

ORIGINAL

Decision No. 72281

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
California Motor Transport Co., a)
corporation for authority to deviate)
from minimum rates, pursuant to)
Section 4015 of the California)
Public Utilities Code.)

Application No. 49020
(Filed December 13, 1966)

R. C. Ellis, for California Motor Transport Co.,
applicant.
Joseph C. Matson and Robert W. Stich, for the
Commission staff.

O P I N I O N

California Motor Transport Co. (CMT), a corporation, is engaged in for-hire transportation of property as a city carrier and as a highway common carrier. By this application CMT, operating as a city carrier, seeks authority, under Section 4015 of the Public Utilities Code, to deviate from the pool car unloading and segregating charges, named in Item 165 of Minimum Rate Tariff No. 5, applicable to pool car traffic delivered to CMT's Los Angeles terminal for the account of Revlon, Inc. and Knomark, Inc. for subsequent reshipment to ultimate consignees and destinations.

Public hearing was held before Examiner Gagnon on February 3 at San Francisco. The only affirmative evidence presented was that on behalf of applicant by its Los Angeles terminal manager. The sought relief is not opposed.

The commodities involved are toilet preparations and related articles, shoe dressings and premiums that may be included under the provisions of Rule 310 of the National Motor Freight

A. 49020 1m

Classification. For unloading and segregating pool trailer lots within the Los Angeles Drayage Area, Item 165 of Minimum Rate Tariff No. 5 provides, in part, as follows:

"(a) For the service of unloading, segregating, or unloading and segregating property tendered to the carrier in pool cars, the following charges shall be made in addition to transportation charges:

	<u>Rates in cents</u> <u>Per 100 pounds</u>
"(1) Merchandise classified as:	
First Class	46
Second Class	37
Third Class	28-1/2
Fourth Class, or lower	27-1/2

(1) Subject to minimum charge of \$1.20 for each point of destination involved."

In lieu of the aforementioned minimum charge of \$1.20, CMT seeks authority to assess a minimum charge of 50 cents per component for pool car unloading and segregating, subject to the following conditions: (1) Shipper must mark each package and load component parts of pool trailers in proper sequence for ultimate consignees and destinations; (2) Shipper must furnish applicant with required shipping documents to cover each individual consignment in the pool lot; and (3) there must be 20 or more minimum charge shipments included in a single pool trailer lot.

The record shows that Revlon, Inc. and Knomark, Inc. are under common ownership and the operations and traffic of the two concerns are intermingled. Pool trailer lots are forwarded from the shippers' Edison, New Jersey, and Phoenix, Arizona, warehouses to Los Angeles via common carrier for final distribution. Applicant states that the shippers have no objections to the transportation charges but find the minimum unloading and segregating charge of \$1.20 per component burdensome, especially when a majority of the pool lots to ultimate consignees are subject to the \$1.20 "breakout"

charge. Applicant submits that the unloading and segregating services can be performed profitably under the proposed minimum charge when made subject to the aforementioned qualifying conditions. In support of this contention, CMT introduced in evidence a revenue and cost comparison for unloading and segregating twenty Revlon-Knomark trailers during the months of September and October, 1966, a summary of which is set forth below:

TABLE I

<u>Revenues:</u>	<u>Present</u>	<u>Proposed</u>
Unloading-Segregating		
Minimum charges	\$2,128.80	\$ 724.40
Other than minimum charges	<u>542.63</u>	<u>780.79</u>
Total	\$2,671.43	\$1,505.19
 <u>Cost of Labor:</u>		
Man Hours		
(at \$3.50 per hour)	\$610.78	
Labor Fringe Benefits	197.25	
Supervision	<u>91.62</u>	<u>899.65</u>
Net above cost of labor	\$1,771.78	\$ 605.54

From Table 1 it will be noted that under the present basis for charges applicant earns substantially more revenue under the \$1.20 minimum charge provision of the tariff than under the established rates per 100 pounds for unloading and segregating; whereas, under the proposed minimum charge of 50 cents per component, CMT revenues are fairly evenly divided as between the minimum rates and the sought minimum charge. In addition, it will be observed that, under the proposed minimum charge, applicant's revenues are well above the cost of labor and supervision involved.

Applicant states that the minimum charge of 50 cents for unloading and segregating Revlon-Knomark pool trailers, proposed herein in connection with the intrastate distribution of such traffic, is currently in effect on like interstate traffic. It was also explained by applicant that the unloading and segregating city

carrier services performed by CMT for Revlon-Knomark are rated and billed as separate and distinct functions insofar as the ultimate reshipment of component parts of the pool trailer lots involved herein are concerned.

After consideration, we find that:

1. The proposed minimum charge for unloading and segregating pool trailer lots for the account of Revlon-Knomark is compensatory.
2. The unloading and segregating minimum charge proposed herein with respect to intrastate traffic is currently in effect in connection with applicant's related interstate operations.
3. Applicant has demonstrated that the unloading and segregating service in question can be performed profitably under the proposed minimum charges.
4. The less-than-minimum charge proposed in the application will be just, reasonable and consistent with the public interest for the transportation services involved.

We conclude that the sought authority should be granted and, because transportation conditions are subject to change, the authority should be limited for a period of one year.

O R D E R

IT IS ORDERED that:

1. California Motor Transport Co., a corporation, operating as a city carrier, is authorized to unload and segregate Revlon, Inc. and Knomark, Inc. pool car shipments of toilet preparations and related articles, shoe dressings and premiums, included under the provisions of Rule 310 of the National Motor Freight Classification, at rates less than the minimum rates established in Item 165 of Minimum Rate Tariff No. 5, but in no event lower in volume or effect

A. 49020 Im

than the charge and conditions named in Appendix A, attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire on May 6, 1968, unless otherwise ordered by the Commission.

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

Dated at San Francisco, California, this 11th day of APRIL, 1967.

[Signature]
President
[Signature]
Attorney
[Signature]
Commissioners

APPENDIX A

APPLICATION OF CHARGES

Carrier: California Motor Transport Co.

Shippers: Revlon, Inc. and Knomark, Inc.

Commodity: Toilet preparations and related articles, shoe dressings and premiums, included under the provisions of Rule 310 of the National Motor Freight Classification.

Services: Unloading and segregating pool car traffic delivered to carrier's terminal at Los Angeles, California.

Charges: For the services of unloading and segregating the pool trailer lots into component parts, the rates in cents per 100 pounds established in Item 165 of Minimum Rate Tariff No. 5 shall apply, subject to a minimum charge of 50 cents per component for each ultimate consignee and destination.

Conditions:

1. Each pool car shipment must contain 20 or more component parts which are subject to the minimum unloading and segregating handling charge.
2. Shippers must mark all packages for ultimate consignees and destinations.
3. Shippers must furnish carrier with the shipping documents to cover each individual consignment in the pool lot.
4. Shippers must have pool trailer lots loaded in sequence of component parts for ultimate consignees and destinations.