

A. 44478 - se

Decision No. 64083

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of R. C. Ellis, Agent, for)
permission to publish a rule)
providing rights for freight)
requiring full utilization of)
carrier's equipment.)

Application No. 44478
(Filed May 23, 1962)

OPINION AND ORDER

By this application, R. C. Ellis, Agent, on behalf of California Motor Transport Co. and California Motor Express, Ltd., seeks to publish in his Local and Joint Freight and Express Tariff No. 14-A, Cal.P.U.C. No.1 (James C. Coughlin, Agent, series) a rule providing rates for shipments which require full utilization of carrier's equipment.

The proposed rule provides for the assessment of charges based on the applicable class rate named in the tariff and the total weight of the shipment subject to a minimum charge per unit of equipment equivalent to the applicable truckload rate at the applicable minimum weight. For the purpose of applying this rule, a single unit of carrier's equipment is defined as one tractor and one semi-trailer 35 feet or more in length or one tractor and any combination of semi-trailers subject to the maximum length laws of the State of California. The rule also provides that the charges for overflow freight requiring

the full use of one trailer 24 feet or longer but less than full use of a unit of equipment will be at the actual weight of said overflow freight at the rate or rates applicable to the entire shipment subject to a minimum charge of one-half the charge for full use of a single unit of equipment.

Applicant avers that he presented evidence in Application No. 43473 to demonstrate that, in the absence of a tariff provision of the kind there and here proposed, the kinds of shipments involved are handled at an out-of-pocket loss to the carriers transporting them; that, by Decision No. 63234 dated February 6, 1962, in said application, the Commission stated that the tariff provision there proposed was not intended primarily as a revenue measure but as a means of limiting the out-of-pocket losses incurred from transportation of light and bulky shipments tendered in such quantities as to require the full use of one or more vehicles; and that the purpose of the instant publication is identical. The application refers to the following language of the Commission in the above decision wherein a rule similar to that herein proposed was considered:

"When a carrier provides to a shipper full use of equipment or facilities, it has a right to just and reasonable compensation therefor regardless of whether those facilities are ordered or are necessitated by reason of the nature of the shipment. As a general proposition, carriers should be authorized to establish minimum charges for providing the facilities and services under those conditions."

According to the application, applicant's proposal in the prior application was rejected for the reason that it would provide, in some instances, a greater charge for full use of equipment than the applicable truckload rate at the carload

minimum weight maintained in the tariffs. The instant application alleges that the tariff provision herein proposed has been altered to meet this objection; that the proposed new rule will be in addition to the present rules and not in lieu of any present rule; that the present rule relating to "exclusive use of carrier's equipment" will be amended to show that it applies except as provided in the proposed new rule; and that the carriers for whose account applicant herein seeks to make the proposed publication are continuously sustaining out-of-pocket losses in handling shipments to which the proposed tariff provisions would apply.

In the circumstances, it appears, and the Commission finds, that the proposed rule is justified. No objection has been received. A public hearing is not necessary. The application will be granted.

Good cause appearing,

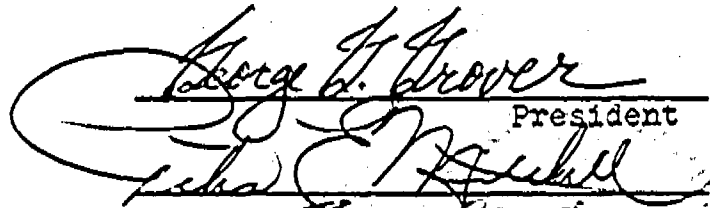
IT IS ORDERED that:

1. R. C. Ellis is authorized to establish on behalf of California Motor Transport Co. and California Motor Express, Ltd., the rule as proposed in Exhibit A to Application No. 44478. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof or on not less than thirty days' notice to the Commission and to the public.

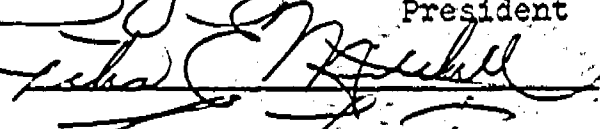
2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

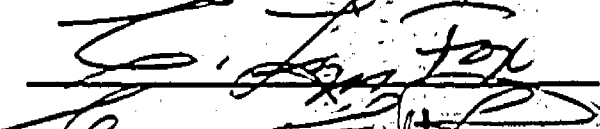
Dated at San Francisco, California, this 7th day of August, 1962.



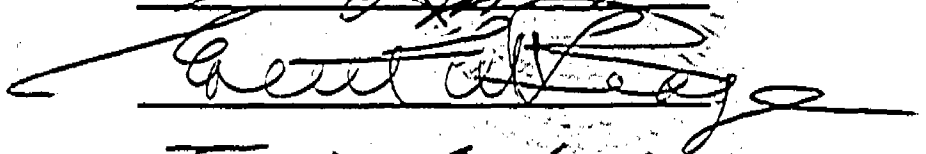
President




Richard E. Russell



J. Lee Fox



Brent W. Vane



Commissioners