

ORIGINALDecision No. 53605

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation of)
 rates, rules, regulations, charges,)
 allowances and practices, of all common)
 carriers, highway carriers and city)
 carriers relating to the transportation)
 of general commodities (commodities for)
 which rates are provided in Minimum)
 Rate Tariff No. 2).)

Case No. 5432
 Petitions for Modifications
 Nos. 36, 39 and 42

Additional Appearances at Hearings Subsequent
 to Interim Opinion and Order

Charles C. Miller for San Francisco Chamber of Commerce;
Jeff H. Myers for Board of State Harbor Commissioners
 for Port of San Francisco; Richard F. McCurdy for
 McCurdy & Son; Mile O. Greer for Norris Thermador;
Leo V. Cox for Barclay Traffic Service; Paul Lowder
 for Island Trucking, Inc.; Thomas C. Reasonover for
 S. A. Moore for Permanente Cement Company; W. P.
Tartar for Wm. Volker & Co.; Marquam C. George for
 Alves Service Transportation; H. P. Moore for Morris
 Draying Company; W. P. Gunn for The Best Foods, Inc.,
Frank L. Mervin and S. C. Knight for Kaiser Steel
 Corporation; Meyer L. Kapler for Tarter, Webster &
 Johnson, Inc.; Allan W. Stanbridge for Hazel Atlas
 Glass Co.; Howard F. Graham for Luckenbach Steamship
 Company; W. R. Walker for Autolite Battery Corpora-
 tion; Russell Bevans for Draymen's Association of
 San Francisco; Norman R. Moon for Highway Transport, Inc.;
J. Z. Quintrall for Western Motor Tariff Bureau, Inc.;
C. E. Wilson for Hunt Foods, Inc.; J. C. Kaspar and
Arlo D. Poe for California Trucking Associations, Inc.
 (Change of name from Motor Truck Association of
 California); interested parties.

Robert A. Lane and J. W. Mallory for the Commission staff.

O P I N I O N

On September 28, 1954, the Commission issued Decision
 No. 50595 herein modifying Minimum Rate Tariff No. 2 to provide
 that when palletized shipments subject to a minimum weight of 20,000
 pounds or more are loaded or unloaded by power-loading device, the
 weight of the pallets shall not be used in determining the weight

of the shipment nor the charges thereon. This exception is not applicable to shipments of empty pallets. The decision also provided that the Commission staff would make an investigation and be prepared to submit at the further hearings in this proceeding a study respecting the proposed modifications of Minimum Rate Tariff No. 2 as set forth in Petitions 36, 39 and 42, together with any alternative proposals in connection therewith into which the staff might deem it advisable to inquire.

Further hearings were held in these proceedings in San Francisco before Examiner Wilson E. Cline on October 5 and 6, 1955, at which time the Commission staff study was presented in evidence. The matter was continued for the purpose of permitting the Commission to consider the requests of various parties that the Commission staff be directed to make further studies in connection with the petitions herein relating to the transportation of property on pallets and in the event the Commission should deny such requests to permit the representatives of the California Trucking Associations, Inc., to prepare and submit evidence relative to the Commission staff proposal. By letter dated December 6, 1955, the Commission advised all parties that it had determined that the requests for further staff studies should be denied.

Further hearing was held in San Francisco before Examiner Cline on June 12, 1956. During the course of the hearing the attorney for the California State Brewers Institute moved that the matters be taken under submission and that the Commission issue its decision in the shortest possible time. The representative of the California Manufacturers Association and the representatives of various shippers joined in this motion. The attorney for California Trucking Associations, Inc., made a counter motion that the Commission hold these matters in abeyance without submission

until the Commission's completion of consideration and the issuance of an order in Petition No. 62 of this same Case No. 5432. Both motions were taken under submission at the close of the hearing. The motion of the California Trucking Associations, Inc., is denied. The motion of the California State Brewers Institute is granted and the matters are hereby taken under submission. The bases for these motions and the reasons for the action taken by the Commission will hereafter be discussed in this opinion. Also during the course of this hearing the representative of the California Manufacturers' Association stated that this petitioner has modified its earlier position to the effect that it is no longer seeking the free return movement of empty pallets.

The Commission Staff Study

The Truck Transport Engineering Section staff of the Commission made a field study over a period of three months consisting of 800 observations of loading and unloading by 170 carriers and involving approximately 22 million pounds of freight. The purpose of the staff study was to determine the performance attained and the effect upon the cost of transporting freight by for-hire truck carriers under conditions where the property moves on pallets and the loading or unloading is performed with power equipment, as contrasted to hand loading or unloading without the use of pallets. The results of the study were incorporated in Exhibit No. 17. The following observations are set forth in this exhibit.

- "1. For the usual, or more common cases when the shipper or consignee performs the loading or unloading of general class-rated freight with the use of pallets and power equipment, there appears to be a direct cost savings to the carrier of approximately 1.5¢ per 100 pounds.

- "2. When the loading or unloading of general class-rated freight is performed by the carrier without the use of lift-trucks or mechanical equipment (hand loading and unloading) the additional direct cost to the carrier is approximately 1.0¢ per 100 pounds.
- "3. When the carrier uses pallets and power equipment and assumes the complete direct expense of loading or unloading of general class-rated freight, there appears to be a saving of approximately 1.0¢ per 100 pounds, as compared to hand loading or unloading. A qualification is required in this observation to the extent that a reasonably high volume of freight should be made available under these circumstances."

Relying on this cost study a staff witness from the Transportation Division Rate Section prepared and submitted the rate proposal set forth in Exhibit No. 18. This proposal, as modified by testimony of the staff witness, provides that palletized shipments subject to minimum weights of 10,000 pounds, or more, loaded by the consignor with gas, electric, or gas-electric powered, lift-truck equipment or unloaded by consignee with such lift-truck equipment, shall be subject to rates of 1-3/4 cents per 100 pounds less than those otherwise applicable. The proposal further provides that such shipments loaded by the consignor with such lift-truck equipment and unloaded by the consignee with such equipment, shall be subject to rates 3-1/2 cents per 100 pounds less than those otherwise applicable. Another paragraph of the proposal provides that charges for palletized shipments, which have been loaded onto and/or unloaded from carrier's equipment with such lift-truck equipment, shall be based on the gross weight of the shipment, less the weight of the pallets. No provision is made for free return of empty pallets.

The proposal also provides in Exhibit No. 19 that in the alternative application of common carrier rates, a rate no lower than the common carrier rate and a weight no lower than the actual

weight or published minimum weight (whichever is the higher) applicable in connection with the common carrier rate shall be used. These proposed changes in Items Nos. 200 and 210 of Minimum Rate Tariff No. 2 upon receipt in evidence were limited in application to palletized shipments. As in our opinion these proposed modifications, if adopted, should be given general application, they will not be further considered in these proceedings.

During the course of the staff presentation certain shippers suggested that the proposals respecting palletized shipments similarly should be made applicable to other forms of unitized loading and unloading and requested that further staff studies be made along the line of this suggestion. As previously stated the Commission determined not to broaden the scope of the present proceedings beyond the consideration of proposals applicable to palletized shipments. The parties were notified that matters which are beyond that scope should be made the subject matter of other petitions for modification.

At the hearing on June 12, 1956, the evidence introduced on behalf of the California Trucking Associations consisted of a statement of the official position which has been taken by that Association regarding the present proceedings. The witness for the California Trucking Associations testified that he had been instructed by that Association through its Rate Committee to advise the Commission that the Association felt that the propriety and the reasonableness of any results which might be obtained through the instant proceedings were questionable because of the inter-relationships between the rates in the minimum rate tariff and the proposed special provision for palletized movement. He further testified that the Association is requesting the Commission to consider the matter of palletized freight and the proper revisions

of the minimum rate tariff to reflect such movements in Petition 62 and to hold the present proceedings open until such time as a determination is made in Petition 62. No proposal was made to consolidate these proceedings with Petition 62 for hearing.

Counsel for the California Trucking Associations stated that in his opinion (1) no differential should be established for palletized shipments until a new determination of the reasonableness of the level of minimum rates is made in Petition 62, and (2) assuming that the present minimum rates are reasonable, if a deduction in minimum rates is established for certain palletized shipments, the minimum rates themselves should be adjusted to offset this particular reduction in rates in order to maintain the over-all minimum rate structure at a parity.

The lawfulness of the general level of the rates in Minimum Rate Tariff No. 2 is not in issue in this proceeding. Such rates will continue to be the lawful minimum rates until modified through appropriate action by this Commission. As to point (2) of the counsel for the California Trucking Associations, Inc., if the carriers are of the opinion that any differential in palletized shipments which may be established by this decision causes such a decrease in their revenue as to entitle them to a general increase in minimum rates, application can be made to this Commission for an appropriate adjustment of the minimum rates.

The Commission is of the opinion that the matters in issue in these proceedings should now be determined on the basis of the present record. Any modification of Minimum Rate Tariff No. 2 herein provided may be the subject of further consideration in Petition No. 62. The Commission hereby finds that the modifications of Minimum Rate Tariff No. 2 respecting palletized shipments proposed by the Commission staff in Exhibit No. 18, as modified, are justified and should be adopted as provided in the order herein.

O R D E R

Based on the evidence of record and on the findings and conclusions contained in the preceding opinion,

IT IS HEREBY ORDERED:

(1) That Minimum Rate Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein to become effective September 15, 1956, Sixteenth Revised Page 3 Cancels Fifteenth Revised Page 3, Eleventh Revised Page 11 Cancels Tenth Revised Page 11, Sixth Revised Page 1 Cancels Fifth Revised Page 16, Ninth Revised Page 19 Cancels Eighth Revised Page 19, and Third Revised Page 36 Cancels Second Revised Page 36, which pages are attached hereto and by this reference made a part hereof.

(2) That tariff publications authorized to be made by common carriers as a result of the order herein may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the tariff changes herein involved.

(3) That in all other respects the aforesaid Decision No.31606 as amended, shall remain in full force and effect.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of August, 1956.

Justus J. Charles President
Roger W. ...
...

Commissioners
Peter E. Mitchell
Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.

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#Addition, Decision No. **53605**

EFFECTIVE SEPTEMBER 15, 1956

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

Correction No. 686

Item
No.SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL
APPLICATIONDEFINITION OF TECHNICAL TERMS
(Items Nos. 10 and 11)

(a) CARRIER means a radial highway common carrier or a highway contract carrier as defined in the Highway Carriers' Act, or a household goods carrier as defined in the Household Goods Carriers Act.

(b) CARRIER'S EQUIPMENT means any motor truck or other self-propelled highway vehicle, trailer, semi-trailer, or any combination of such highway vehicles, operated by the carrier.

(c) COMMON CARRIER RATE means any intrastate rate or rates of any common carrier; or common carriers, defined in the Public Utilities Act, lawfully on file with the Commission and in effect at time of shipment; any interstate rate of any common carrier railroad or railroads applying between points in California by an interstate or foreign route lawfully in effect at time of shipment; also any interstate or foreign rate of any common carrier railroad or railroads applying between points in California in effect at time of shipment and covering transportation exempt from rate regulation of the Interstate Commerce Commission under Section 203(b)(6) of Part II of the Interstate Commerce Act.

*10-K
Cancels
10-J

(cc) DISTANCE TABLE means Distance Table No. 4, amendments thereto or reissues thereof.

(d) ESTABLISHED DEPOT means a freight terminal owned or leased and maintained by a carrier for the receipt and delivery of shipments.

(e) EXCEPTION SHEET means Pacific Southcoast Freight Bureau Exception Sheet No. 1-S, Cal. P.U.C. No. 193 of J. P. Haynes, Agent, and supplements thereto or reissues thereof when the provisions of such supplements or reissues have been approved by the Commission.

(ea) INDEPENDENT-CONTRACTOR SUBHAULER means any carrier who renders service for a principal carrier, for a specified recompense, for a specified result, under the control of the principal as to the result of the work only and not as to the means by which such result is accomplished.

#(ec) PALLETIZED SHIPMENT means a shipment tendered to and transported by the carrier on pallets (elevating-truck pallets or platforms or lift-truck skids, with or without standing sides or ends, but without tops).

(ee) PICKUP AND DELIVERY CHARGE means the full charge applicable without the deduction authorized by Item No. 110.

(f) POINT OF DESTINATION means the precise location at which property is tendered for physical delivery into the custody of the consignee or his agent. All points within a single industrial plant or receiving area of one consignee shall be considered as one point of destination. An industrial plant or receiving area of one consignee shall include only contiguous property which shall not be deemed separate if intersected only by public street or thoroughfare.

(g) POINT OF ORIGIN means the precise location at which property is physically delivered by the consignor or his agent into the custody of the carrier for transportation. All points within a single industrial plant or shipping area of one consignor shall be considered as one point of origin. An industrial plant or shipping area of one consignor shall include only contiguous property which shall not be deemed separate if intersected only by public street or thoroughfare.

(h) RAILHEAD means a point at which facilities are maintained for the loading of property into or upon, or the unloading of property from, rail cars or vessels. It also includes truck loading facilities of plants or industries located at such rail or vessel loading or unloading point.

(i) RATE includes charge and, also, the ratings, minimum weight, rules and regulations governing, and the accessorial charges applying in connection therewith.

(j) SAME TRANSPORTATION means transportation of the same kind and quantity of property between the same points, and subject to the same limitations, conditions and privileges, but not necessarily in an identical type of equipment.

*Change)
#Addition) Decision No. 53605

EFFECTIVE SEPTEMBER 15, 1956

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San Francisco, California.

Correction No. 687

Item No.	SECTION NO. 1-RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
50-B Cancels 50-A	<p style="text-align: center;">APPLICATION OF WESTERN CLASSIFICATION AND EXCEPTION SHEET</p> <p>(a) This tariff is governed to the extent shown herein by the Western Classification and the Exception Sheet.</p> <p>(b) Where the ratings, rules and regulations or other provisions or conditions provided in the Western Classification or Exception Sheet are in conflict with those provided in this tariff, the provisions of this tariff will apply.</p>
55	<p style="text-align: center;">REFERENCES TO ITEMS AND OTHER TARIFFS</p> <p>Unless otherwise provided, references herein to item numbers in this or other tariffs include references to such numbers with letter suffix, and references to other tariffs include references to amendments and successive issues of such other tariffs.</p>
60-B Cancels 60-A	<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier. (Component parts of split pickup or split delivery shipments, as defined in Item No. 11 may be combined under the provisions of Items Nos. 160, 170, 220 and 230.)</p>
*70-E Cancels 70-D	<p style="text-align: center;">GROSS WEIGHT</p> <p>*Charges shall be assessed on the gross weight of the shipment. No allowance shall be made for the weight of containers. (In connection with palletized shipments see also Item No. 125.)</p> <p>EXCEPTION- ***</p>
80	<p style="text-align: center;">RATES BASED ON VARYING MINIMUM WEIGHTS</p> <p>When charges accruing on a shipment based upon actual weight exceed the charges computed upon a rate based upon a greater minimum weight, the latter shall apply. For the purpose of applying this item to a mixed shipment, deficiency between actual weight of the shipment and the greater minimum weight shall be computed at the rate applicable to the lowest rated commodity in the shipment.</p>
<p>* Change *** Provision canceled } Decision No. 53605</p>	
<p>EFFECTIVE SEPTEMBER 15, 1956</p>	
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p>	

Correction No. 688

Item No.	SECTION NO. 1-RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
120-C Cancels 120-B	<p style="text-align: center;">APPLICATION OF RATES</p> <p>Rates in this tariff, and common carrier rates applied under the provisions of Items Nos. 200, 210, 220 and 230, subject to minimum weights of less than 10,000 pounds, include loading into and unloading from the carrier's equipment. When the carrier picks up or delivers a shipment subject to a minimum weight of less than 10,000 pounds and weighing more than 100 pounds, at a point not at street level, and no vehicular elevator service or vehicular ramp is provided and made available to the carrier, an additional charge of 7½ cents per 100 pounds, minimum additional charge 53 cents per shipment, shall be assessed for the service of handling shipment beyond the carrier's equipment.</p> <p>Rates in this tariff, subject to minimum weights of 10,000 pounds or more, include loading into and unloading from carrier's equipment at established depots. At points of origin or points of destination other than established depots, rates in this tariff, and common carrier rates, applied under the provisions of Items Nos. 200, 210, 220 and 230, subject to minimum weights of 10,000 pounds or more, include the services of one man (driver or helper) for loading or unloading of the carrier's equipment, subject to the provisions of Item No. 140.</p>
#8125	<p style="text-align: center;">SHIPMENTS TRANSPORTED ON PALLETS</p> <p style="text-align: center;">(The provisions of this rule are not applicable to shipments of empty pallets.)</p> <p>(a) Subject to Notes 1 and 2, palletized shipments loaded by the consignor with gas, electric, or gas-electric powered lift-truck equipment or unloaded by the consignee with gas, electric or gas-electric powered lift-truck equipment, shall be subject to rates 1-3/4 cents per 100 pounds less than those otherwise applicable.</p> <p>(b) Subject to Notes 1 and 2, palletized shipments loaded by the consignor with gas, electric, or gas-electric powered lift-truck equipment and unloaded by the consignee with gas, electric, or gas-electric powered lift-truck equipment, shall be subject to rates 3-1/2 cents per 100 pounds less than those otherwise applicable.</p> <p>(c) Subject to Notes 1 and 2, charges for palletized shipments, which have been loaded onto and/or unloaded from carrier's equipment with gas, electric, or gas-electric powered lift-truck equipment, shall be based on the gross weight of the shipment, less the weight of the pallets.</p>

NOTE 1.- The provisions of this rule apply only when:

- (a) Shipments are transported at rates subject to a minimum weight of 10,000 pounds or more; and
- (b) Shipping Documents issued pursuant to Item No. 255 show:
 - 1. The gross weight of the shipments, less the weight of the pallets,
 - 2. The weight of the pallets, and
 - 3. That the shipment was loaded by the consignor (or carrier) with gas, electric, or gas-electric powered lift-truck equipment and/or unloaded by the consignee (or carrier) with gas, electric, or gas-electric powered lift-truck equipment.

NOTE 2.- When common carrier rates are used under the provisions of Items Nos. 200 to 230, inclusive, the application of this rule shall:

- (a) Not apply to common carrier rates determined under the alternative provisions of Item No. 200,
- (b) Apply only to rates named in this tariff when used in combination with common carrier rates under the provisions of Items Nos. 210 to 230, inclusive, and the total deductions so determined shall not exceed those provided for a like palletized shipment moving entirely under through rates named in this tariff.

ACCESSORIAL SERVICES

When carrier performs, at shipper's or receiver's request or order, service such as stacking, sorting, providing helpers for loading or unloading, or any other like service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges per man shall be assessed as provided in Item No. 145(a). The charge provided in Item No. 145(b) for unit of equipment shall also apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of the driver or helper being engaged in such service.

The provisions of this item shall not apply when a helper is provided for any reason other than shipper's or receiver's request or order. The reason for supplying helpers shall be recorded on shipping and accessorial service documents.

140-G
Cancels
140-F

Addition)
o Reduction) Decision No. 53605

EFFECTIVE SEPTEMBER 15, 1956

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Correction No. 689 San Francisco, California.

Item No. SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)

EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET

RULES

Rates in this tariff are not subject to the provisions of the following rules of the Western Classification:

*280-B Cancels 280-A	1	7	13	26	31	39	44
	3	8	14	27	32	40	47
	4	9	15	28	34	41	49
	5	10	16	29	35	42	50
	6	11	24	30	38	43	

*Rates in this tariff are not subject to the provisions of the following rules of the Exception Sheet:

5	40	75	110	160	200	235
10	45	80	115	165	205	240
15	50	85	120	170	210	245
20	55	90	125	175	215	250
25	60	95	130	185	220	255
30	65	100	#135	190	225	260
35	70	105	140	195	230	
			145			

RATINGS

Except as otherwise provided in this Section, class rates contained in Section No. 2 are subject to any quantity, less-carload and carload ratings (including minimum weights) as shown in the Western Classification and Exception Sheet. (See Exception.)

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EXCEPTION.-When the carload minimum weight provided in connection with ratings in the Western Classification or Exception Sheet exceeds 36,000 pounds, the minimum weight shall be considered as being 36,000 pounds for the purpose of applying rates in Section No. 2 of this tariff.

METHOD OF COMPUTING COMBINATION RATES

On a continuous through movement of commodities moving under ratings based on a multiple, percentage or proportion of another rate for which charges are obtained by use of two or more separately stated rates, the through charge shall be computed by combining the two or more separately stated rates before applying the multiple, percentage or proportion authorized.

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*Change)
#Addition) Decision No. 53605

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Correction No. 690