

Decision No. 66488**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. 18
 Filed October 15, 1963)
 (Order Setting Hearing
 Dated October 22, 1963)

Arlo D. Poe, James X. Quintrall and J. C. Kaspar,
 for California Trucking Association, petitioner
 in Petition No. 18, and interested party in
 Order Setting Hearing dated October 22, 1963.
Cromwell Warner, for North American Van Lines, Inc.;
Sam O. Sciortino, for Lads Furniture Freight,
 Inc.; and John J. Driskell, for Driskell
 Trucking, Inc.; respondents.
Robert R. Schwenig, for Sears Roebuck and Company;
 and R. C. Fels, for Furniture Manufacturers
 Association of California; interested parties.
R. J. Staunton, A. L. Gielegem and J. M. Jenkins,
 for the Commission 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 Petition for Modification No. 18, the California Trucking Association requests increases in the minimum rates to compensate for increased costs experienced since the last rate adjustment effective August 10, 1963.^{1/} Order Setting Hearing dated October 22, 1963, was issued for the purpose of receiving evidence concerning Commission staff proposals relating to

^{1/} Pursuant to Decision No. 65591, dated June 18, 1963 (61 Cal. P.U.C. 146).

clarification of the minimum rate tariff provisions dealing with combinations of line-haul and pickup and delivery rates.

Public hearing on these matters was held in Los Angeles on November 12, 1963, before Examiner Mallory, and the matters were submitted for decision on that date.

In Petition No. 18, evidence was presented by petitioner's assistant director of research and by a financial examiner from the Commission's Finance and Accounts Division. Interested parties and the Commission's Transportation Division staff assisted in the development of the record. No one opposed the granting of the petition.

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 12 counties located near San Francisco Bay, and the other set applicable on shipments having the point of origin in other than those 12 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 the carrier's depot.

Petitioner proposes increases in the Column A distance rates ranging from 7 to 4 percent in the any-quantity rates, 3 to 2 percent in the 500-pound bracket, and 1 percent in the 2,000-pound bracket. The Column B distance rates are proposed to be increased by amounts ranging from 4 to 2 percent in the any-quantity rates, 3 to 1 percent in the 500-pound weight bracket and 1 to 0.5 percent in

^{2/} These are designated in the tariff and will be referred to hereinafter as Columns B and A rates, respectively.

the 2,000-pound weight bracket. The larger increases are for the lower mileages and the smaller increases are 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 3 to 6 percent in the charge for pickup at other than carrier's depot and 5 percent in the hourly charge per man for delays and accessorial services. The minimum charge is proposed to be increased by approximately 5 percent.

In support of the proposals, petitioner's assistant director of research introduced into evidence an exhibit showing the impact of increased labor costs and fuel taxes incurred since the last rate adjustment. The increased costs take into account labor costs and fuel taxes in effect on November 1, 1963. The cost study was used as a basis for developing petitioner's proposed rates. The witness stated that, based on the rerating of a three-day sample of the freight bills of three carriers, he concluded that the sought increases would result in increased revenues from traffic subject to Minimum Rate Tariff No. 11-A from 4.5 to 5 percent. The three carriers used in this analysis operate principally under the Column A rates in the tariff. The witness also stated that there is only one carrier engaged primarily in transportation under the Column B rates and that the sought increases in the Column B minimum rates and charges would result in only a very small increase in this carrier's revenues, inasmuch as this carrier maintains published rates, as a common carrier, at the distance rate levels sought. The witness testified that the

rate proposals were developed in cooperation with shippers and carriers engaged in the transportation of uncrated new furniture and that they support the rate proposals of petitioner.

A financial examiner of the Commission staff presented in evidence a report containing the results of operation and financial statistics of two highway common carriers of uncrated new furniture for 12-month periods ending December 31, 1960, December 31, 1961, December 31, 1962 and September 30, 1963.^{3/} The report shows, among other things, that one of the carriers operated at a loss for the two most recent periods shown in the report, and that the other carrier had operating ratios before income taxes of 96.9 and 98.3 percent for similar periods.

The evidence shows that the two carriers selected for study in the staff report engage almost exclusively in transportation subject to Minimum Rate Tariff No. 11-A. The carrier which the report shows incurred net operating losses operates within the area wherein Column A rates are applicable. The published rates of this carrier are on the minimum rate level. The record does not show precisely the amount of increased revenue which would accrue to this carrier under petitioner's proposal. Applying an increase in revenues of 5 percent to the figures set forth in the staff report for the year ending September 30, 1963, would result in an operating ratio of 97.5 percent before income taxes for this carrier.^{4/} Increases in wage costs of this carrier, effective

^{3/} The carriers are Lads Furniture Freight, Inc., and Safe Transportation Co.

^{4/} Five percent is the overall average increase in revenues developed by petitioner's assistant research director through the rerating of a three-day freight bill sample of shipments transported by three carriers.

November 1, 1963, are not reflected in the expenses in the staff report. The second carrier shown in the staff report operates in the area wherein Column B rates are applicable. The record shows that this carrier now maintains line-haul rates on the levels sought in the petition and that it would have only a small increase in revenues if the petition is granted.

Upon consideration of the facts and circumstances of record, the Commission finds that the increased rates and charges proposed in Petition No. 18 have been shown to be justified and 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-A 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.

We turn now to the staff proposals in the Order Setting Hearing phase of this proceeding. A transportation rate expert presented in evidence an exhibit containing proposed revisions in

the language of certain items in the tariff which he stated require clarification. The witness stated questions from the public had resulted in the issuance of an informal ruling of the Commission's Transportation Division as to its interpretation of the tariff provisions in question.^{5/} The tariff provides mileage rates for transportation of uncrated new furniture when the point of origin is a carrier's depot. When the point of origin is other than a carrier's depot, the tariff provides additional rates for pickup service to be added to the line-haul rates. The tariff does not specifically provide whether charges on shipments having point-of-origin at other than a depot should be determined by combining the pickup rate and the line-haul rate before determining the charge, or whether the charges under each type of rate should be separately determined and then combined. The expert recommended that the tariff be amended to indicate specifically that the rate to be applied to the weight of a shipment from an origin other than a depot is the sum of the line-haul and pickup rates, and that charges may not be separately determined and combined.

The proposal of the staff witness would clarify the application of the tariff and would remove the necessity for informal staff interpretation thereof. No one opposed the adoption of these tariff revisions. In the circumstances, we find that Minimum Rate Tariff No. 11-A should be amended as proposed by the staff witness, and that the revised tariff provisions will result in just, reasonable and nondiscriminatory minimum rates for the transportation services to which they apply.

^{5/} Said informal rulings are tentative and provisional in nature, and are made in the absence of formal decisions on the subject by the Commission.

We conclude that Minimum Rate Tariff No. 11-A should be amended as provided in the following order.

O R D E R

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 on January 25, 1964, the revised pages attached hereto and listed in Appendix A also attached hereto, which revised pages and appendix by this reference are 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 January 25, 1964.
4. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of 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.

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

Dated at San Francisco, California, this 17th day of DECEMBER, 1963.

Holloman H. Burnett
President
John E. Wright
Walter W. Ray
George H. Trover
Fredrick B. Holbrook
Commissioners

APPENDIX A TO DECISION NO. 664SS

List of Revised Pages to Minimum Rate Tariff No. 11-A

Authorized by Said Decision

Seventh Revised Page 6

Seventh Revised Page 7

First Revised Page 8

Seventh Revised Page 15

Sixth Revised Page 16

(END OF APPENDIX A LIST)

SECTION NO. 1 - RULES AND REGULATIONS (Continued)		Item No.																		
<p>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 Notes 1 and 2.</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. *The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p>o Rates in Cents Per 100 Pounds</p> <table><tr><th>Minimum Weight</th><th>Column A(1)</th><th>Column B(2)</th></tr><tr><td>Any Quantity</td><td>103</td><td>105</td></tr><tr><td>500 Pounds</td><td>88</td><td>94</td></tr><tr><td>2,000 Pounds</td><td>84</td><td>91</td></tr><tr><td>4,000 Pounds</td><td>63</td><td>61</td></tr><tr><td>6,000 Pounds</td><td>(3)</td><td>(3)</td></tr></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. *The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p>		Minimum Weight	Column A(1)	Column B(2)	Any Quantity	103	105	500 Pounds	88	94	2,000 Pounds	84	91	4,000 Pounds	63	61	6,000 Pounds	(3)	(3)	660
Minimum Weight	Column A(1)	Column B(2)																		
Any Quantity	103	105																		
500 Pounds	88	94																		
2,000 Pounds	84	91																		
4,000 Pounds	63	61																		
6,000 Pounds	(3)	(3)																		
<p>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>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:

690

Charges in Cents		
	For First	For Each
	30 Minutes	Additional
		15 Minutes
(a) For driver, helper or other employee, per man	200	100
(b) For unit of equipment ...	50	25

/ Change * Addition ♦ Increase	} })	Decision No. 66488
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EFFECTIVE JANUARY 25, 1964

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

Correction No. 40

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p data-bbox="678 350 938 381">MINIMUM CHARGE</p> <p data-bbox="203 409 1232 484">The minimum charge per shipment shall be the charge for 100 pounds at the applicable rates but not less than:</p> <ol data-bbox="310 510 1290 741" style="list-style-type: none">1. 295 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.2. 340 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles.	100
<p data-bbox="464 909 1290 940">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p data-bbox="208 981 1306 1148">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 data-bbox="596 1205 1182 1236">SHIPMENTS TO BE RATED SEPARATELY</p> <p data-bbox="211 1272 1273 1347">Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.</p>	120
<p data-bbox="447 1398 1314 1429">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p data-bbox="211 1463 1331 1630">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 data-bbox="211 1656 1298 1823">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 } Decision No. 66488
Increase }

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Correction No. 41

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p data-bbox="669 461 948 489" style="text-align: center;">MIXED SHIPMENTS</p> <p data-bbox="249 519 1281 868">When one or more commodities for which rates are not provided in this tariff are included in a shipment of commodities for which rates are herein provided, the rate or rates applicable to the entire shipment may be determined as though all of the commodities were ratable under the provisions of this tariff, or the commodities for which rates are provided in this tariff may be transported as separate shipments at applicable rates provided herein, and the commodities for which rates are not provided herein, at the rates, if any, applicable to separate shipments of such other commodities.</p>	140
<p data-bbox="598 963 1042 991" style="text-align: center;">COMPUTATION OF DISTANCES</p> <p data-bbox="249 1021 1262 1123">Distances to be used in connection with rates provided in this tariff shall be the shortest constructive mileage provided in the Distance Table.</p>	150
<p data-bbox="708 1184 931 1212" style="text-align: center;">GROSS WEIGHT</p> <p data-bbox="249 1243 1298 1370">Charges shall be assessed on the gross weight of the shipment. Such weight shall not include the weight of pads, blankets, dollies, hand trucks, or other carrier equipment.</p>	160
<p data-bbox="469 1439 1172 1467" style="text-align: center;">RATES BASED ON VARYING MINIMUM WEIGHTS</p> <p data-bbox="249 1498 1265 1625">When the charges accruing on a shipment based upon actual weight exceed the charges computed upon a rate based upon a greater minimum weight, the latter shall apply. *(See Note)</p> <p data-bbox="406 1658 1245 1849">* NOTE-For the purpose of applying the provisions of this item to a shipment picked up at other than a depot, the sum of the rates provided in Item No. 60 and in Section 3 shall be computed at the greater minimum weight set forth in Item No. 60.</p>	Ø170

Ø UNITS OF MEASUREMENT TO BE OBSERVED

Rates or charges shall not be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated. Ø 180

Ø Change)
* Addition) Decision No. 66488

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San Francisco, California.
Correction No. 42

SECTION NO. 3 - RATES								Item No.
DISTANCE RATES IN CENTS PER 100 POUNDS(1)								
MILES		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	181	150	134	128	105	117	
5	10	184	158	137	136	109	125	
10	15	188	166	142	144	112	131	
15	20	197	172	148	151	117	137	
20	25	200	178	152	157	121	143	
25	30	202	186	156	163	125	154	
30	35	206	192	158	171	130	160	
35	40	212	200	162	177	134	167	
40	45	216	205	167	182	138	172	
45	50	219	213	170	191	141	180	
50	60	227	221	176	201	148	188	
60	70	234	235	184	216	156	204	
70	80	246	250	193	230	163	218	
80	90	256	263	199	243	170	230	
90	100	262	279	209	258	178	244	1400
100	110	272	291	218	270	186	259	
110	120	279	306	224	284	193	273	
120	130	288	319	232	297	200	285	
130	140	295	333	241	313	208	299	
140	150	304	348	249	327	216	315	
150	160	312	357	253	336	223	324	
160	170	320	365	262	343	230	331	
170	180	327	372	265	349	238	338	
180	190	335	377	271	356	246	343	
190	200	342	386	285	362	254	351	
200	220	354	394	298	374	267	362	
220	240	367	408	311	386	280	375	
240	260	384	420	325	400	294	387	
260	280	402	436	339	414	307	402	
280	300	417	448	353	427	321	414	
300	325	434	465	369	442	325	430	
325	350	452	480	385	458	350	447	
350	375	468	499	403	474	367	465	
375	400	485	515	420	491	382	480	
400	425	500	531	436	506	399	498	

425	450	522	559	457	528	426	521
450	475	543	582	476	553	442	544
475	500	565	605	495	575	460	568
500	525	586	626	514	600	477	588
525	550	608	648	534	626	494	613
550	575	630	673	553	699	511	637
575	600	652	696	573	672	527	662
600	625	673	721	594	692	544	684
625	650	695	742	613	722	560	708
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. *The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.

(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 021 cents per 100 pounds for each 25 miles or fraction thereof.

¶ Change)
* Addition)
◇ Increase)

Decision No.

664SS

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San Francisco, California.

Correction No. 43

Sixth Revised Page 16
 Cancels
 Fifth Revised Page 16

MINIMUM RATE TARIFF NO. 11-A

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	0497	0431	0393	
					410
<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 high-way 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. *The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p>					
/ Change) * Addition) Decision No. 66488 0 Increase)					
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Issued by the Public Utilities Commission of the State of California, San Francisco, California.					
Correction No. 44					