

Decision No. 61894

ORIGINAL

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 common)
 carriers, highway carriers and city)
 carriers relating to the transportation)
 of uncrated new furniture (commodities)
 for which rates are provided in Minimum)
 Rate Tariff No. 11-A).

Case No. 5603
 Petition for Modification
 No. 12

Arlo D. Poe, James X. Quintrall, and J. C. Kaspar,
 for California Trucking Associations, Inc.,
 petitioner.

Cromwell Warner, for Kleimer Van Lines, Inc.;
Steve DeMaggio and Sam O. Sciortino, for Lads
 Furniture Freight, Inc., and Shelton Furniture
 Freight, Inc.; John V. Driskell, for Driskell
 Trucking, Inc., respondents.

R. C. Fels, for Furniture Manufacturers Association
 of California; William H. Sawtelle, for Sears,
 Roebuck & Company, interested parties.

Milton Hallen, for Home Furnishings Institute of
 San Diego County, protestant.

Grant L. Malquist and Leonard R. Diamond, for the
 Commission's staff.

O P I N I O N

Minimum Rate Tariff No. 11-A names minimum rates, rules and regulations for the transportation of uncrated new furniture by highway carriers. By this petition, filed February 7, 1961, the California Trucking Associations, Inc., requests increases in the minimum rates to compensate for increased costs experienced since the last minimum rate adjustment effective November 13, 1959.¹

Public hearing was held before Examiner William E. Turpen on March 16, 1961, at Los Angeles. Evidence was presented by petitioner's assistant director of research. Representatives of several shippers and members of the Commission's staff assisted in developing the record.

¹ Pursuant to Decision No. 59135, dated October 6, 1959, in Case No. 5603 (Petition No. 5).

The tariff names point-to-point rates applicable on shipments transported between the San Francisco Territory and the Los Angeles Territory, and two sets of distance rates, one of which is applicable on shipments having the point of origin in an area consisting of twelve counties located near San Francisco Bay, and the other set applicable on shipments having the point of origin in other than those twelve counties.² Three weight brackets are provided: any quantity, minimum weight 500 pounds, and minimum weight 2,000 pounds. Additional charges, in cents per 100 pounds, are provided when the point of origin is other than a depot.

Petitioner proposes increases in the distance rates of approximately 8 percent in all of the Column B rates, and graduated amounts in the Column A rates ranging from 10 percent to 3 percent in the any quantity rates, 8 percent to 2 percent in the 500-pound bracket, and 3 percent to one percent in the 2,000-pound bracket, the larger increases being for the lower mileages and the smaller increases for the higher mileages. The point-to-point rates are proposed to be increased by the same percentages as the Column A rates for comparable distances. Petitioner also proposes increases in accessorial charges of 6 to 8 percent in the charge for pickup at other than carrier's depot and 12 percent in the hourly charge per man for delays and accessorial services. The minimum charge is proposed to be increased by 9 percent for distances under 150 constructive miles, and by 5 percent for longer distances.

Petitioner's assistant director of research introduced into evidence, in support of the proposals, exhibits showing the impact of increased labor costs, including payroll taxes and fringe benefits, and increased fuel taxes, incurred since the last rate adjustment. The witness said that the study did not include a labor increase of two cents an hour which became effective after

²

These are designated in the tariff, and will be referred to hereinafter, as Column B and Column A rates, respectively.

completion of the study, nor did it include any provision for increased costs of equipment, maintenance, materials or supplies. These studies showed that in order to offset the various increases in cost, the full costs for the distance rates would have to be increased for the various weight brackets and distances by percentages varying from 5.06 to 8.34. The witness explained that with these costs used as a basis, the rate proposals were determined in agreement with major shippers. He said that, due to prior rate adjustments having thrown the rates out of line, the graduated scale of increases was used with larger increases than shown by the costs for lighter weight, short haul rates, and lesser increases for higher weight, long distance rates. He further said that the increases proposed for the Column B rates were not based on his study but are the same as recently authorized Safe Transportation Company, the principal carrier operating in the territory involved.³ The witness pointed out that the Commission had previously found that the experience of Safe Transportation Company provided a reasonable test of the sufficiency of the minimum rates within that territory.⁴

The assistant director of research also presented an exhibit showing the operating results for the 12 months ending September 30, 1960, of the four principal carriers of uncrated new furniture in Southern California. This showed that, before allowance for income taxes, they had a combined operating ratio of 98.21 percent. The exhibit also showed that, when the operating results were adjusted to reflect the increased costs and the proposed rate increases, the operating ratio, before income taxes, would amount to 95.36 percent. The witness said that the proposed rate increases would result in approximately a 5 percent increase in revenues for the carriers.

³These increases were granted by Decision No. 60767, dated September 20, 1960, in Application No. 42047.

⁴Decision No. 52916, dated April 17, 1956, in Case No. 5603.

Several large shippers of new furniture stated that they were not opposed to the proposed increased rates in view of the financial conditions of the carriers and the need of preserving the industry. One of these shippers stated, however, that he felt new cost studies should be made. Petitioner claims that the financial condition of the carriers prohibits them from incurring the cost of making new studies. A representative of the Home Furnishing Institute of San Diego County protested the sought increased rates because it would cause increased costs to the retail stores.

Upon careful consideration of the facts and circumstances of record, the Commission is of the opinion and finds that the increases in minimum rates for transportation of uncrated new furniture as proposed in this petition have been shown to be justified, and that the minimum rates, which are established in the order which follows, will be just, reasonable, and nondiscriminatory minimum rates for the transportation of uncrated new furniture; and that the increases required to be made or authorized to be made by said order are justified.

O R D E R

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

IT IS ORDERED:

1. That Minimum Rate Tariff No. 11-A (Appendix A of Decision No. 50114 as amended) be and it is hereby further amended by incorporating therein, to become effective on June 10, 1961, the revised pages attached hereto and listed in Appendix A, also attached hereto, which pages and appendix by this reference are made a part hereof.
2. That tariff publications required to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, to become effective on not less than


five days' notice to the Commission and to the public, and that such tariff publications shall be made effective not later than June 10, 1961.


3. That common carriers, in establishing and maintaining the increased rates authorized hereinabove, be and they are authorized to depart from the provisions of Article XII, Section 21, of the Constitution, and Section 460 of the Public Utilities Code, to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; that such outstanding authorizations be and they are hereby modified only to the extent necessary to comply with this order; and that schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.


4. That in all other respects said Decision No. 50114, as amended, shall remain in full force and effect.

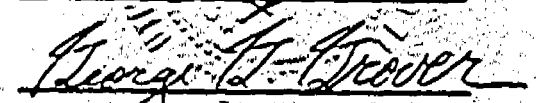
This order shall be effective twenty days after the date hereof.

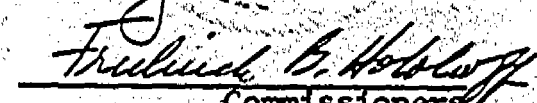
Dated at San Francisco, California, this 25th day of April, 1961.



President








Commissioners

APPENDIX A TO DECISION NO. 61894

List of Revised Pages to Minimum Rate Tariff No. 11-A
authorized by Said Decision

Fourth Revised Page 6

Fourth Revised Page 7

Fourth Revised Page 15

Third Revised Page 16

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.																		
<p style="text-align: center;">APPLICATION OF RATES</p> <p>Rates provided in this tariff are for the transportation of shipments from point of origin to point of destination, and include loading into and unloading from carrier's unit of equipment, subject to Note 1.</p> <p>Note 1. When the point of origin is other than a depot, an additional rate as provided below shall be added to the rates set forth in Section 3.</p> <p style="text-align: center;">◊ <u>Rates in Cents Per 100 Pounds</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Minimum Weight</u></th> <th style="text-align: center;"><u>Column A(1)</u></th> <th style="text-align: center;"><u>Column B(2)</u></th> </tr> </thead> <tbody> <tr> <td>Any Quantity</td> <td style="text-align: center;">87</td> <td style="text-align: center;">96</td> </tr> <tr> <td>500 Pounds</td> <td style="text-align: center;">75</td> <td style="text-align: center;">85</td> </tr> <tr> <td>2,000 Pounds</td> <td style="text-align: center;">71</td> <td style="text-align: center;">82</td> </tr> <tr> <td>4,000 Pounds</td> <td style="text-align: center;">53</td> <td style="text-align: center;">55</td> </tr> <tr> <td>6,000 Pounds</td> <td style="text-align: center;">(3)</td> <td style="text-align: center;">(3)</td> </tr> </tbody> </table> <p>(1) Column A rates apply to shipments not subject to Column B rates.</p> <p>(2) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.</p> <p>(3) No additional rate.</p> <p>Note 2. The rates provided in Note 1 shall be added to the rates set forth in Section 3 in connection with shipments transported for persons, companies or corporations upon whose premises depots from which the transportation is performed are located.</p>	<u>Minimum Weight</u>	<u>Column A(1)</u>	<u>Column B(2)</u>	Any Quantity	87	96	500 Pounds	75	85	2,000 Pounds	71	82	4,000 Pounds	53	55	6,000 Pounds	(3)	(3)	*60
<u>Minimum Weight</u>	<u>Column A(1)</u>	<u>Column B(2)</u>																	
Any Quantity	87	96																	
500 Pounds	75	85																	
2,000 Pounds	71	82																	
4,000 Pounds	53	55																	
6,000 Pounds	(3)	(3)																	
<p style="text-align: center;">ACCESSORIAL SERVICES</p> <p>When carrier performs any accessorial or incidental 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 shall be assessed as provided in Item No. 90. The charge therein provided for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.</p>	70																		
<p style="text-align: center;">DELAYS TO EQUIPMENT</p> <p>When consignor or consignee is responsible for delay to carrier's equipment at or in vicinity of either point of loading or point of unloading in excess of 30 minutes (exclusive of time actually involved in loading or unloading) additional charges for delay time in excess of 30 minutes shall be assessed as provided in Item No. 90.</p>	80																		

CHARGES FOR ACCESSORIAL SERVICES OR DELAYS

For accessorial services or delays under the conditions specified in Items Nos. 70 and 80, charges shall be assessed for each period or fraction thereof, as follows:

*90

	Charges in Cents	
	For First 30 Minutes	For Each Additional 15 Minutes
(a) For driver, helper or other employee, per man	◊ 170	◊ 85
(b) For unit of equipment ...	50	25

* Change)
◊ Increase } Decision No. 61894

EFFECTIVE JUNE 10, 1961

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

Correction No. 17

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">MINIMUM CHARGE</p> <p>(a) When the constructive distance from point of origin to point of destination does not exceed 150 miles the minimum charge per shipment shall be ¢\$2.42.</p> <p>(b) When the constructive distance from point of origin to point of destination exceeds 150 miles the minimum charge per shipment shall be ¢\$3.00.</p>	*100
<p style="text-align: center;">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p>When shipments in continuous through movement are transported by two or more carriers, the rates (including minimum charges) provided herein from point of origin to point of destination shall be the minimum rates for the combined transportation.</p>	110
<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.</p>	120
<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>Common carrier rates may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation and for the same accessorial services, than results from the application of the rates herein provided. (See Note)</p> <p>NOTE.-In applying the provisions of this item, 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.</p>	130

ACCESSORIAL CHARGES NOT TO BE OFFSET BY
TRANSPORTATION CHARGES

Accessorial charges set forth in this tariff for accessorial services not included in the rate for actual transportation shall be assessed and collected when such services are performed, regardless of the level of the transportation rate assessed. Such accessorial charges may not be waived on the basis that a higher-than-minimum transportation rate serves as an offset.

135

* Change)
◊ Increase) Decision No. 61894

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San Francisco, California.

Correction No. 16

SECTION NO. 3 - RATES

DISTANCE RATES IN CENTS PER 100 POUNDS (1)							Item No.	
M I L E S	But Not Over	Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds		
		Column A(2)	Column B(3)	Column A(2)	Column B(3)	Column A(2)	Column B(3)	
0	5	141	136	110	117	99	109	
5	10	144	143	113	123	103	117	
10	15	147	150	118	131	106	123	
15	20	154	156	123	136	111	129	
20	25	157	162	127	143	115	135	
25	30	160	170	131	149	119	143	
30	35	164	176	134	157	123	149	
35	40	167	183	138	163	127	156	
40	45	173	188	142	169	131	161	
45	50	176	196	146	176	134	169	
50	60	184	204	151	186	141	177	
60	70	190	218	159	199	148	191	
70	80	200	232	168	213	155	205	
80	90	209	244	174	226	162	217	
90	100	215	258	183	239	170	231	
100	110	224	270	191	251	176	243	
110	120	232	284	198	265	185	257	0400
120	130	242	296	206	277	192	269	
130	140	249	310	214	291	200	283	
140	150	258	324	222	305	208	297	
150	160	266	333	227	314	215	306	
160	170	274	341	232	321	222	313	
170	180	281	348	237	327	230	320	
180	190	289	352	242	334	238	325	
190	200	297	360	256	339	245	333	
200	220	309	369	270	350	258	342	
220	240	322	382	283	362	271	355	
240	260	337	394	296	375	284	366	
260	280	352	408	309	388	297	380	
280	300	368	419	323	400	311	392	
300	325	385	435	339	415	316	408	
325	350	403	450	355	430	341	423	
350	375	421	466	372	446	357	440	
375	400	438	482	388	462	373	455	
400	425	454	498	404	477	390	471	
425	450	475	521	423	499	417	494	
450	475	495	543	441	522	433	515	
475	500	516	565	460	544	450	538	
500	525	533	585	479	566	467	557	
525	550	554	607	497	588	484	580	
550	575	575	630	516	610	500	604	
575	600	596	653	534	632	517	626	
600	625	615	676	554	654	533	648	
625	650	635	697	573	677	549	670	
650	-	(4)	(4)	(4)	(4)	(4)	(4)	

- (1) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item No. 60.
- (2) Column A rates apply to shipments not subject to Column B rates.
- (3) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.
- (4) Add to the rate for 650 miles 20 cents per 100 pounds for each 25 miles or fraction thereof.

◇ Increase, Decision No. **61894**

EFFECTIVE JUNE 10, 1961

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San Francisco, California.

Correction No. 19

SECTION NO. 3 - RATES (Continued)					Item No.
POINT-TO-POINT RATES IN CENTS PER 100 POUNDS (1)(2)					
<u>Between</u>	<u>And</u>	<u>Any Quantity</u>	<u>Minimum Weight 500 Pounds</u>	<u>Minimum Weight 2000 Pounds</u>	
Los Angeles Territory	San Francisco Territory	450	400	384	
<p>(1) If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Item No. 500 are lower than charges accruing under the Distance Rates in Item No. 400, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one actual highway mile on either side of the authorized route and at all points located within incorporated cities through which the highway route passes.</p> <p>(2) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item No. 60.</p>					0410
◊ Increase, Decision No. 61894					
EFFECTIVE JUNE 10, 1961					
Issued by the Public Utilities Commission of the State of California, San Francisco, California.					
Correction No. 20					