

ORIGINAL

Decision No. 72926

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 any and)
all commodities between and within)
all points and places in the State)
of California (including, but not)
limited to, transportation for)
which rates are provided in Minimum)
Rate Tariff No. 2).

Case No. 5432
Petition for Modification
No. 460
(Filed May 29, 1967; Amended
June 28, 1967 and July 27,
1967)

Emmett Q. O'Sullivan, for petitioner, State of
California, Department of General Services.
R. C. Broberg, H. F. Kollmyer and Arlo D. Poe,
for California Trucking Association,
interested party.
E. H. Burgess, for the Commission staff.

O P I N I O N

Petitioner, the Department of General Services, State of California, seeks a reduced truckload exception rating of Class B, minimum weight 45,000 pounds, for the transportation of school textbooks, to apply in connection with transportation under the class rates in Minimum Rate Tariff No. 2.

A duly noticed public hearing was held before Examiner Mallory at San Francisco on July 28, 1967, and the matter was submitted on that date. Evidence was offered by a Traffic Service Supervisor employed by petitioner. Representatives of California Trucking Association and the Commission staff participated in the proceeding by examining petitioner's witness.

The present ratings for school textbooks, as set forth in Item 161560 of National Motor Freight Classification No. A-9

(Cal.), are those provided for "Books, N.O.I.", of second class, less truckload, and fourth class, truckload, minimum weight 30,000 pounds. Petitioner alleges that the transportation characteristics of textbooks compare favorably with those for other articles for which lower ratings and rates apply.

The evidence presented shows the following: All of the grade school textbooks approved for use in the State school system by the State Superintendent of Public Instruction are printed by or for the State of California at two locations, the State Printing Plant at Sacramento, or at a printing firm at San Francisco. The books are moved to the Department of General Services warehouse at Sacramento for distribution to the various school districts in the State.^{1/} During the years 1963 through 1966, the State distributed to public schools an average of more than 10,000,000 pounds annually. Due to the adoption of new texts and to the increase in population, it was estimated that 23,000,000 pounds will be moved in 1967. Distribution costs in 1966 amounted to \$151,000. The movement is statewide in scope; the principal destinations of truckload shipments are to school district warehouses in the San Francisco and Los Angeles metropolitan areas. During the period May 15 through July 19, 1967, 178 truckload shipments were forwarded from the textbook warehouse at Sacramento. The average weight of such shipments was 39,423 pounds.

The witness testified that there is no incentive under the present truckload rating and minimum weight (30,000 pounds) to load to the full weight-carrying capacity of the highway carrier's vehicle. Usually two twenty-seven-foot trailers are furnished.

^{1/} The movement from San Francisco to Sacramento is under rail commodity rates.

The first is loaded to capacity and the second is only partially loaded. Very little additional time would be required to load the second trailer to capacity, thus providing carriers with maximum utilization of their equipment.

The witness testified that all truckload shipments of textbooks are palletized, and all are loaded by a fork-lift truck operated by an employee of the textbook warehouse. Most shipments are unloaded by fork-lift equipment furnished and operated by the receiver. Occasionally, shipments are made to schools or warehouses where no fork-lift is available; such shipments are unloaded by hand.

The density of the textbooks, loaded on pallets, ranges from 28 to 48 pounds per cubic foot. The witness compared such densities with those for telephone directories, canned fruit and dry milk solids, all of which are subject to exception ratings of Class B or lower. The value of school textbooks shipped by the State of California ranges from 10 cents to \$3.00 per book. The average value is 62 cents per pound. The witness stated that claims for loss or damage have been very small; no claims were filed in 1966. All shipments are prepaid.

The witness stated that the general direction of the movement of all commodities is from the metropolitan San Francisco Bay and Los Angeles Basin areas to Sacramento; therefore, the transportation of textbooks from Sacramento to these metropolitan areas is in the nature of a backhaul for highway carriers.

The representative of California Trucking Association urged that the proposed exception rating be restricted to apply to textbooks transported for or on behalf of the State of California, or if such restriction is not feasible, to a specific actual value

not exceeding the value figures furnished by the witness. This was requested in order that the proposed rating would be limited to apply to the specific transportation for which the exception rating is sought. The CTA representative also requested that the proposed rating be subject to an expiration date of March 30, 1968, as proposed in the petition as originally filed.

The latter request was opposed by petitioner and by the Commission staff. Petitioner's representative stated that ex parte relief was originally requested, and that the expiration date was proposed so that the relief sought would expire unless further information was presented in a public hearing. Inasmuch as such hearing has been held, the purpose for subjecting the proposal to an expiration date no longer exists. Petitioner had no objection to limiting the application of the proposed exception rating to textbooks shipped by or for the State of California.

The evidence indicates that the transportation characteristics of school textbooks, as described above, are more favorable than for other articles accorded fourth class truckload ratings in the classification. The evidence is persuasive that the lower truckload rating and minimum weight proposed by petitioner are reasonably related to the transportation of school textbooks under the conditions herein described. In order that the rating be limited to the specific transportation conditions encountered in the movement of school textbooks described in this proceeding, the proposed exception rating provisions should be made applicable to prepaid shipments of textbooks shipped by or for the State of California.

The Commission finds that petitioner's proposal, modified as indicated above, is reasonable and that the resulting minimum

rates and charges will be just, reasonable and nondiscriminatory rates and charges for the transportation involved. The petition will be granted to the extent provided by the order which follows.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended) is further amended by incorporating therein, to become effective September 23, 1967, Thirty-third Revised Page 4 and Thirty-second Revised Page 37, attached hereto, and by this reference made a part hereof.

2. Tariff publications authorized 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 and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

3. 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

INDEX OF COMMODITIES

Only those articles which are named in commodity items or in Exceptions to the Governing Classification and Exception Ratings Tariff are shown in the following list.

| COMMODITY | Item Number | COMMODITY | Item Number |
|---------------------------------|--------------------------------------|---|-----------------------|
| Abrasive | 302 | Boxes, Planter | 758 |
| Acid, Boracic | 730-732 | Bran | 652-654 $\frac{1}{2}$ |
| Air Compressors (M) | 365 | Bran, Cottonseed | 652-654 $\frac{1}{2}$ |
| Ale | 310, 360 | Bran, Flaked | 652-654 $\frac{1}{2}$ |
| Alfalfa | 652-654 $\frac{1}{2}$ | Bran, Rice | 652-654 $\frac{1}{2}$ |
| Alfalfa, ground or pressed | 652-654 $\frac{1}{2}$ | Brandy | 360 |
| Alundum | 302 | Breads | 320 |
| Ammonia, cleaning | 730-732 | Brewers' Flakes | 652-654 $\frac{1}{2}$ |
| Animal Feed | 338, 620, 630, 652-654 $\frac{1}{2}$ | Brewers' Grains | 652-654 $\frac{1}{2}$ |
| Anvils (M) | 365 | Brick, Fire (M) | 365 |
| Apples, dried | 350 | Brine | 320 |
| Arms, Cross, wooden | 690, 710 | Broths | 320 |
| Asphalt, Liquid | 377.5, 723-726 | Buckwheat | 652-654 $\frac{1}{2}$ |
| Asphalt, Solid | 303 | Butter | 335-5 |
| Atmospheric Water | | Butter, Fruit | 320 |
| Cooling Towers (M) | 365 | Butter, Peanut | 320-1 |
| | | Buttermilk | 320, 345 |
| Bags, paper | 304 | Buttermilk, condensed, dried or in paste form | 652-654 $\frac{1}{2}$ |
| Bakery Goods | 360 | | |
| Bananas, powdered | 350 | Cake, Babassu Nut | 652-654 $\frac{1}{2}$ |
| Barley | 652-654 $\frac{1}{2}$ | Cake, Coconut | 652-654 $\frac{1}{2}$ |
| Barley, Pearled | 652-654 $\frac{1}{2}$ | Cake, Copra | 652-654 $\frac{1}{2}$ |
| Barrels, Pump Working | 365 | Cake, Corn Germ | 652-654 $\frac{1}{2}$ |
| Bars, Grate | 365 | Cake, Corn Oil (M) | 652-654 $\frac{1}{2}$ |
| Batteries, electric (M) | 377.5, 723-726 | Cake, Cottonseed | 652-654 $\frac{1}{2}$ |
| Beans, Castor | 652-654 $\frac{1}{2}$ | Cake, dried fruit seed | 652-654 $\frac{1}{2}$ |
| Beans, Mesquite | 652-654 $\frac{1}{2}$ | Cake, Flaxseed | 652-654 $\frac{1}{2}$ |
| Beans and Pork | 320-1 | Cake, (Grain) | 652-654 $\frac{1}{2}$ |
| Beers | 310, 360 | Cake, Hemp Seed | 652-654 $\frac{1}{2}$ |
| Beet Pulp | 652-654 $\frac{1}{2}$ | Cake, Kapok Seed | 652-654 $\frac{1}{2}$ |
| Belts (M) | 365 | Cake, Linseed | 652-654 $\frac{1}{2}$ |
| Beverage Containers | 330 | Cake, Mesquite (M) | 652-654 $\frac{1}{2}$ |
| Beverage Preparations | 360 | Cake, Oil | 652-654 $\frac{1}{2}$ |
| Beverages | 316, 360 | Cake, Palm | 652-654 $\frac{1}{2}$ |
| Beverages, Malt or Cereal | 310 | Cake, Palm Kernel | 652-654 $\frac{1}{2}$ |
| Bits, Drilling | 365 | Cake, Peanut | 652-654 $\frac{1}{2}$ |
| Bleach, Laundry | 730-732 | Cake, Perilla | 652-654 $\frac{1}{2}$ |
| Bluing, Laundry (M) | 360 | Cake, Perilla Seed | 652-654 $\frac{1}{2}$ |
| Boards | 690, 710 | Cake, Rape Seed | 652-654 $\frac{1}{2}$ |
| Boiler Flues | 365 | Cake, Safflower Seed | 652-654 $\frac{1}{2}$ |
| Boiler Parts (M) | 365 | Cake, Sesame Seed | 652-654 $\frac{1}{2}$ |
| Boilers (M) | 365 | Cake, Soya Bean | 652-654 $\frac{1}{2}$ |
| Boiler Tubes | 365 | Cake, Sunflower Seed | 652-654 $\frac{1}{2}$ |
| Bone, ground and molasses mixed | 652-654 $\frac{1}{2}$ | Cake, Tucum Nut | 652-654 $\frac{1}{2}$ |
| *Books, School Textbooks | 317 | Cake, Velvet Bean | 652-654 $\frac{1}{2}$ |
| Borax | 730-732 | | |

(M) Denotes articles on which application of rates is limited to mixed shipments.

* Addition, Decision No. 72926

EFFECTIVE SEPTEMBER 23, 1967

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 1869

| Item No. | SECTION NO. 1--RULES AND REGULATIONS OF GENERAL APPLICATION (Continued) | |
|---|--|--------------------------------------|
| | EXCEPTIONS TO GOVERNING CLASSIFICATION AND EXCEPTION RATINGS TARIFF (Continued) (Numbers within parentheses immediately following commodities shown below refer to such commodities as they are described in the corresponding item numbers of the Governing Classification.) | Class Rating |
| 310 | Beverages, malt, viz.: Ale, Beers, Porter, Stout or nonintoxicating cereal beverage (111470) Less truckload ----- Truckload: Minimum weight 40,000 pounds ----- | 4 D |
| 316 | Beverages, flavored or phosphated, NOI, not including extracts, syrups, alcoholic liquors and de-alcoholized or nonalcoholic cordials and liqueurs; in metal cans in outer shipping containers (72160) (See Note) Less truckload ----- Truckload: Minimum weight 30,000 pounds ----- Minimum weight 36,000 pounds ----- Minimum weight 42,000 pounds ----- Minimum weight 45,000 pounds ----- (1) Not applicable to shipments which are subject to charges for temperature control service. (E) NOTE.--When palletized shipments are transported at truckload rates under the provisions of this item, and are subject to minimum weights of not less than 20,000 pounds, the empty pallets may be transported from point of destination of shipment to its point of origin without charge, subject to the terms and conditions in Item No. 45 of this tariff. | 90% of 4 5 B C (1) D |
| *317 | Books, viz.: School textbooks, prepaid, shipped by, or for the account of, the State of California (161560) Truckload: Minimum Weight 45,000 pounds ----- | 0B |
| (E) This note expires with December 31, 1967. * Addition) o Reduction) Decision No. 72926 | | |
| EFFECTIVE SEPTEMBER 23, 1967 | | |
| Issued by the Public Utilities Commission of the State of California, San Francisco, California Correction No. 1870 | | |