followed by the establishment of appropriate minimum rates when conditions permitted.³ A representative of Goodman Delivery Service, Inc. stated that his company opposed the exemption on the grounds that rates lower than those applicable as minimum would be noncompensatory, and might lead to ruinous competition among the carriers. Twentieth Century Delivery Service, Inc., another parcel delivery carrier, supported the petition and urged that it be granted. None of these parties offered any evidence, and no other carrier or shipper appeared at the hearing or otherwise made its position known to the Commission.

The record shows that the minimum rates, rules and regulations now applicable to the transportation of packages to United States post offices within the Los Angeles drayage area are, under

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The reference to wartime conditions arose during closing argument. Neither the petition nor the evidence indicates that the proposed exemption is predicated upon new or temporary conditions.

some conditions, excessive and inappropriate. Clearly this service is less expensive than the delivery of ordinary shipments direct to individual consignees as contemplated under the established minimum rates. Complete cost evidence is not now available from which the Commission might establish more appropriate rates for this specialized traffic, nor does it appear that anyone would be adversely affected at this time by the temporary removal of this traffic from the minimum rate tariff.

For these reasons the proposed exemption will be granted. No fixed expiration date will be attached to the exemption, inasmuch as the future establishment of minimum rates specifically designed for this traffic will necessarily be dependent upon the availability of cost evidence and the transportation conditions prevailing at the time.

Upon consideration of all of the evidence of record, the Commission is of the opinion and finds that the tariff, designated as Appendix "A" of Decision No. 32504, supra, in this proceeding, should be amended as shown in the revised page attached to and made a part of the order herein, and that in all other respects said Decision No. 32504, as amended, should remain in full force and effect.

O R D E R

An adjourned public hearing having been held in the above entitled proceeding, and based upon all of the evidence, and upon the conclusions and findings contained in the preceding opinion,

IT IS HEREBY ORDERED that City Carriers' Tariff No. 4, Highway Carriers' Tariff No. 5 (Appendix "A" of Decision No. 32504, as amended) be and it is hereby further amended by substituting therein to become effective August 20, 1944, Sixth Revised Page 13 (Cancels Fifth Revised Page 13), attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that tariff publications herein authorized to be made by common carriers may be made effective not earlier than August 20, 1944, and on not less than five (5) days' notice if published to become effective on that date.

IT IS HEREBY FURTHER ORDERED that in all other respects said Decision No. 32504, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 18th day of July, 1944.

Richard Sachs
Justus F. Gaussen
Frank A. [unclear]
Frank D. [unclear]
 Commissioners

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
<p>40-E Cancels 40-D</p>	<p style="text-align: center;">APPLICATION OF TARIFF - COMMODITIES</p> <p>Rates in this tariff apply for the transportation of all commodities except the following:</p> <ul style="list-style-type: none"> Accessories and Supplies, motion picture, Baggage, viz.: personal baggage and baggage containing sample merchandise, transported from or to a depot, dock or other point where passengers are discharged or received by common carriers, Buttermilk, in milk shipping cans or in bottles in cases or crates, Carriers (used packages), empty, returning from an outbound paying load, or being forwarded for a return paying load of traffic for which rates are not provided in this tariff (Subject to Rule No. 130 series of the Exception Sheet), Cement, portland (building), when transported in bulk, Commodities weighing 100 pounds or less per package or per piece, delivered from retail stores, Commodities transported in bulk in tank trucks, tank trailers, tank semi-trailers, or a combination of such highway vehicles, Commodities picked up or delivered for common carriers as defined in the Public Utilities Act, or for radial highway common or highway contract carriers as defined in the Highway Carriers' Act, when the property is in the custody of such carriers for transportation from or to points not included in the zones described in Items Nos. 30, 31, 32 and 33 series, under rates which include pickup or delivery at points within the said zones, Commodities when transported in dump trucks, for which rates are provided in Decision No. 32566 of November 14, 1939, as amended, in Cases Nos. 4246 and 4434, Commodities which consist of or contain materials essential to National Defense and which have been donated to and are transported for the United States Government, governmental agencies, or nonprofit organizations acting for or in behalf of said government in the collection, assembly or transportation of said commodities in connection with the recovery of said essential materials from the commodities transported, Cream, in milk shipping cans or in bottles in cases or crates, Directories, telephone, Fertilizers, as described in Items Nos. 535, 540 and 550 series of the Exception Sheet, Film, motion picture, Furniture, household appliances and other home furnishings, transported from retail stores where they have been sold at retail by a retail merchant, or transported from retail customers to retail stores, Live stock, Milk, in milk shipping cans or in bottles in cases or crates, *Parcel Post packages delivered to a United States Post Office for mailing, Used property, viz.: household goods, office and store fixtures and equipment, as described in and for which rates are provided in City Carriers' Tariff No. 3, Highway Carriers' Tariff No. 4 (Appendix "A" of Decision No. 32629 of December 7, 1939, or as amended, in Cases Nos. 4246 and 4434), and used property as described therein transported for the United States, state, county or municipal governments, Voting Booths, ballot boxes, election tents and election supplies when transported from or to polling places.
<p>*Addition, Decision No. 37212</p>	<p style="text-align: right;">EFFECTIVE AUGUST 20, 1944</p>
<p style="text-align: center;">Issued by The Railroad Commission of the State of California, San Francisco, California.</p> <p>Correction No. 48</p>	