

ORIGINAL

Decision No. 40381

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into rates, rules, regulations, classifications, contracts, operations, and practices of highway common carriers as defined in the Public Utilities Act, radial highway common carriers and highway contract carriers as defined in the Highway Carriers' Act and carriers as defined in the City Carriers' Act, for the transportation of household goods and related property.

) Case No. 4730

and

Related cases involving rates, rules and regulations for the transportation of property by such carriers.

) Cases Nos. 4246 and 4434

SUPPLEMENTAL OPINION AND ORDER

These proceedings deal, among other things, with rates, rules, regulations and practices of city and highway carriers of used household goods and related articles. Respondents, except common carriers operating under tariff rates filed with the Commission, have been ordered and directed by Decision No. 32629 of December 7, 1939, as amended, in Cases Nos. 4246 and 4434, to "abstain from quoting, assessing, charging or collecting" rates or accessorial charges for these commodities based upon units of measurement different from those in which the minimum rates established therein are stated.

Minimum rates for "local moving" are stated in cents per hour. For "long distance moving", the minimum rates are stated in cents per 100 pounds. Whether or not it is reasonable and proper for the carriers to assess additional "flat charges" (charges in amounts per article) for the handling of pianos, refrigerators and

¹ Decision No. 32629 adopted the findings and order contained in Decision No. 32325 of September 19, 1939, as amended, in Cases Nos. 4086 and 4099. The unit of measurement provisions are based on Finding 13 and set forth in Ordering Paragraph 6 of Decision No. 32325.

stoves when these articles are included in shipments subject to minimum rates prescribed on hourly and weight bases was one of the matters considered in Case No. 4730, a general investigation proceeding instituted subsequent to the establishment of the above discussed unit of measurement requirements. This question was discussed at some length in the examiner's proposed report which preceded oral argument and the issuance of Decision No. 39613 of November 4, 1946. The evidence showed that additional "flat charges" for pianos, refrigerators and stoves were frequently made. The examiner concluded that this was unreasonable and not in accordance with the requirements of outstanding orders. He recommended that the practice be required to be discontinued.

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The following excerpts from the proposed report show the basis for this recommendation:

"In southern California it is a common practice to assess additional charges for pianos transported under hourly rates. The respondents' rates are usually flat amounts per piano. There is some variation in these rates depending upon the type of piano handled and the conditions encountered at the residences involved. Additional flat charges per article are also commonly made in northern California. Many carriers operating in that territory assess such charges on pianos, refrigerators and stoves. There is little uniformity in the volume of these charges or the bases thereof.

"***Both the 'long distance' weight rates and the local moving hourly rates established by the Commission make no provision for additional charges for pianos, refrigerators and stoves. Under this rate structure these articles are treated the same as other household goods. Flat charges for them, as observed on a widespread scale by the carriers, contravene the requirement of the minimum rate order that charges be assessed by using the same unit of measurement as that in which the minimum rate is stated. Some effort was made by the respondents to justify this practice on the grounds that it was one of long standing and that there were added costs and risks involved in handling these relatively heavy and expensive articles. This argument is not persuasive. Adequate recognition to these rate-making principles appears to be given in the minimum rate structure by the very bases of the rates, namely, the weight in 'long distance' moving and the number of men and hours required in local moving and by the limitation of the basic or lowest scales of both 'long distance' and local moving rates to property on which the shipper has declared or agreed the value to be not in excess of 10 cents per pound per article. All of the carriers have not followed the practice of assessing these additional charges; it has not been followed uniformly by those which have; and there have been wide fluctuations in the charges made. The practice is unreasonable and should be required to be discontinued."

On exception and oral argument, respondents requested that no action be taken in regard to the practice in question until studies relative thereto could be made and submitted to the Commission for further consideration. The request was granted. Additional "flat charges" were subsequently sought; however, only for pianos and refrigerators. This proposal was disposed of in Decision No. 39614 of November 4, 1946, in which the Commission said:

"Petitioners urge that the hourly local moving rates do not reflect the added risk and expense of handling pianos and refrigerators. They claim that it has been customary to make additional flat charges per unit for handling these articles for many years. Outstanding rate orders require, however, that pianos and refrigerators be charged for in the same manner as other articles. No estimates of the added expense or of the losses from the risks said to be involved in the handling of pianos and refrigerators were submitted. The proposed charges have not been justified."

In Decision No. 39613, supra, certain practices under which the carriers assessed additional charges for weighing consignments, bridge tolls and State gross receipt taxes were found to be excessive and unreasonable and the practices specifically required to be discontinued. The additional "flat charges" for pianos, refrigerators and stoves were, as above stated, dealt with in Decision No. 39614.

Further investigation has disclosed that, although the provisions of Decision No. 32629 relating to quoting, assessing, charging or collecting charges in the same units of measurement in which the minimum rates are stated remain in effect, many carriers are still assessing additional "flat charges" for pianos, refrigerators and stoves. So that there may be no doubt as to these requirements, radial highway common, highway contract and city carriers will be specifically ordered and directed to discontinue the practice under which additional "flat charges" are assessed for individual articles included in shipments handled under hourly rates for "local moving"

and weight rates for "local" and "long distance moving."

Therefore, good cause appearing,

IT IS HEREBY ORDERED that, in connection with the transportation of used household goods and used 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" to Decision No. 32629 of December 7, 1939, as amended, in Cases Nos. 4246 and 4434) respondent radial highway common, highway contract and city carriers be and they are hereby ordered and directed to abstain from quoting, assessing, charging or collecting additional "flat charges" for the handling of individual articles or groups of articles which are component parts of shipments subject to the established minimum hourly rates for "local moving" or weight rates for "local" or "long distance moving."

The effective date of this order shall be thirty (30) days from the date hereof.

Dated at San Francisco, California, this 10th day of June, 1947.

Harold A. Kuls
Justus J. Cravens
Irvin H. Powell
A. J. [unclear]
Penelope Potter
Commissioners