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BEFORE THE PLBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Investigation \()\)
into the rates, rules, regulations,
charges, allowances and practices
of all houschold goods carriers,
                            Case No. 5330
common carricrs, highway carriers (Pctition for viodification No. 23)
and city carricrs, relating to the )
transportation of used houschold
goods and related property.
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(For List of Appearances see Appendix A)

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\underline{O P I N I O N}
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Minimum Rate Tariff No. 4-B names rates for the transportation of used houschold goods and related property by highway carriers. By this petition California Moving \& Storage Associarion, Irc. sceks increases in the hourly rates for local moving, in the piece moving races and in the long-distance mileage rates. Increases in some of the rates and charges for accessorial services are also sought.

Public hearings of the petition were held before Examiner Bishop at San Fzancisco and Los Angeles on November 14 and 22, 296j, respectively. Evidence was presented on behalf of petitioner by the director and the assistant director of research of Califomia Trucking Association. These witnesses were engaged by petitioner to make cost and rate studies relative to the transportation invoived in the petition. Cost and rate evidence was aiso introduced by a cransportation engineer and by a rate expert of the Commission's staff.

The most recent gencral zevision $c=$ the rates here in issue became effective July 15, 1963, pursuant to Decision No. 65521. ${ }^{1}$ That

[^0]C. 5330 (Pet...23) SD a
revision followed comprehensive cost and rate studies which were made by the instant petitioner and by the Cormission's staff. The adjustment in question was in the nature of a general review of the provisions of Minimum Rate Tariff No. 4-A and effected some major changes in the minimum rate structure governing the transportation of used household goods.

The cost evidence which led to the establishment of the currently effective minimum rates reflected operating expense levels which prevailed as of July 1, 1962. In the instant phase of Case No. 5330 the witnesses adjusted the cost factors which had been developed in the aforesaid general review to give effect to increases in expense levels that had occurred subsequent to that date. Specifically, the exhibits in this petition reflect cost levels as of October 1, 1963.

The increases in distance moving costs in cents per 100 pounds, as calculated by petitioner, ranged from 3.0 percent to 5.2 percent, depending upon the weight bracket, the length of haul and whether the movement is subject to Region I or to Region II rates. The corresponding increases developed by the staff ranged from 2.3 to 3.3 percent. For local moving at hourly rates petitioner calculated the cost increases as ranging from 3.4 to 5.8 percent, while the corresponding calculation by the staff reflected increases of from 2.7 to 3.4 percent. Hourly costs for the accessorial services of packing and unpacking were calculated to have increased, in Territory A, by 4.2 and 3.9 percent, by petitioner and the staff, respectively. In Territory $B$, the corresponding figures were 6.8 and 4.0 percent.

The record shows that, since the last revision of the household goods rates, increases have been experienced by the carriers in fuel tax and weight fee costs, as well as in wage rates and related labor expenses. In the petition herein the Association
mentioned increases in wage and related costs only; however, in revising its basic cost study to reflect current expense levels the Association's witnesses gave effect also to the aforesaid increases in fuel taxes and weight fees. The staff cost witness, on the other hand, in revising his basic study measured the effect only of increases in wage rates and related labor expenses.

The record includes minimum rate increase proposals of both petitioner and the Commission's staff. These proposals are intended to reflect rate increases sufficient only to offset the advances in operating expenses reflected by the respective revised cost studies. The increased rates thus developed were further modified to the extent necessary to preserve smooth progressions of rates in the various distance rate scales.

Petitioner proposes to increase the rates per 100 pounds for long-distance moving by amounts ranging approximately from one percent to $5 \frac{3}{2}$ percent. The percentages of increase are generally greater for the shorter hauls and smaller weight brackets than for the longer hauls and the larger weight brackets. Also the range of proposed percencage increases is wider for the Region II rates than for Region I. The increases proposed by petitioner in hourly rates for local moving, in distance rates per piece and in certain accessorial charges ${ }^{2}$ generally range from two to five percent.

The rate increases proposed by the Commission's staff would result, in the majority of cases, in rates slightly lower than would obtain under the Association's proposals. In all instances other than those involving distance rates per 100 pounds, the staff proposals would result in rates and charges lower than

[^1]those sought by the Association. ${ }^{3}$ With respect to the aforcsaid distance rates, an analysis of the respective proposals shows that under the staff plan about a third of the increased rates would be on the same levels as those resulting under petitioner's proposals, and that about two-thirds of the adjusted rates would be slightiy lower than those sought by petitioner. In a very few instances the staff proposes rates slightly higher than are correspondingly reilected by the petition.

A representacive of Califomia Manufacturers Associacion participared in the development of the record through examination of witnesses. No one appeared in opposition to the granting of rate increases to offsct increased operating costs.

The increases in operating costs which have been experienced by the household goods movers since July 1, 1962, were measured by petitioner's and the staff's witnesses by making the necessary adjustments in their respective cost studies of record in the aforcsaid general review. As indicated in Decision No. 65521, the procedures used by the Association and the staff in developing chose studies were not the same. Thus the over-all costs, in cents per 100 pounds or per hour, were considerably higher in the Association's study than in that of the staff. So, in the instant procecding, it will be seen from the percentages of increase hercinbefore set forth that petitioner has developed greater cose increases since July 1, 1962, than has the staff. The greater increases in peritioncr's calculations are due, in part, to the fact that its

[^2]witnesses took into account increases in fuel taxes and weight fees, whereas these increases were not included in the staff study. The record discloses, however, that fucl taxes and weight fees constitute only a relatively small pare of the household goods carriers' operating expenses.

In Decision No. 65521 the Commission found that the cost figures developed by its staff more closely reflected the costs whith would be necessarily incurred by reasonably efficient carriers in the transportation of used household goods. Those costs were used, together with other important elements, in the development of the rate structure presently set forth in Minimum Rate Tariff No. 4-B. Accordingiy, it is our view that said operating costs, as adjusted by the staff engineer for increases which have occurred since July 1 , 1962, should form the basis on which to make adjustments in the rates here in issue for the purpose of offsetting said cost increases. In this connection it appears that the amount of increase in operating costs attributabie to the higher fuel taxes and weight fees, when converted to cents per hundred pounds or to cents per hour, is so small as to be negligible for the purposes of the rate adjustments hercin.

The staff rate proposals appear fairly to reflect current cost levels as measured by the adjusted staff cost levels. Said rate proposals should be adopted. As hereinbefore mentioned, petitioner seeks to increase certain accessorial charges for which the staff made no proposals. The increases sought by petitioner for the accessorial services in question appear reasonable and shouid be approved.

Based upon all the facts and circunstances of secord, the Commission finds:

1. The rates, charges and accessorial charges established by the order which follows are, and will be for the future, the just,
reasonable and nondiscriminatory minimum rates, charges and acessorial charges for household goods and other property for which minimum rates have been established in Minimum Rate Tariff No. 4-B.
2. The increases resulting from the establishment of said minimum rates, charges and accessorial charges are justified.

We conclude that, to the extent provided in the order which follows, Petition for Modification No. 23 in Case No. 5330 should be granted and that in all other respects said petition should be denied.

## ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff No. $4-B$ (Appendix $C$ of Decision No. 65521, as amended) is further amended by incorporating therein, to become effective March 21, 1964, the revised pages attached hereto and listed in Appendix B also attached hereto, which pages and appendix are by this reference made a part hereof.
2. In all other respects the aforesaid Decision No. 655?1, as amended, shall remain in full force and effect.
3. Except as otherwise provided in paragraph 1 hereof, Petition for Modification No. 23 is denied.

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

Dated at $\qquad$ , California, this
 day of $\qquad$ , 1964.


Commissioners

## APPENDIX A

## List of Appearances

Wyman C. Knapp, of Knapp, Gill, Hibbert and Stevens; and Charles A. Woelfel; for petitioner.
Harold E. Ashley, Paul J. Atherton, W. A. Bacon,
James F. Bartholomew, J. F. Bergstrom, Charles E. Bishop, Roy K. Bitcencurt, Sam S. Blank, C. W. Carlon, John Carlson, Lonnie Carrau, Clair F. Coe, Blake M. Cowan, C. L. Cutler, D. E. deVine, T. H. Dickason, John Ditman, Donaid i. Dorr, A. J. Driver, Carl Dysinger, William Edmonds, William T. Endicott, Orson F. Fair, Jack Foyle, Arthur N. Garidelle, Jim Garvey, W. F. Goines, George C. Haines, David C. Harlan, Charles T. Hicks, Charles H. Hunt, Bert Hussey, F. H. Jacobs, Harold Jensen, Ellwood L. Johnson, Robert C. Johnson, Jackson W. Kendall, Herman C. Kuhnert, Jacques Iange, Larry Mandot, Edward L. Marig, Clement B. Martin, J. R. McEwan,Jr., O. V. Merrill, Paul W. Moore, Fred Vason, Jr., James A. Nevil, Sharon Norxis, Richard H. O'Neil, Gus M. Mallad, Gerald M. Poznanovich, Donald S. Praeger, Richard I. Reeves, Robert S. Reis, Paul Rieder, Robert C. Riegg, W. A. Sanburn, Neil Shaner, Stan Skinner, Elmer B. Smith, Steven Sowell, Daryl Stearns, Peggy Stearns, R. S. Stinson, George Taylor, Raymond T. Taylor, W. A. Tew, Allen A. Thomas, George E. Thomas, W. Keith Thomson, Thomas R. Travers, Harry True, J. G. Tucker, Abe L. Vemmilion, Thomas A. Wiederhold, Marvin I. Workman, Robert Wormser; for various carriers, respondents.
Earl S. Williams, for Deparment of General Services, State of California; Eugene A. Read, for California Manufacturers Association; Tad Muraoka, for IBM Corporation; Axlo D. Poe, James Quintrall, and J. C. Kaspar, for California Irucking Association; interested parties.
Leonard Diamond, R. A. Lubich and E. E. Tanner, for the Comission's stafe.

# Appendix B to Decision No. 65792 List 0 Revised Pages to Ninimum Rate Tariff No. 4 m Authorized by Said Decision 

First Revised Page 9<br>First Revised Page 10<br>Finst Revised Page 17<br>First Revised Page 18<br>First Revised Page 26<br>First Revised Page 27<br>First Revised Page 28<br>First Revised Page 29

| SECTION NO. 1 - RULES AND REOUSATIONS (Continued) | Item No. |
| :---: | :---: |
| MIXED SHIPMENTS <br> (a) When one or more comodities for which rates are not provided in this tariif are included in the same shtpment with commodities for wbich rates are herein provided, the rate or rates applicable to the entire shipment may be determined as though all of the comodities were ratable under the provisions of thils tariff at the combined weight of the mixed shipment; or the commodities for which rates are provided in this toriff moy be transported at the applicable rates provided herein, and the commodities for which rates are not provided herein, at the rates proodded in other Comission tarifis on which might be othemise applicable, providec separate weights or other authorized units of measurement are furalshed or obtalncd. In the event that the latter basis is used, the minimim charges provided in this tarifis shail appiy to the entire shipmeat. <br> (b) When any uncrated portion of a shipment of commodities for which rates are herein provided requires protection against damage after receipt thereof by the carifer and such protection is afforded by the carrier by packing such uncrated portion of the shipment in containers, such portion so packed shall be rated as uncrated property. | 65 |

## APPLICAIION OF RATES

(a) Rates provided in Items Nos. $300,320,330$ and 340 are for the transportation of shipments from point of oxigin to point of destination, fram point of origin to point of storage-in-transit, or from point of storage-in-transit to point of destination, and inciude pickup and deilvery, subject to Itom No. 75.
(b) For transportation of shipments for distances of 50 miles or less, rates siall apply in cents per hour (See NCTE), in cents per piece, or in cents per 100 pounds (Items wos. 300, 320, 330 and 340 subject to Itemis Nos. 145,250 and 255.
(c) For transportation in excess of 50 milios , rates in Items Nos. 300 and 320 siail apply, subject to Item No. 55.
(d) Rates in Item No. 350 shayl apply for the accessorial services of packins and unpacking in the territory in which the service is per formed.
(o) Item No. 36 C prowides rates for transportation of empty shipping containers and a basis of charges for the furnisiong of sbrpping contarners and packing materials by the carrier.

NOME.-The highest rated territory in or through whan. any sorvice is performed shall determine the applicable houriy rate.

## PICKUP AND/OK DETVVERX AT OTHER THAN GROUND FLOOR

When shipments are picked up or delivered, or both, at other than ground floor, the following additional charges per pickup or delivery per flight, shall be assessed:

1. At hourly rates (Item No. 330) - No additional charge.
2. At piece rates (Item No. 340) - 075 cents per piece.
3. At distance rates (Items Nos. 300 and 320) $=02$ cents per 100 pounds.


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| SECTION NO. $2-\mathrm{RULES}$ AND REGULAIIONS (Continued) | Item No. No. |
| :---: | :---: |
| viluation <br> (a) Carriers shali secure and shippers are required to state specifically in writing the agreed or declared value of the property to be transportcci. The agreec or declared vaiue shall be deemed to reate to all services undertaken by the carrier of its agents and to cach artiche separately and not to a chipnent as a whole. Except on shipnents transported under hourly rates, shippers nay deciore on specitic articios when the separate weights thereof are furmished or obtiancd, a valuation in excess of the value deciared on the shipment as a whole, and each such article must be described and its cxcess dechared vaiue set forth. <br> (b) Deciaration of value shald be set forth in the following Sorm: "The agreed or docinecd vaiue of the property to be transported is hereby specificolly stated by the shipper to be not in excess of ¢ per poxnim per articicle." <br> (c) Property of agreed or deciared vaiuo in excess of thirty cents per pound shoil be subject to rates conputed on tho bases provided in MCIE 2. <br> vore 2.-Tinon deciared value execods tharty cents per pound but does not exceed fifty cents per pound, add $50 \%$ to rates provided in this tariff. <br> Then deciared value cxceeds ifity eents per pound, add $100 \%$ to rates provided in this tariff. | 80 |
| DISPOSITION OF FRICTIONS <br> In computing a rate besed on a percentage of another rate, the sollowing ride shall be observed in the disposition of fractions: <br> Fractions of less than $\frac{1}{3}$ or .50 of a cent, omit. <br> Fractions of $\frac{1}{2}$ or .50 of a cent or greater, increase to next whole figure. | 85 |
| divarid shipuengs <br> Charges upon a shipment transported under rates provided in Itens Nos. 300 or 320 which has been diverted shail be conputed at the applicable rate in cffect on date of shipnent from point of origin via each point where diversion occurs to final destination, plus an adestional charge ofish.00 for each diversion. | ¢0\% |

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MINIMTM RATE TARTFF NO. L-B

| SECIION NO. 1 - RUIES AND REGULATIONS (Continued) | Item No. |
| :---: | :---: |
| WAITING OR DELAY <br> When vehicle is held for convenience of the shipper or consignee through no fault of the carricr in cornection with shipments moving or to be moved under ratos contraned in Items Nos. 300 or 320, a charge at the houriy rates provided in Item No. 330 will be assessed for each hour or fraction thereof over one hour. | 265 |
| SPIIT PICKUP conditions: <br> Split pickup service may be accorded subject to the following <br> (2) The charge for the composite shipmert shill be paid by one consignor, consignee, or other interested party. <br> (2) Split delivery service shall not be accorded. <br> (3) Ir the event a lower aggregate charge results from treating one or more component parts as a separate shipment said charge may be applied. <br> (4) Charges shall be computed as follows: <br> (a) Under hourly rates (Item No. 330). Apply applicable rate for the total time consumed in loading at the point of orfgin of each component part, and unioading at point of destination, plius double the eriving time betwee: eack such point. (Total time shall be converted into hours and/or iractions thereof in accordance with the provisione of Item No. (95) <br> (b) Under distance rates (Items Nos. 300 and 320). Apply the applicable rate to the total weight of the composite shipment for the distance from point of origin of any component part to point of destination via the points of origin of all other component parts, pius an additional charge of $0 \$ 23.00$ for each stop to load between first point of origin and point oi destination. | $\$ 170$ |
| ¢ Change O Increase D Decision No. 65792 |  |
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| SECTION NO. 1 - RULES AND REGULATONS (Continued) | Item No. |
| :---: | :---: |
| SPLIT DEITVERY ditions: <br> Split delivery service may be accorded subject to the following con- <br> (1) Tine charge for the composite shipment shall be paid by one consignor, consignee, or other interested party. <br> (2) Split pickup service shall not be accorded. <br> (3) In the event a lower aggregate charge results from treating one or more component parts as a separate shipment said charge may be applied. <br> (4) Charges shail be computed 25 follows: <br> (a) Under hourly rates (Item No. 330). Apply appicable rate for the total time consumed in loading at point of origin and unloading at point of destination of each component part, plus double the driving time between each such point. (Total time shall be converted into hours and/or fractions thereof in accordance with the provisions of Item No. 95.) <br> (b) Under distance rates (Items Nos. 300 and 320). Apply the applicable rate to the total weight of the composite shipment for the distance from point of origin to point of destination of any component part via the points of destination of all other component parts, plus an adiditional charge of ( $0: 3.00$ for each stop to unload between pojnt of oxigin and final point of destination. | 8275 |
| STORAGE IN TRANSIT (See NOTE 1) <br> Shapments may be stored once in transit for a period not to exceed 60 days from the date of unioading at storage point. (See NOTE 2 ) <br> Charges shall be computed on the following basis: <br> (a) The appicable transportation rate irom initial pojnt of orfigin to point of storage, plus <br> (b) The applicable transportation rate from point of storage to point of destination, plus <br> (c) Warehouse handing and storage charge of 60 cents per 100 pounds for each 30-day period or fraction thereof, subject to 2 mynimum charge of $\$ 3.00$ for each thirty-day period. <br> NOTE $1 .-$ On shipments subject to hourly rates both into and out of point of storage in transit the weight of the shipment for purposes of determining the storage-in-transit charge may be estimated by multiplying the total cubic feet of storage space occupied by the shipment on the warehouse platform or in the warehouse by 7 pounds per cuble foot. | 180 |

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NOTE 2.-In the event a shipment remains in storage in excess of
    60 days, the point of storage in tramsit shall be comsidered
    the point of destination and thereafter shall be subject to the
    mules, regulations and charges of the individual warehouseman.
    Charges for subsequent delivery shald be assessed on the basis
    of the charges applicable from point of storage to point of
    delivery.
\(\begin{array}{lll}\phi & \text { Change } \\ 0 & \text { Increase }\end{array}, \quad\) Decision No. 65792
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MININIM RAME TARTFF NO. $4-B$

| SECIION NO. 3 - RAMES (Continued) |
| :---: |
| Distance Rates in Cents Per 100 Pounds (1) (2) (3)(4) |
| Rates named in this itom apply only to shimments transported between |
| points located within Region 1. (See NOTE) |


(1) Minimum charge - the charge for 200 pounds at the applicable rate.
(2) See Item No. 70 for application of rates.
(3) See Item No. 50 for computation of dietances.
(4) See Item No. 220 for Region descriptions.

NOME.-Rates named in this item apply in connction with split pickup and split delivery shimments onily when points of origin and points of destination of 212 component parts of such shipments are located within Region 1. Rates named in Item No. 320 shall apply to split pickup and split delivery shipments excluded from the provisions of this item.

- Increase, except as noted ) Decision No. 6S7BZ
0 No Change

Issued by the Public Utilities Commission of the State of Califormia,
San Francisco. Calffornia.
Corroction No. 9

Distance Ratos in Cents Per 200 Pounds (1)(2)(3)(4)
Rates named in this item appiy oniy to shipments transported between points located within Region 2; and between points located in Region 2 , on the one hand, and points located in Region 2, on the other hand.

(1) litnimum chargo - the charge for 100 pounds at the applicable rate.
(2) See Itom No. 70 for application of rates.
(3) See Item No. 50 for computation of dietances.
(4) See Itom No. 220 for Region descriptions.
oIncrease except as noted)
oNo Change

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Correction No 10


| SECIION NO. 3 - RATES (Conciudod) | Item No. |
| :---: | :---: |
| ACCESSORLAL RATES <br> Rates in Cents por Man per Hour (1) (2) (3) | -350 |
| TERRITORI (4) |  |
|  |  |
| (1) Seo Irem No. iC for application of rates. <br> (?) Soo Itom No. 95 fer computation of time. <br> (3) Rutes do not include cost of materials. (See Item No. 360. ) <br> (4) See Item No. 290 for Geseription of territorios. |  |
| ¢RATES AND CHARGES FOR PICKNG UP OR DELIVERTNG SHIPPING CONTAINLRS AND PACKING MATERLALS <br> In the event new on used stipping containcrs, including wardrobes, arc deifvored by the cumper, its agonts, or employees, yrion to the time shipment. is tondered for transportation, or such containers are pleked up by tho carrier, its agonte or employoos subocquent to the time delirery is accomplished, tho following, trancportation charges shall bo acsoscod: (Sec NOME 1) <br> Each container, set up- <br> Each bumilo of containore, foldod flat $\qquad$ <br> Wintmu charge, per delivery <br> 2. (a) Shipping contolnore, including wardrobos (See vome 2) and pacetne materio.2 which are furmishci by the cariler at the request of the shipper will be chargod for at not loss than the actuel. erigine? cost to the carrios of such materiais, F.O.E. carrier's piace of business. <br> (b) In the evomt such packine materials and siapping containers are returned to any carrier, participating in the traneportation thercof whon loaced, an ellowaneo may bo made to the consignce or his agont of not to exceed 75 percent of tho chargos assossed undic the provisions of paragraph 2(a). <br> NONE 1.-If the hourly rates named in Itom No. 330 provide a Lower charge than the chargo in paraeraph 1 of this itcu such lowor charge shall apply. <br> NUNE 2-No charge will be assessod for wardrobes on shipments transported at the rates provided in Item No. 330. | \$360 |
| $\binom{$ Chame }{0 Inerease } Decision No. 66732 |  |
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[^0]:    1 Dated June 4, 1953, in Petitions for Modifications Nos. 21 and 22, and Ozder Setting Hearing dated Sepember 19, 1962, in Case No. 5330.

[^1]:    ${ }^{2}$ Increases are proposed in the charges for pickup or delivery at other than ground floor, for diverting shipments, for split pickup or split delivery, for packing and unpacking shipments, and for picking up or delivering shipping containers and packing materials. No increases are sought in C.O.D. charges or in charges for storage of household goods in transit.

[^2]:    It is to be noted that the staff proposes no increases in the accessorial charges for pickup or delivery at other than ground fioor, for diverting shipments, for split pickup or split deivery, for storage in transit or in C.O.D. charges. In the general reviev: of household goods rates which culminated in Decision No. 65521 , above, no cost data was developed by the Commission's steff enginees relative to the involved services. Hence, the record in the instant proceeding shows, no current cost evidence ves available on the basis of which the staff rate witness might adjust the charges in question.

