

**ORIGINAL**Decision No. 63753

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. 13)

Arlo D. Poe, James Quintrall and J. C. Kaspar,  
 for California Trucking Associations, Inc.,  
 petitioner.  
John V. Driskell, for Driskell Trucking, Inc.;  
Sam O. Sciortino and Steve De Maggio, for  
 Lads Furniture Freight, Inc., respondents.  
Carl C. Sheets, for Montgomery Ward & Company;  
Raymond E. Shull, for Sears, Roebuck &  
 Company; R. C. Fels, for Furniture Manufac-  
 turers Association of California, interested  
 parties.  
Grant Malquist and Leonard Diamond, for the  
 Commission staff.

O P I N I O N

Minimum Rate Tariff No. 11-A contains minimum rates, rules and regulations for the transportation of uncrated new furniture by highway carriers. By this petition California Trucking Associations, Inc., seeks increases in said minimum rates to compensate for increased costs which the carriers have experienced since June 10, 1961, the effective date of the most recent adjustment in the rates in question.<sup>1/</sup>

Public hearing was held before Examiner Carter R. Bishop at Los Angeles on March 20, 1962. Evidence was presented by petitioner's assistant director of research. Representatives of

<sup>1/</sup> Pursuant to Decision No. 61894, dated April 25, 1961, in Case No. 5603 (Petition for Modification No. 12).

a furniture manufacturers' association and of the Commission's Transportation Division staff assisted in the development of the record.

The aforesaid tariff names point-to-point rates applicable to shipments transported between San Francisco Territory and Los Angeles Territory, and two sets of distance rates, one of which is applicable to shipments having points of origin in an area consisting of twelve counties centering on San Francisco Bay, the other set being applicable to shipments having points of origin other than in those twelve counties.<sup>2/</sup> 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 carrier's depot.

Petitioner proposes increases in the distance rates of approximately 3 percent in all of the Column B rates, and graduated amounts in the Column A rates ranging from 8 percent to 3 percent in the any-quantity brackets, from 7 percent to 2 percent in the 500 pound bracket and from 3 percent to 1 percent in the 2,000 pound bracket. The larger percentage increases are proposed for the shorter distances, and the smaller increases for the greater mile-ages. The point-to-point rates are proposed to be increased by the same percentages as the Column A rates for comparable distances. With respect to miscellaneous charges increases are sought approximately as follows: the charge for pickup at other than carrier's depot, 3 percent; the charge per man for delays and accessorial services, 5½ percent; the minimum per shipment charge, 7½ percent for distances 150 constructive miles or less and 4 percent for longer distances. No increases are proposed in C.O.D. charges.

<sup>2/</sup> These sets of rates are designated in the minimum rate tariff and will be referred to hereinafter as Column B and Column A rates, respectively.

Petitioner's witness introduced exhibits showing the impact of increased labor costs, including payroll taxes and fringe benefits, and of increased taxes. The latter item included increased state and federal social security taxes and federal weight fees.<sup>3/</sup> The studies showed that the percentages of increase in operating costs included therein reflected a wide range, depending upon the service and the area involved. Using these costs as a basis, the witness stated, the proposed rates were developed in conference between the carriers and the principal shippers.

The witness also presented an exhibit showing the operating results for the 12-month period ended September 30, 1961 for the four principal carriers of uncrated new furniture. Three of these carriers are located in Southern California and one is in Northern California. The exhibit showed that before provision for income taxes, the three southern carriers had a combined operating ratio of 98.08 percent, while the operating ratio for the northern carrier was 105.54%. The exhibit also showed that when operating results were adjusted to reflect the aforesaid increased operating costs and the proposed rate increases,<sup>4/</sup> the operating ratios corresponding to those above set forth would, before income taxes, amount to 93.73 percent and 103.29 percent, respectively. According to the record the sought rate increases will result in an increase of approximately 4 percent in revenues for the carriers as a group.

<sup>3/</sup> According to the witness increases have also been experienced in federal taxes on tires, tubes and tread rubber. The impact of these taxes, being difficult of measurement, was not taken into account in the studies.

<sup>4/</sup> The revenue adjustment also gave effect, for the full 12-month period, to the rate increases which resulted under Decision No. 61394, above.

The representative of a large shipper of new furniture stated that his company believed the proposed rate increases were in order. No one appeared in opposition to the granting of the petition.

Upon consideration of the facts and circumstances of record, the Commission finds (a) that the increased rates and charges proposed by petitioner have been shown to be justified and (b) that said increased rates and charges are, and will be, just reasonable and nondiscriminatory minimum rates and charges for the transportation services to which they apply. To the extent that the provisions of Minimum Rate Tariff No. 11 have been found heretofore to constitute reasonable minimum rates, rules and regulations for common carriers as defined in the Public Utilities Act, said provisions, as hereinafter adjusted are, and will be, reasonable minimum rate provisions for said common carriers. To the extent that the existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for said carriers, said rates and charges are hereby found to be, for the future, unreasonable, insufficient and not justified by the actual competitive rates of competing carriers or by the costs of other means of transportation.

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 that:

1. Minimum Rate Tariff No. 11-A (Appendix A of Decision No. 50114, as amended) is hereby further amended by incorporating

therein, to become effective July 14, 1962, Fifth Revised Page 6, Fifth Revised Page 7, Fifth Revised Page 15, and Fourth Revised Page 16, which revised pages are attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that such are subject also to said Decision No. 50114, as amended, are directed to establish in their tariffs the increases necessary to conform to the increases herein.

3. Tariff publications required to be made by common carriers as a result of the order herein may be made effective not earlier than the tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and shall be made effective not later than July 14, 1962.

4. Common carriers, in establishing and maintaining the increased rates authorized hereinabove are authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California and Section 460 of the Public Utilities Code, to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and 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.

5. In all other respects said Decision No. 50114, 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 20<sup>th</sup> day of MAY 1, 1962.

*Carroll W. Reed*  
President

*John E. Mitchell*

*S. Lynn Fox*

*George F. Hoover*

*Fredrick C. Hollands*  
Commissioners

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.																		
<p style="text-align: center;"><b>APPLICATION OF RATES</b></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;">◇ Rates in Cents Per 100 Pounds</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;">92</td> <td style="text-align: center;">99</td> </tr> <tr> <td>500 Pounds</td> <td style="text-align: center;">79</td> <td style="text-align: center;">88</td> </tr> <tr> <td>2,000 Pounds</td> <td style="text-align: center;">75</td> <td style="text-align: center;">85</td> </tr> <tr> <td>4,000 Pounds</td> <td style="text-align: center;">56</td> <td style="text-align: center;">57</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	92	99	500 Pounds	79	88	2,000 Pounds	75	85	4,000 Pounds	56	57	6,000 Pounds	(3)	(3)	*60
<u>Minimum Weight</u>	<u>Column A(1)</u>	<u>Column B(2)</u>																	
Any Quantity	92	99																	
500 Pounds	79	88																	
2,000 Pounds	75	85																	
4,000 Pounds	56	57																	
6,000 Pounds	(3)	(3)																	
<p style="text-align: center;"><b>ACCESSORIAL SERVICES</b></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;"><b>DELAYS TO EQUIPMENT</b></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 .....	◊ 180	◊ 90
(b) For unit of equipment ...	50	25

\* Change }  
◊ Increase } Decision No. 63753

EFFECTIVE JULY 14, 1962

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

Correction No. 21



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 ¢\$2.60.</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 ¢\$3.12.</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. 63753

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

Correction No. 22

SECTION NO. 3 - RATES							Item No.
DISTANCE RATES IN CENTS PER 100 POUNDS (1)							
M I L E S		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds	
Over	But Not Over	Column A(2)	Column B(3)	Column A(2)	Column B(3)	Column A(2)	Column B(3)
0	5	154	141	118	121	102	113
5	10	157	148	121	127	106	121
10	15	161	155	126	135	109	127
15	20	168	161	132	141	114	133
20	25	171	167	136	148	118	139
25	30	174	176	140	154	122	148
30	35	178	182	143	162	127	154
35	40	181	189	147	168	131	161
40	45	187	194	152	174	135	166
45	50	190	202	155	181	138	174
50	60	198	210	161	191	145	182
60	70	204	224	169	205	152	197
70	80	215	239	178	219	159	211
80	90	224	251	184	232	166	223
90	100	230	265	194	246	174	237
100	110	239	277	202	258	182	250
110	120	247	292	209	272	189	264
120	130	257	304	217	284	196	276
130	140	264	318	225	299	204	290
140	150	273	333	233	313	212	305
150	160	281	342	238	322	219	314
160	170	289	350	243	329	226	321
170	180	296	357	247	335	234	328
180	190	304	361	252	342	242	333
190	200	312	369	266	347	249	341
200	220	324	378	280	359	262	351
220	240	337	392	293	371	275	364
240	260	352	404	306	384	289	375
260	280	367	418	319	398	302	390
280	300	383	429	333	410	316	402
300	325	400	446	348	425	321	418
325	350	418	461	364	441	346	434
350	375	435	478	381	457	362	451
375	400	452	494	397	474	378	466
400	425	468	510	412	489	395	483
425	450	489	534	431	511	422	506
450	475	510	557	450	535	438	528
475	500	531	579	469	558	455	551
500	525	549	600	489	580	472	571
525	550	571	622	507	603	489	595
550	575	592	646	526	625	506	619
575	600	614	669	545	648	522	642
600	625	633	693	565	670	539	664
625	650	654	714	584	694	554	687
650	-	(4)	(4)	(4)	(4)	(4)	(4)

0400

- (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.

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◊ Increase, Decision No.           **63753**

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EFFECTIVE JULY 14, 1962

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Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 23

SECTION NO. 3 - RATES(Concluded)					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 2,000 Pounds</u>	
Los Angeles Territory	San Francisco Territory	464	408	389	
<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
<p>◇ Increase, Decision No.      <b>63753</b></p>					
<p>EFFECTIVE JULY 14, 1962</p>					
<p>Issued by the Public Utilities Commission of the State of California,          San Francisco, California.</p>					
<p>Correction No. 24</p>					