

ORIGINAL

Decision No. 66864

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of PROGRESSIVE TRANSPORTATION)	
COMPANY, a corporation, for author-)	
ity to depart from the rates, rules)	
and regulations of Minimum Rate)	Application No. 45357
Tariff No. 2 and Minimum Rate Tar-)	(Filed April 18, 1963;
iff No. 5, under the provisions of)	amended January 15, 1964)
the Highway Carriers' Act and the)	
City Carriers' Act.)	

Berol, Loughran and Geernaert, by Frank Loughran, for applicant.
C. D. Gilbert, Arlo D. Poe and James X. Quintrall, for California Trucking Association, interested party.
H. E. Frank and R. A. Lubich, for the Commission staff.

O P I N I O N

Applicant holds radial highway common carrier, highway contract carrier and city carrier permits. By this application, as amended, it seeks authority, as a highway permit and city carrier to depart from the units of measurement provisions of Minimum Rate Tariff No. 2 (statewide general commodities), Minimum Rate Tariff No. 1-B (East Bay drayage), Minimum Rate Tariff No. 5 (Los Angeles drayage), Minimum Rate Tariff No. 9-A (San Diego drayage) and City Carriers' Tariff No. 1-A (San Francisco drayage) with respect to the following traffic:

1. Commodities, the transportation of which, because of size or weight, require the use of special equipment, and commodities not of unusual size or weight when their transportation is incidental to the transportation by applicant of commodities which by reason of size or weight require special equipment.

2. Pipe and tubing, and pipe and tubing fittings and supplies and materials required for the installation of pipe or tubing when the transportation of such pipe or tubing fittings and supplies and materials required for installation of pipe or tubing is incidental to the transportation of pipe or tubing.

3. The entire contents of a plant or warehouse from an old location to a new location which involves the transportation of some articles which because of their size or weight require the use of special equipment, together with all other items involved in the same move which are not of such character.

A duly noticed public hearing was held before Examiner Mallory at San Francisco on January 27, 1964, on which date the matter was submitted. This application was heard on a common record with Application No. 45966 filed by Bigge Drayage Co. and Application No. 45410 filed by Dealers Transit, Inc.¹ Evidence was offered by applicant. Representatives of the California Trucking Association and the Commission staff assisted in the development of the record. No one opposed the granting of the application.

Applicant's traffic manager and chief of its estimating department testified that applicant engages in a transportation service requiring use of specialized equipment and highly trained employees. In certain instances, because of the nature of the work or the requirements of the shipper, it is preferable to quote and assess rates on bases different from those set forth in the minimum rate tariffs. Three general types of transportation are involved, which are broadly described as "heavy hauling," pipeline transportation, and the movement of the entire contents of an industrial plant.

¹ Applications Nos. 45966 and 45410 seek similar relief. They will be decided in separate orders.

The witness testified that heavy hauling requires specialized equipment and highly trained personnel. This type of service involves much of the transportation of equipment, machinery and materials to new construction sites, particularly those located outside the built-up areas of population. Fork lifts, cranes or other equipment must be furnished by applicant to load and unload. Often the most important feature of the service is the rigging performed by applicant's employees or the use of special equipment furnished by applicant, which services are not adequately compensated for under the minimum rates. The time involved and the extra and specialized equipment necessary are determined and bids are made to the shipper on the basis of the total charges. The charges may be quoted on a lump sum basis for the job, on a per load basis, on an hourly basis, or on a hundredweight basis, depending upon the circumstances surrounding the transportation and the requirements of the shipper. Relief is sought to make such bids on other than a hundredweight basis. The witness asserted that in most instances the charges assessed on heavy hauling would be well in excess of the minimum rates. Applicant proposes to show on a statement attached to its freight bill the actual weight of the shipment, the accessorial charges performed, and the charges under the minimum rates. In the event the charges computed on the basis of the minimum rates are greater than those quoted and assessed, the minimum rates will be collected.

With respect to pipe hauling, the witness testified that most such transportation is in connection with the laying of pipelines.² The service provided by applicant usually involves transportation to the jobsite and stringing of the pipe along the pipeline.

² Some transportation involves oil field pipe and pipe destined to oil refineries.

Applicant employs estimators to develop the information necessary to bid on such jobs. The estimators go over the terrain where the pipe is to be laid and calculate the number of loads, the time involved and the type of trucking and unloading equipment necessary to provide the service. The estimators develop a total of the charges for the job, which are converted into a rate per piece of pipe for submission in bid form to the pipeline contractor. The witness testified that pipeline contractors require that carrier bids be made on a per piece basis or per foot basis, as the contractor includes such charges with other charges on a per piece basis or per foot basis when submitting a bid to cover an entire pipeline project.

Applicant's witness testified that movements of the entire contents of a plant or warehouse to a new location are infrequent. However, such movements usually require accessorial services of removing and setting up storage racks or bins and the use of special loading and unloading equipment. Time, rather than weight, is the more important factor to the carrier in determining its charges. Charges for such moves are usually quoted on a lump sum per job or on a time basis. The charges assessed are generally well in excess of the minimum rates on a hundredweight basis.

Based upon the evidence we find that:

1. Applicant engages in transportation of a specialized nature requiring the use of specially designed or constructed equipment and the performance of accessorial services not ordinarily encountered by carriers engaged in the transportation of general commodities.

2. In connection with the specialized transportation described in its amended application, applicant is required by the nature of the service or the needs of the shipper to quote and assess rates on units of measurement different from those provided in the minimum

rate tariffs issued by the Commission for the transportation of general commodities.

3. Applicant proposes to assess charges no less than those applicable under minimum rates and accessorial charges established by the Commission and intends to keep such records as will show that the minimum rates have been protected in all instances.

4. The proposal by applicant to assess charges on units of measurement different from those provided in connection with the minimum rates and charges will be reasonable and in the public interest.

The Commission concludes that the application should be granted. Inasmuch as conditions may change at any time, the authority granted herein will be made to expire in approximately one year, unless sooner canceled, modified or extended.

Subsequent to the public hearing in this proceeding, applicant was authorized to acquire the highway common carrier operative rights of Azusa Transfer Company (Decision No. 66698, dated January 23, 1964, in Application No. 45449). Applicant did not request that the sought authority be made applicable to said highway common carrier operation.

The authority to be granted herein to deviate from the units of measurement provisions of the Commission's minimum rate tariffs is not appropriate for a highway common carrier. Highway common carriers are required by the provisions of Section 494 of the Public Utilities Code to charge and collect, without deviation, the rates and charges specified in their tariffs filed with this Commission. The order which follows will limit the authority to operations conducted as a highway permit carrier and as a city carrier.

O R D E R

IT IS ORDERED that:

1. Progressive Transportation Company, a corporation, is hereby authorized as a highway permit carrier and as a city carrier to quote or assess rates or accessorial charges based upon a unit of measurement different from that in which the minimum rates and charges are stated in Minimum Rate Tariff No. 2, Minimum Rate Tariff No. 1-B, City Carriers' Tariff No. 1-A, Minimum Rate Tariff No. 5, Minimum Rate Tariff No. 9 and Classification No. 1, with respect to the following transportation services:

a. Commodities, the transportation of which, because of size or weight, require the use of special equipment, and commodities not of unusual size or weight when their transportation is incidental to the transportation by applicant of commodities which by reason of size or weight require special equipment.

b. Pipe and tubing, and pipe and tubing fittings and supplies and materials required for the installation of pipe or tubing when the transportation of such pipe or tubing fittings and supplies and materials required for installation of pipe or tubing is incidental to the transportation of pipe or tubing.

c. The entire contents of a plant or warehouse from an old location to a new location which involves the transportation of some articles which because of their size or weight require the use of special equipment, together with all other items involved in the same move which are not of such character.

2. The freight charges assessed under the authority granted in ordering paragraph 1 hereof shall not be less than those which would have been assessed, had the rates and accessorial charges stated in the applicable minimum rate tariff been applied.

3. Progressive Transportation Company shall retain and preserve copies of its freight bills, subject to the Commission's inspection, for a period of not less than three years from the dates of issuance thereof; and each such copy of its freight bills shall have attached thereto a statement of the charges which would have been assessed if the minimum rates had been applied and the full information necessary for accurate determination of the charges under the minimum rates.

4. The authority herein granted shall expire with March 24, 1965, unless sooner canceled, modified or extended by order of the Commission.

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

Dated at San Francisco, California, this 25th day of February, 1964.

William B. Bennett
President

Carroll Hoag

George H. Grover

Fredrick B. Hallock
Commissioners