

Decision No. 62987

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)	
W. Ross Starkey, dba Pacific Messenger)	
Service for authority to publish)	Application No. 43887
increases in special expedited-service)	(Filed October 31, 1961)
Parcel Rates in Applicant's Local)	
Freight Tariff No. 1, Cal.P.U.C. No. 1.)	

O P I N I O N

W. Ross Starkey, doing business as Pacific Messenger Service, a highway common carrier of general commodities within the San Diego area, seeks authority to increase, on five days' notice, certain rates which he maintains for the transportation of parcels.

Applicant's rates are set forth in his Local Freight Tariff No. 1, Cal.P.U.C. No. 1, and apply only for the transportation of commodities in packages weighing 70 pounds or less. Applicant provides the following four principal types of service:

1. Regular, or overnight, service.
2. Same-day service with one pickup per day.
3. Same-day service with two pickups per day.
4. Immediate service.

Applicant's basic parcel rate is that for his regular, or overnight service. He maintains higher rates for "same-day" and "immediate" service.

Applicant's current rates and the rates sought are set forth in the following table:

<u>Type of Service</u>	<u>Current</u>	<u>Sought</u>
Regular	16 cents per package, plus 2½ cents per pound.	18 cents per package, plus 3 cents per pound.

Same Day - one pickup.	25 cents per package, plus 2½ cents per pound.	25 cents per package, plus 3 cents per pound.
Same Day - two pickups.	32 cents per package, plus 2½ cents per pound.	32 cents per package, plus 3 cents per pound.
Immediate	22½ cents per mile, minimum \$2.93 per shipment. Minimum charge from Coronado \$5.80 and from North Island \$6.80.	According to basis granted by Decision No. 62841, as explained hereinafter.

According to the application, applicant's basic parcel rate is predicated upon the minimum parcel rate prescribed by the Commission in the San Diego Drayage Area in Case No. 5439. Such rate will be increased effective January 6, 1962 by Decision No. 62841, dated November 21, 1961, in Case No. 5439, from 16 cents per package, plus 2½ cents per pound, to 17 cents per package, plus 2-¾ cents per pound. Applicant is required to increase his basic parcel rate accordingly. The increase in the minimum rate was made in recognition of increased costs of operations recently experienced by carriers generally.

Applicant alleges that the increased costs experienced by carriers generally apply equally to him. He further alleges that his costs of rendering "same-day" and "immediate" services increase with the degree of expedited service performed and that applicant's currently-effective tariff rates fairly reflect comparative costs for the different types of service rendered by applicant. Moreover, in Decision No. 59816, dated March 22, 1960, in Application No. 40768, wherein adjustments in applicant's rates were last authorized, the Commission found that applicant's costs per delivery for "same-day" service are generally more than the costs per delivery for regular service.

Applicant avers that the sought increases for his specialized parcel services other than the regular, basic parcel rates, are necessary in order to maintain the current relationship between the different types of service.

The application shows that copies thereof were served on all known interested parties. No objection to the granting of the application has been received.

As stated, Decision No. 62841, supra, required applicant to increase his basic parcel rate to 17 cents per package, plus 2-3/4 cents per pound. There is nothing in this application to show that a further increase in this rate is warranted. Also, Decision No. 62841, supra, made no adjustments which would affect applicant's "immediate" service. Consequently, no adjustment in these rates is requested and no action by the Commission in connection with these rates is required in this proceeding.

It is clear that applicant has experienced increases in costs of performing "same-day" services at least to the same extent as the increases in costs experienced in connection with his basic service. Moreover, because of the expedited nature of these services, it is concluded that the differential in rates which applicant maintains is justified and should be continued. Accordingly, adjustments in applicant's rates for "same-day" services will be authorized to the extent hereinafter specified.

The Commission is of the opinion and finds that the increases in rates for applicant's parcel services as set forth in the following order are justified. A public hearing is not necessary. Applicant will be authorized to establish the increased rates and charges on five days' notice to the Commission and to the public.

O R D E R

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

IT IS ORDERED that:

(1) W. Ross Starkey, doing business as Pacific Messenger Service, is hereby authorized to publish and file, on not less than five days' notice to the Commission and to the public, increased rates for his specialized parcel services as follows:

Same-day delivery, one pickup per day.	25 cents per package or piece, plus 2-3/4 cents for each pound or fraction thereof of its gross weight.
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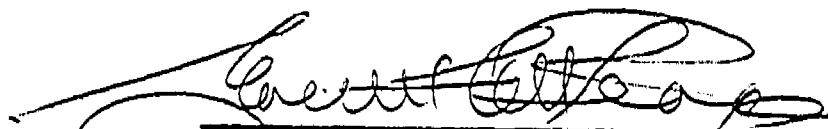
Same-day delivery, two pickups per day.	32 cents per package or piece, plus 2-3/4 cents for each pound or fraction thereof of its gross weight.
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(2) The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

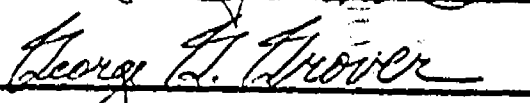
(3) In all other respects Application No. 43887 is hereby denied.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 27th day of DECEMBER, 1964.



 President




 Commissioners

-4- Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.