

ORIGINALDecision No. 57829

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
 into the rates, rules, regulations,)
 charges, allowances and practices)
 of all household goods carriers,)
 common carriers, highway carriers,)
 and city carriers, relating to the)
 transportation of used household)
 goods and related property.)

Case No. 5330
 (Order Setting Hearing
 dated June 4, 1958)

And related matters.)

Cases Nos. 5432, 5433, 5435,
 5436, 5438, 5439, 5440,
 5441 and 5603)

(Appearances are listed in Appendix "A")

O P I N I O N

On June 4, 1958, on the recommendation of its Transportation Division, the Commission ordered that hearings be held for the purpose of determining whether, and to what extent if at all, specific tariff rules, regulations or other provisions should be prescribed to govern the shipping practices sometimes referred to as "rebilling" or "reshipping".

Public hearing was held before Examiner J. E. Thompson on November 20, 1958, at San Francisco and on November 25, 1958, at Los Angeles.

The practice of "rebilling" or "reshipping" occurs in the computation of charges for split pickup and split delivery shipments. When lower charges have resulted in connection with split delivery shipments, the practice of some shippers and carriers has been to compute the charges as if the composite shipment were consigned from origin to one point along the split delivery route and then a new shipment or shipments of part of the composite shipment made from that point to the beyond point or points. The present rules in many of the minimum rate tariffs require that charges be computed from the

point of origin to the last point of destination via all of the points along the split delivery route with the appropriate split delivery charges.

Actually, under appropriate arrangements of agency and documentation, shippers may obtain the lower charges resulting from "rebilling" or "reshipping" by using more than one carrier. For example, a shipper at Los Angeles desiring to ship three lots weighing 10,000 pounds each to San Francisco and one lot weighing 10,000 pounds to Santa Rosa may engage a contract carrier to transport the four lots as one split delivery shipment of 40,000 pounds consigned to four consignees at San Francisco, one of which is a highway common carrier from San Francisco to Santa Rosa. His transportation cost amounts to the charge for 40,000 pounds from Los Angeles to San Francisco, split delivery charges for each of the four 10,000-pound lots delivered at San Francisco, and the common carrier charge for the transportation of 10,000 pounds from San Francisco to Santa Rosa. If the shipper engages a single carrier to deliver all of the shipments, the carrier, under the rules of Minimum Rate Tariff No. 2, would be required to assess charges based upon a shipment of 40,000 pounds from Los Angeles to Santa Rosa plus the four split delivery charges; or, if tendered and documented as two shipments, 30,000 pounds from Los Angeles to San Francisco plus three split delivery charges and the charge for 10,000 pounds from Los Angeles to Santa Rosa.

Parties at the hearings were in agreement that rules and regulations should be established in Minimum Rate Tariff No. 2 to permit a single carrier to assess charges on the type of shipment described above in the same manner as under the two-carrier arrangement. There were a number of suggestions regarding the manner in

which Minimum Rate Tariff No. 2 should be amended. A rate expert of the Commission's staff suggested modification of Items Nos. 160, 170, 220 and 230 which would permit the application of charges equivalent to those which a shipper might bear if one of the consignees had arranged for the reshipment of other component parts. In this respect the suggested revision of Item No. 230 would permit what is the equivalent of a combination of rates over a private spur track in connection with split delivery shipments. One shipper suggested that carriers also be permitted to make combinations of rates on straight shipments over a private spur. Another shipper suggested that the theory behind the rate expert's suggested revisions be made applicable to what he called a pool-truck shipment. This was described as a single volume shipment from shipper at origin to a single consignee at destination under one bill of lading plus additional movements under separate bills of lading from the consignee at original destination to ultimate consignees.

There were a number of suggestions regarding the shipping documents that should be required in connection with "rebilling" or "reshipment". Some parties, including the rate expert, suggested that a single shipping document together with detailed instructions from the shipper should be sufficient. Other parties suggested that each of the component parts which are to be considered as reshipped should be as fully documented as if the actual movement took place.

All of the suggestions have been considered. We are of the opinion that Minimum Rate Tariff No. 2 should be amended to provide for assessing of charges on split delivery shipments in the same manner as if component parts were actually "reshipped" using two or more carriers in the manner previously described, and, if more than one component part is to be treated as being reshipped at one point, that all of the component parts to be reshipped should be

considered as being delivered to one carrier at that point for the purpose of applying split delivery charges. While it is true that shippers may actually arrange with one of the consignees to accept a composite shipment and reship component parts to other consignees, the consignee is not obligated to perform such service. Indeed, a consignee that holds himself out to all comers and obligates himself to reship the property of others via the lines of a common carrier could be a freight forwarder subject to regulation under the Public Utilities Code. The Commission has prohibited the making of combinations of rates in Minimum Rate Tariff No. 2 over a private noncarrier facility such as a spur track for the reason that said property, not being dedicated to public use, is not available to all persons.

There appears to be no good cause to require the issuance of separate shipping documents on components which are to be rated as separate shipments. It is sufficient that the carrier be furnished written instructions by the shipper and that the shipping document issued by the carrier for the composite shipment clearly set forth the basis of charges to be assessed.

The rate expert suggested that rules for reshipment be established in Minimum Rate Tariff No. 8 (Fruits and Vegetables) and Minimum Rate Tariff No. 10 (Cement) as well as Minimum Rate Tariff No. 2. He testified that after investigation he concluded that such rules were neither desirable nor necessary in other minimum rate tariffs. Cement shippers were opposed to a modification of Minimum Rate Tariff No. 10. The California Trucking Associations, Inc., was opposed to modification of both Minimum Rate Tariffs Nos. 8 and 10. According to the cement shippers and the California Trucking Associations, Inc., the establishment of rules for rebilling is not desired by either shippers or carriers of cement. The director of research of the California Trucking Associations, Inc., testified

that he had made a survey of a number of carriers and had found that "rebilling" or "reshipment" practices occurred only in connection with shipments subject to rates prescribed in Minimum Rate Tariff No. 2.

The evidence herein warrants the establishment of "rebilling" rules in Minimum Rate Tariff No. 2; however, the record indicates that the establishment of similar rules in the other minimum rate tariffs is neither necessary nor desirable at this time.

Upon consideration of all the facts and circumstances of record, the Commission is of the opinion and finds that the modification of the rules and regulations contained in Items Nos. 160 and 170 of Minimum Rate Tariff No. 2 as prescribed in the order which follows provide for just, reasonable and nondiscriminatory minimum rates for the transportation of commodities for which rates are provided in said minimum rate tariff.

In order that there may be no further uncertainty concerning the permissibility of "rebilling" and "reshipping" practices, the carriers and parties should understand clearly that, except as herein-after specifically provided in the revision which follows, the provisions of the minimum rate tariffs do not permit any carrier to engage in such practices.

O R D E R

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

IT IS ORDERED:

1. That Minimum Rate Tariff No. 2 (Appendix A of Decision No. 31606, as amended) is further amended by incorporating therein, to become effective February 20, 1959, Ninth Revised Page 20-A and Fifteenth Revised Page 21, which revised 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 this 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 pages herein involved.

3. That in all other respects said Decision No. 31606, as amended, shall remain in full force and effect.

4. That proceedings instituted by the Commission's Order Setting Hearing dated June 4, 1958, are discontinued.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 6th day of January, 1959.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners

APPENDIX "A"

(Appearances)

Respondents

W. N. Greenham, for Pacific Motor Trucking Co.
Charles Wallen, Jr., for Savage Transportation Co. Inc.
B. E. Rowland, for Willig Freight Lines.
Willard S. Johnson, for Karlson Bros. Trucking Service,
J. Christenson Co. and Hills Transportation Co.

Protestants

William G. Higgins, for F. M. Pacific Cement and
Aggregates, Inc.
Eugene A. Feise, for Calaveras Cement Company.
Bert Ferre, for Permanente Cement Co.

Interested Parties

A. E. Norrbom, for Los Angeles Wholesale Institute, California
Shippers Associates.
Thomas S. Becker, for Pioneer Manufacturing Co.
Y. A. Bordelon, for Los Angeles Chamber of Commerce.
W. Y. Bell, for A. E. Patton, Traffic Manager, Richfield
Oil Corporation.
B. F. Maddux, for Kaiser Steel Corporation.
H. J. Bischoff, for Fair Transportation Standards, Inc.
W. R. Czaban, for Purex Corporation, Ltd.
Royston E. Campbell, for Freight Traffic Service.
Milton A. Walker, for Fibreboard Paper Products Corporation.
Laurence Binsacca, for M.J.B. Co.
Edward Rutherford, for Schenley Industries, Inc.
A. D. Carleton and M. A. Neuberger, for Standard Oil Company
of California.
Fred C. Butow, for Standard Brands, Inc.
W. R. Donovan, for California Hawaiian Sugar Refining
Corporation.
E. R. Chapman, for Foremost Dairies, Inc.
Carl F. Breidenstein, for California Packing Corporation.
J. C. Kaspar, Arlo D. Poe and J. X. Quintrall, for
California Trucking Associations, Inc.

Commission's Staff

Arthur M. Mooney.

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p style="text-align: center;">SPLIT PICKUP</p> <p>The rate for the transportation of a split pickup shipment shall be determined and applied as follows, subject to Note 1:</p> <p>(a) Distance rates shall be determined by the distance to point of destination from that point of origin which produces the shortest distance via the other point or points of origin.</p> <p>(b) Point-to-point rates shall be applied only when point of destination and all points of origin are within the territories or are within the pickup and delivery limits of the named points between which the point-to-point rates apply, or are located between said territories or named points on a single authorized route.</p> <p>(c) Point-to-point rates determined under paragraph (b) may be combined with distance rates provided in paragraph (a) where lower charges result. The applicable distance rate factor shall be determined by use of one-half the shortest distance from the territory or authorized route and return thereto via the off-route point or points of origin and destination.</p> <p>(d) For each split pickup shipment a single bill of lading or other shipping document shall be issued; and at the time of or prior to the initial pickup the carrier shall be furnished with written instructions showing the name of the consignor, the point or points of origin and the description and weight of property in each component part of such shipment.</p> <p>(e) If split delivery is performed on a split pickup shipment or a component part thereof, or if shipping instructions do not conform with the requirements of paragraph (d) hereof, each component part of the split pickup shipment shall be rated as a separate shipment under other provisions of this tariff.</p> <p>(f) In determining the charge for a split pickup shipment, component parts may be rated as separate shipments from point or points of origin of such component parts to any point on the split pickup route (as provided in paragraph (a), (b) or (c) hereof); provided that the written instructions furnished to the carrier under paragraph (d) hereof show (1) the component parts to be treated as separate shipments and (2) the points between which the separate shipment rates are to be applied. The additional charges provided in Note 1 shall apply to all component parts of the split pickup shipment rated in accordance with the provisions of this paragraph, provided, however, where two or more component parts are rated under rates provided in this tariff as separate shipments to the same point on the split pickup route, the aforesaid two or more components shall be considered as one split pickup and the charge therefor shall be at the combined weight of the aforesaid component parts.</p> <p>NOTE 1: In addition to the rate for transportation, the following additional charges shall be assessed for split pickup service:</p>

*160-M
Cancels
160-L

1. For split pickup shipments transported under distance rates, when the distance computed in accordance with paragraph (a) hereof does not exceed 100 constructive miles, and shipments transported under point-to-point rates named in Items Nos. 509, 515 and 520:

Weight of Component Part (Pounds)		Split Pickup Charge for Each Component Part in Cents
Over	But Not Over	
0	100	140
100	250	160
250	500	160
500	1,000	190
1,000	2,000	245
2,000	4,000	325
4,000	10,000	380
10,000		435

2. For split pickup shipments, except as provided in paragraph 1:

Weight of Component Part (Pounds)		Split Pickup Charge for Each Component Part in Cents
Over	But Not Over	
0	100	160
100	250	200
250	500	200
500	1,000	300
1,000	2,000	430
2,000	4,000	540
4,000	10,000	650
10,000		760

* Change }
 # Addition } Decision No. **57829**
 o Reduction }

EFFECTIVE FEBRUARY 20, 1959

Issued by the Public Utilities Commission of the State of California,
 Correction No. 885 San Francisco, California.

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
	<p data-bbox="760 401 983 432" style="text-align: center;">SPLIT DELIVERY</p> <p data-bbox="351 468 1380 531">The rate for the transportation of a split delivery shipment shall be determined and applied as follows, subject to Note 1:</p> <ul style="list-style-type: none"><li data-bbox="351 562 1443 661">(a) Distance rates shall be determined by the distance from point of origin to that point of destination which produces the shortest distance via the other point or points of destination.<li data-bbox="351 692 1462 859">(b) Point-to-point rates shall be applied only when point of origin and all points of destination are within the territories or are within the delivery and pickup limits of the named points between which the point-to-point rates apply, or are located between said territories or named points on a single authorized route.<li data-bbox="351 890 1462 1088">(c) Point-to-point rates determined under paragraph (b) may be combined with distance rates provided in paragraph (a) where lower charges result. The applicable distance rate factor shall be determined by use of one-half the shortest distance from the territory or authorized route and return thereto via the off-route point or points of origin and destination.<li data-bbox="351 1119 1462 1317">(d) For each split delivery shipment a single bill of lading or other shipping document shall be issued; and at the time of or prior to the tender of the shipment the carrier shall be furnished with written instructions showing the name of each consignee, the point or points of destination and the description and weight of property in each component part of such shipment.<li data-bbox="351 1348 1479 1505">(e) If split pickup is performed on a split delivery shipment or a component part thereof, or if shipping instructions do not conform with the requirements of paragraph (d) hereof, each component part of the split delivery shipment shall be rated as a separate shipment under other provisions of this tariff.<li data-bbox="351 1536 1462 2098">#b(f) In determining the charge for a split delivery shipment, component parts may be rated as separate shipments from any point or points on the split delivery route (as provided in paragraph (a), (b) or (c) hereof) to point or points of destination of such component parts; provided that the written instructions furnished to the carrier under paragraph (d) hereof show (1) the component parts to be treated as separate shipments and (2) the points between which the separate shipment rates are to be applied. The additional charges provided in Note 1 shall apply to all component parts of the split delivery shipment rated in accordance with the provisions of this paragraph, provided, however, where two or more component parts are rated under rates provided in this tariff as separate shipments from the same point on the split delivery route, the aforesaid two or more component parts shall be considered as one split delivery and the charge therefor shall be at the combined weight of the aforesaid component parts. <p data-bbox="362 2124 1417 2223">NOTE 1: In addition to the rate for transportation, the following additional charges shall be assessed for split delivery service:</p>

#170-M
Cancels
170-I

1. For split delivery shipments transported under distance rates, when the distance computed in accordance with paragraph (a) hereof does not exceed 100 constructive miles, and shipments transported under point-to-point rates named in Items Nos. 509, 515 and 520:

Weight of Component Part (Pounds)		Split Delivery Charge for Each Component Part in Cents
Over	But Not Over	
0	100	140
100	250	160
250	500	160
500	1,000	190
1,000	2,000	245
2,000	4,000	325
4,000	10,000	380
10,000		435

2. For split delivery shipments, except as provided in paragraph 1:

Weight of Component Part (Pounds)		Split Delivery Charge for Each Component Part in Cents
Over	But Not Over	
0	100	160
100	250	200
250	500	200
500	1,000	300
1,000	2,000	430
2,000	4,000	540
4,000	10,000	650
10,000		760

RECEIVING AND TRANSMITTING PURCHASE ORDERS

172-E
Cancels
172-D

When the service of receiving and transmitting purchase orders is performed in connection with the transportation to which the rates provided in this tariff are applicable the charge for handling said purchase orders shall be $3\frac{1}{2}$ cents per order.

STRINGING PIPE

175-B
Cancels
175-A

When the service of stringing (distribution in transit along a line) is performed in connection with the transportation of pipe and culvert, fencing, posts and poles for which the class rates provided in this tariff are applicable, the class rates shall be applied to the point at which the stringing service is commenced. In addition thereto hourly rates provided in Item No. 720 shall be assessed for the time consumed in performing the stringing service, less ten minutes per ton.

* Change)
Addition:) Decision No. **57829**
& Reduction)

EFFECTIVE FEBRUARY 20, 1959

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 886