

**ORIGINAL**

Decision No. 68848

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 household goods carriers, )  
common carriers, highway carriers, )  
and city carriers, relating to the )  
transportation of used household )  
goods and related property. )

Case No. 5330  
Petition for Modification No.25  
Filed October 20, 1964  
Amended January 15, 1965

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and H. F. Kollmyer, for California Trucking  
Association; E. J. Langhofer, for San Diego  
Chamber of Commerce, and Tad Muraoka, I.B.M.  
Corporation, interested parties.  
R. A. Lubich and John R. Laurie, for the Commission  
staff.

O P I N I O N

Minimum commodity rates governing the transportation of  
used household goods and related property are set forth in Minimum  
Rate Tariff No. 4-B. By this petition, the California Moving &  
Storage Association, Inc., seeks specific increases in the hourly  
rates for local moving, in the long distance mileage rates, in the  
piece moving rates, and in various accessorial rates and charges.

Public hearing of the petition was held before Examiner  
Gagnon at San Francisco on January 26, 1965, at which time the matter

was taken under submission. Evidence was presented on behalf of petitioner by the Assistant Director, Division of Transportation Economics of the California Trucking Association. Cost and rate evidence was also presented by the Commission's Transportation Division staff.

The most recent general revision in the minimum rates here in issue became effective July 15, 1963, pursuant to Decision No. 65521 (61 Cal. P.U.C. 94 ). That revision followed comprehensive cost and rate studies which were made by the instant petitioner and by the Commission staff. The cost evidence which led to the establishment of the current minimum rates and charges, effective March 21, 1964, reflect operating expense levels which prevailed as of October 1, 1963 pursuant to Decision No. 66792.<sup>1</sup> In the instant phase of Case No. 5330 the witnesses adjusted the cost factors which had been developed in the aforesaid wage offset proceeding to give effect to further increases in operating costs which have occurred subsequent to October 1, 1963. Specifically, the cost exhibits of petitioner and the staff in this petition reflect cost levels as of January 1, 1965 and December 1, 1964, respectively.

The increases in the distance moving costs in cents per 100 pounds, as calculated by the petitioner, ranged from 2.5 to 4.5 percent, depending upon the weight bracket, the length of haul and whether the movement is subject to Region I or Region II rates. The corresponding increases developed by the staff ranged from 2.4 to 4.1 percent. For local moving at hourly rates petitioner calculated the cost increases as ranging from 2.8 to 5.7 percent, while

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<sup>1</sup> Dated February 11, 1964 in Petition for Modification No. 23, in Case No. 5330 (62 Cal. P.U.C. 353).

the corresponding calculation by the staff reflected increases from 2.9 to 4.4 percent. Hourly costs for the accessorial services of packing and unpacking were calculated to have increased, in Territory A, by 5.1 percent, by both the petitioner and the staff. In Territory B, the corresponding figure was calculated to be 4.2 percent by petitioner and 4.1 percent by the staff.

The Commission staff also presented a study (Exhibit No. 25-4) containing representative reductions in gross revenue requirements for carriers transporting used household goods under the January 1, 1965 income tax rates and the January 1, 1964 investment tax credit provisions of the Federal Internal Revenue Act of 1964. In view of the Commission's prior recognition of federal income taxes as an operating expense in establishing the level of minimum rates and charges, the staff is of the opinion that Minimum Rate Tariff No. 4-B should also be adjusted to reflect any reductions in federal income taxes. The staff concludes that the revenue needs of used household goods carriers are reduced by approximately 0.8 percent as a result of income tax changes in the Federal Revenue Act of 1964.

Increases in the minimum rates and charges for used household goods and related property are recommended by both the petitioner and the Commission staff. These proposals are intended to reflect rate increases sufficient only to offset the advances in operating expenses indicated in the respective revised cost studies. To accomplish this end, the present level of rates is proposed to be adjusted upward by the same relative percentage increases which have occurred in the various levels of operating expenses.<sup>2</sup> The

<sup>2</sup> Similar percentage increases are also 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, for picking up or delivering shipping containers and packing materials, and for storage of household goods in transit. No increases are sought in C. O. D. charges.

increased rates thus developed were further modified to the extent necessary to preserve a smooth progression of rates in the various distance rate scales. The staff rate proposal was further adjusted by a reduction factor of 0.8 percent in order to give recognition to asserted savings in income taxes resulting under the changes in the Federal Revenue Act of 1964.

The rate increases proposed by the Commission staff would result, in the majority of cases, in lower rates and charges than would obtain under the Association's proposal. In several instances, particularly in connection with the long distance moving rates per 100 pounds, the staff suggests rates and charges be increased to the same level as those resulting under petitioner's proposal. In no instance does the staff suggest higher rates or charges than are correspondingly recommended by the petitioner. The differentially higher rate adjustment suggested by petitioner is largely due to the fact that the Association's historical cost studies of record in the aforesaid general review were considerably higher than the corresponding staff cost study. The reduction in the amount of increase in rates and charges proposed herein by the staff, in recognition of the asserted savings in federal income taxes, also contributes toward a lower staff rate proposal than that recommended by petitioner.

A representative of the California Manufacturers Association and the San Diego Chamber of Commerce participated in the development of the record through cross-examination of witnesses. No one appeared in opposition to the granting of rate increases to offset increased operating costs.

In Decision No. 65521, supra, the Commission found that the cost information developed by its staff more closely reflected the costs which would be necessarily incurred by reasonably efficient

carriers in the transportation of used household goods and related property. In Decision No. 66792, supra, said operating cost estimates, as adjusted by the staff engineer for increases which occurred since July 1, 1962, were adopted to form the basis on which to make adjustments in rates for the purpose of offsetting said cost increases and which resulting level of rates is currently set forth in Minimum Rate Tariff No. 4-B. It is our view that the aforesaid operating costs, as further adjusted by the staff engineer for increases which have occurred since October 1, 1963, should form the basis on which to make adjustments in the present level of rates here in issue for the purpose of offsetting said cost increases.

The staff rate proposal appears to fairly reflect current operating cost experiences as measured by the adjusted staff cost levels and should, therefore, be adopted. Based upon all the facts and circumstances of record, the Commission finds that:

1. The rates and charges established by the order which follows are, and will be for the future, the just, reasonable and non-discriminatory minimum rates and charges for the transportation of used household goods and related 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 and charges are justified.

We conclude that, to the extent provided in the order which follows, Petition for Modification No. 25 in Case No. 5330 should be granted and that in all other respects said petition should be denied.

O R D E R

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 May 15, 1965, the revised tariff pages attached hereto and listed in Appendix A, also attached hereto, which pages and appendix are by this reference made a part hereof.

2. In all other respects the aforesaid Decision No. 65521, as amended, shall remain in full force and effect.

3. Except as otherwise provided in paragraph 1 hereof, Petition for Modification No. 25 is denied.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of APRIL, 1965.

Frederic B. Holman  
President

George L. Hoover  
Auditor

William A. Bennett  
Commissioners

APPENDIX A TO DECISION NO. 68848

List of Revised Pages to Minimum Rate Tariff No. 4-B

Authorized by Said Decision

Second Revised Page 9

Second Revised Page 10

Third Revised Page 17

Second Revised Page 18

Second Revised Page 26

Second Revised Page 27

Second Revised Page 28

Second Revised Page 29

(End of Appendix A List)

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">MIXED SHIPMENTS</p> <p>(a) When one or more commodities for which rates are not provided in this tariff are included in the same shipment with 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 at the combined weight of the mixed shipment; or the commodities for which rates are provided in this tariff may be transported at the applicable rates provided herein, and the commodities for which rates are not provided herein, at the rates provided in other Commission tariffs or which might be otherwise applicable, provided separate weights or other authorized units of measurement are furnished or obtained. In the event that the latter basis is used, the minimum charges provided in this tariff shall apply to the entire shipment.</p> <p>(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 carrier 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.</p>	65
<p style="text-align: center;">APPLICATION OF RATES</p> <p>(a) Rates provided in Items Nos. 300, 320, 330 and 340 are for the transportation of shipments from point of origin to point of destination, from point of origin to point of storage-in-transit, or from point of storage-in-transit to point of destination, and include pickup and delivery, subject to Item No. 75.</p> <p>(b) For transportation of shipments for distances of 50 miles or less, rates shall apply in cents per hour (See NOTE), in cents per piece, or in cents per 100 pounds (Items Nos. 300, 320, 330 and 340 subject to Items Nos. 145, 150 and 155.</p> <p>(c) For transportation in excess of 50 miles, rates in Items Nos. 300 and 320 shall apply, subject to Item No. 55.</p> <p>(d) Rates in Item No. 350 shall apply for the accessorial services of packing and unpacking in the territory in which the service is performed.</p> <p>(e) Item No. 360 provides rates for transportation of empty shipping containers and a basis of charges for the furnishing of shipping containers and packing materials by the carrier.</p> <p style="text-align: center;">NOTE.-The highest rated territory in or through which any service is performed shall determine the applicable hourly rate.</p>	70

PICKUP AND/OR DELIVERY 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) - 77 cents per piece.
3. At distance rates (Items Nos. 300 and 320) - 22 cents per 100 pounds.

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◇ Increase, Decision No. 68848

EFFECTIVE MAY 15, 1965

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 36

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">VALUATION</p> <p>(a) Carriers shall secure and shippers are required to state specifically in writing the agreed or declared value of the property to be transported. The agreed or declared value shall be deemed to relate to all services undertaken by the carrier or its agents and to each article separately and not to a shipment as a whole. Except on shipments transported under hourly rates, shippers may declare on specific articles when the separate weights thereof are furnished or obtained, a valuation in excess of the value declared on the shipment as a whole, and each such article must be described and its excess declared value set forth.</p> <p>(b) Declaration of value shall be set forth in the following form: "The agreed or declared value of the property to be transported is hereby specifically stated by the shipper to be not in excess of ___¢ per pound, per article."</p> <p>(c) Property of agreed or declared value in excess of thirty cents per pound shall be subject to rates computed on the bases provided in NOTE 1.</p> <p>NOTE 1.—When declared value exceeds thirty cents per pound but does not exceed fifty cents per pound, add 50% to rates provided in this tariff.</p> <p style="padding-left: 40px;">When declared value exceeds fifty cents per pound, add 100% to rates provided in this tariff.</p>	80
<p style="text-align: center;">DISPOSITION OF FRACTIONS</p> <p>In computing a rate based on a percentage of another rate, the following rule shall be observed in the disposition of fractions:</p> <p>Fractions of less than <math>\frac{1}{2}</math> or .50 of a cent, omit.</p> <p>Fractions of <math>\frac{1}{2}</math> or .50 of a cent or greater, increase to next whole figure.</p>	85
<p style="text-align: center;">DIVERTED SHIPMENTS</p> <p>Changes upon a shipment transported under rates provided in Items Nos. 300 or 320 which has been diverted shall be computed at the applicable rate in effect on date of shipment from point of origin via each point where diversion occurs to final destination, plus an additional charge of \$6.15 for each diversion.</p>	◇90
<p>◇ Increase, Decision No. <b>68848</b></p>	
<p>EFFECTIVE MAY 15, 1965</p>	
<p>Issued by the Public Utilities Commission of the State of California,            San Francisco, California</p> <p>Correction No. 37</p>	

Third Revised Page ..... 17  
 Cancels  
 (1) Second Revised Page..... 17  
 and  
 First Revised Page ..... 17

MINIMUM RATE TARIFF NO. 4-B

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">WAITING OR DELAY</p> <p>When vehicle is held for convenience of the shipper or consignee through no fault of the carrier in connection with shipments moving or to be moved under rates contained in Items Nos. 300 or 320, a charge at the hourly rates provided in Item No. 330 will be assessed for each hour or fraction thereof over one hour.</p>	165
<p style="text-align: center;">SPLIT PICKUP</p> <p>Split pickup service may be accorded subject to the following conditions:</p> <p>(1) The charge for the composite shipment shall be paid by one consignor, consignee, or other interested party.</p> <p>(2) Split delivery service shall not be accorded.</p> <p>(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.</p> <p>(4) Charges shall be computed as follows:                      (a) Under hourly rates (Item No. 330). Apply applicable rate for the total time consumed in loading at the point of origin of each component part, and unloading at point of destination, 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.)                      (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, plus an additional charge of \$13.35 for each stop to load between first point of origin and point of destination.</p>	170
<p>(1) Second Revised Page 17 was suspended by Supplement No. 3.                      ◇. Increase, Decision No. 68848</p>	
<p>EFFECTIVE MAY 15, 1965</p>	
<p>Issued by the Public Utilities Commission of the State of California,                      San Francisco, California.                      Correction No. 38</p>	

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;"><b>SPLIT DELIVERY</b></p> <p>Split delivery service may be accorded subject to the following conditions:</p> <p>(1) The charge for the composite shipment shall be paid by one consignor, consignee, or other interested party.</p> <p>(2) Split pickup service shall not be accorded.</p> <p>(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.</p> <p>(4) Charges shall be computed as follows:</p> <p>(a) Under hourly rates (Item No. 330). Apply applicable 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.)</p> <p>(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 additional charge of \$13.35 for each stop to unload between point of origin and final point of destination.</p>	<p style="text-align: center;">175</p>
<p style="text-align: center;"><b>STORAGE IN TRANSIT (See NOTE 1)</b></p> <p>Shipments may be stored once in transit for a period not to exceed 60 days from the date of unloading at storage point. (See NOTE 2 )</p> <p>Charges shall be computed on the following basis:</p> <p>(a) The applicable transportation rate from initial point of origin to point of storage, plus</p> <p>(b) The applicable transportation rate from point of storage to point of destination, plus</p> <p>(c) Warehouse handling and storage charge of 62 cents per 100 pounds for each 30-day period or fraction thereof, subject to a minimum charge of \$3.10 for each thirty-day period.</p> <p>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 cubic foot.</p>	<p style="text-align: center;">180</p>

NOTE 2.-In the event a shipment remains in storage in excess of 60 days, the point of storage in transit shall be considered the point of destination and thereafter shall be subject to the rules, regulations and charges of the individual warehouseman. Charges for subsequent delivery shall be assessed on the basis of the charges applicable from point of storage to point of delivery.

◇ Increase, Decision No. 68848

EFFECTIVE MAY 15, 1965

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

Correction No. 39

SECTION NO. 3 - RATES							Item No.
Distance Rates in Cents Per 100 Pounds (1)(2)(3)(4)							
Rates named in this item apply only to shipments transported between points located within Region 1. (See NOTE)							
Miles Over	But Not Over	Any Quantity	Minimum Weight				
			1,000 Pounds	2,000 Pounds	5,000 Pounds	8,000 Pounds	
0	10	840	545	420	345	310	
10	20	850	555	425	350	315	
20	30	860	565	430	355	320	
30	40	870	580	435	360	325	
40	50	880	590	440	365	330	
50	60	890	605	445	370	335	
60	70	900	620	450	375	340	
70	80	910	630	455	380	345	
80	90	920	640	460	385	350	
90	100	930	650	465	390	355	
100	120	945	660	480	395	365	
120	140	960	680	490	405	375	
140	160	980	700	500	415	385	
160	180	1000	720	510	425	395	
180	200	1020	740	520	435	405	0300
200	225	1040	760	540	450	420	
225	250	1060	780	555	460	430	
250	275	1080	800	570	470	440	
275	300	1100	815	585	480	450	
300	325	1120	830	600	490	460	
325	350	1140	845	615	505	475	
350	375	1160	860	625	520	490	
375	400	1180	875	635	535	505	
400	425	1195	890	645	545	520	
425	450	1215	905	660	560	530	
450	475	1235	920	675	570	540	
475	500	1255	935	690	580	550	
500	550	1285	950	715	605	575	
550	600	1310	970	740	630	595	
600	650	1335	990	760	655	615	
650	700	1365	1015	785	680	640	
700	750	1390	1040	810	705	665	
750	800	1415	1065	835	730	690	
800	850	1440	1090	860	755	715	
850	-						

oAdd to rate for 850 miles 25 cents per 100 pounds for each 50 miles or fraction thereof in excess of 850 miles.

- (1) Minimum charge - the charge for 100 pounds at the applicable rate.
- (2) See Item No. 70 for application of rates.
- (3) See Item No. 50 for computation of distances.
- (4) See Item No. 220 for Region descriptions.

NOTE.-Rates named in this item apply in connection with split pickup and split delivery shipments only when points of origin and points of destination of all 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 )  
○ No Change ) Decision No. 68848

EFFECTIVE MAY 15, 1965

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

Correction No. 40

SECTION NO. 3 - RATES (Continued)						Item No.
Distance Rates in Cents Per 100 Pounds (1)(2)(3)(4)						
Rates named in this item apply only to shipments transported between points located within Region 2; and between points located in Region 1, on the one hand, and points located in Region 2, on the other hand.						
Miles Over	But Not Over	Any Quantity	Minimum Weight			
			1,000 Pounds	2,000 Pounds	5,000 Pounds	8,000 Pounds
0	10	855	550	415	350	315
10	20	860	560	420	355	320
20	30	870	570	425	360	325
30	40	880	580	430	365	330
40	50	890	590	435	370	335
50	60	900	610	440	375	340
60	70	910	620	450	380	345
70	80	920	635	460	385	350
80	90	930	645	470	395	355
90	100	940	655	480	405	360
100	120	955	670	495	415	370
120	140	975	690	515	425	385
140	160	995	715	530	440	400
160	180	1015	740	545	455	415
180	200	1035	765	560	470	430
200	225	1060	790	580	485	450
225	250	1085	815	600	500	470
250	275	1110	835	620	515	490
275	300	1135	855	640	535	510
300	325	1155	875	660	555	530
325	350	1180	895	675	575	550
350	375	1205	915	695	600	565
375	400	1230	940	715	620	585
400	425	1250	960	735	640	600
425	450	1270	980	755	660	615
450	475	1290	1000	775	680	630
475	500	1315	1020	800	700	645
500	550	1355	1060	830	725	685
550	600	1395	1100	865	760	720
600	650	1430	1135	895	795	755
650	700	1465	1170	930	830	790
700	750	1500	1205	965	865	830
750	800	1540	1240	1000	900	865
800	850	1575	1275	1035	935	900
850	-					

0320

add to rate for 850 miles 35 cents per 100 pounds for each 50 miles or fraction thereof in excess of 850 miles.

- (1) Minimum charge - the charge for 100 pounds at the applicable rate.
- (2) See Item No. 70 for application of rates.
- (3) See Item No. 50 for computation of distances.
- (4) See Item No. 220 for Region descriptions.

oIncrease except as noted ) Decision No. 68848  
oNo Change

EFFECTIVE MAY 15, 1965

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

Correction No. 41



SECTION NO. 3 - RATES (Concluded)		Item No.
ACCESSORIAL RATES		
Rates in Cents per Man per Hour (1) (2) (3)		
Packing ) Unpacking )  Minimum Charge - the charge for one hour.	TERRITORY(4)	
	A                      B	
	720                      600	0350
(1) See Item No. 70 for application of rates. (2) See Item No. 95 for computation of time. (3) Rates do not include cost of materials. (See Item No. 360.) (4) See Item No. 210 for description of territories.		
RATES AND CHARGES FOR PICKING UP OR DELIVERING SHIPPING CONTAINERS AND PACKING MATERIALS		
1. In the event new or used shipping containers, including wardrobes, are delivered by the carrier, its agents, or employees, prior to the time shipment is tendered for transportation, or such containers are picked up by the carrier, its agents or employees subsequent to the time delivery is accomplished, the following transportation charges shall be assessed: (See NOTE 1)		
Each container, set up -----145 cents Each bundle of containers, folded flat---145 cents Minimum charge, per delivery-----655 cents		
2. (a) Shipping containers, including wardrobes (See NOTE 2) and packing materials which are furnished by the carrier at the request of the shipper will be charged for at not less than the actual original cost to the carrier of such materials, F.O.B. carrier's place of business.		0360
(b) In the event such packing materials and shipping containers are returned to any carrier, participating in the transportation thereof when loaded, an allowance may be made to the consignee or his agent of not to exceed 75 percent of the charges assessed under the provisions of paragraph 2(a).		

NOTE 1.-If the hourly rates named in Item No. 330 provide a lower charge than the charge in paragraph 1 of this item such lower charge shall apply.

NOTE 2.-No charge will be assessed for wardrobes on shipments transported at the rates provided in Item No. 330.

♦ Increase, Decision No. 68848

EFFECTIVE MAY 15, 1965

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 43