

ORIGINAL

Decision No. 72972

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SPECIAL DELIVERY SERVICE, a
California corporation, to amend
Decision No. 72244 of the Public
Utilities Commission of the State
of California. }

Application No. 49473
Filed June 16, 1967

Marquam C. George, for Special Delivery
Service, applicant.
J. C. Kaspar, A. D. Poe and H. F. Kollmyer,
for California Trucking Association;
A. J. Comerford, for Alta Freight and
Transfer, Inc.; and Louis C. Schmitt,
for Keller's Freight Line, protestants.
Joseph C. Matson, for the Commission staff.

O P I N I O N

Special Delivery Service, a corporation, operates as a city carrier and as a highway contract carrier between points within a radius of 50 miles of Oakland. It seeks amendment of Decision No. 72244, which initially authorized it to deviate from the established minimum rates for the transportation of automotive parts, supplies and related commodities.¹

Public hearing was held before Examiner Turpen at San Francisco on July 24, 1967. Evidence on behalf of applicant was adduced through its president and through representatives of the two shippers involved. A representative of the California Trucking Association cross-examined the witnesses extensively and made a statement in opposition to granting of the application.

¹ See Decision No. 72244, dated April 4, 1967, in Application No. 48885.

As recited in Decision No. 72244, Special Delivery Service is exclusively engaged in the transportation of automotive parts and supplies, operating over seven routes within the San Francisco and East Bay Metropolitan Areas.² Specifically, the movements are from distributors of automotive parts, supplies and related commodities to jobbers operating wholesale and retail outlets for such commodities with daily delivery service being made available to approximately 224 auto parts dealers.

Applicant seeks to have Decision No. 72244 amended by deleting from the existing rate authority two shippers, namely Auto Dealers Service Corp. and Jobbers Automotive Service, both of Oakland, for the reason that said shippers have ceased their operations and applicant is no longer performing any transportation services for them. Applicant states that it has secured two additional contracts from two firms; namely, Chanslor & Lyon Company, Inc., and Genuine Parts Company,³ both located in Oakland. They require and desire it to perform the same transportation services at the rates agreed to in their respective contracts and specified in the existing rate authority.

Based on the minimum monthly charges specified in the existing authority and the new transportation contracts it has negotiated with the two new shippers, applicant will realize a net gain in its minimum monthly revenue of approximately \$180. Applicant states that the transportation contracts entered into with the

² The minimum rates applicable to such transportation are set forth in Minimum Rate Tariff No. 2 (Statewide-general commodities), Minimum Rate Tariff No. 1-B (East Bay Drayage), and City Carriers' Tariff No. 1-A (San Francisco Drayage).

³ The transportation contracts entered into between applicant carrier and these two new shippers are set forth in Exhibits A and B, respectively, of the application.

two new shippers named above provide for an effective date of July 1, 1967, subject to prior approval by the Commission. Applicant's president testified the sought substitution will not change the method of operation and the costs will be substantially the same as outlined in Decision No. 72244.

The California Trucking Association protested the application and urged that applicant should be required to present a full cost study. Keller's Freight Line, a highway carrier also protested the application on the grounds that it might lose some traffic to Marin and Sonoma Counties.

The present authority was originally granted, after public hearing, in Application No. 48885. There were no protests to its being granted. Based on evidence of record in that proceeding, the Commission found that:

- a. The authorized rates are compensatory;
- b. The authority was necessary to preserve the traffic in for-hire carriage; and
- c. The authorized charges were just, reasonable and consistent with the public interest.

Applicant's present application seeks no change in the existing authority other than to substitute the names of two new shippers of automotive parts and supplies for two former shippers who no longer require applicant's services. Modification of the existing authority, as sought herein, would (1) permit applicant to continue to provide a necessary service for the eight shippers involved, (2) retain the traffic in for-hire carriage; and (3) enhance its expected revenue thereunder by a nominal amount of \$180 per month.

In these circumstances, it appears, and the Commission finds, that the proposed amendment of the existing rate authority is reasonable and justified.

The Commission concludes that the application should be granted.

ORDER

IT IS ORDERED that:

1. Decision No. 72244, dated April 4, 1967, in Application No. 48885, is hereby amended by substituting therein Appendix A-1, attached hereto and by this reference made a part hereof, in place and stead of Appendix A to said decision.

2. In all other respects, Decision No. 72244 shall remain in full force and effect.

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

Dated at San Francisco, California, this 29th day of AUGUST, 1967.

Robert E. Mitchell
President

Stallman

Boyd

William J. Spence

Shel P. Morrisey
Commissioners

APPENDIX A-1
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(Supersedes Appendix A to Decision No. 72244)

APPLICATION OF CHARGES

Carrier: Special Delivery Service

Shippers: American Parts System, Inc., San Francisco; Jobbers Warehouse Service, San Francisco; Levins Auto Supply Co., San Francisco; Nor. Cal. Distributors, Inc., San Francisco; Pacific Automotive Co., San Francisco; Chanslor and Lyon Co., Inc., Oakland; Genuine Parts Company, Oakland; Wholesale Brake Co., San Leandro.

Consignees: Wholesale and retail jobbers of automotive parts, supplies and related commodities.

Commodities: Automotive parts, supplies and related commodities.

Area: Within a radius of 50 miles of the city of Oakland, including the following points and places:

San Francisco	El Cerrito	Pleasant Hill
Daly City	Richmond	Martinez
Millbrae	Rodeo	Pittsburg
San Bruno	Napa	El Sobrante
Burlingame	Belmont	Albany
South San Francisco	San Carlos	San Pablo
San Mateo	Redwood City	Vallejo
Sunnyvale	Menlo Park	Livermore
Campbell	Palo Alto	Pleasanton
Santa Clara	Los Altos	Sausalito
San Jose	Mountain View	Mill Valley
Oakland	Cupertino	Larkspur
San Leandro	Los Gatos	San Anselmo
Alameda	Castro Valley	San Rafael
Walnut Creek	Hayward	Novato
Concord	Fremont	Petaluma
Antioch	Newark	Santa Rosa
Berkeley	Lafayette	Sonoma
		Boyce Springs

APPLICATION OF CHARGESCharges Per Month:

<u>Maximum Pounds per Month</u>	<u>Maximum Deliveries per Month</u>	<u>Minimum Charge per Month</u>	<u>Charge for Excessive Poundage or Deliveries</u> (See Notes 1 & 2)
10,000	175	\$ 205.00	\$2.05
20,000	350	400.00	2.00
30,000	525	585.00	1.95
40,000	700	760.00	1.90
50,000	875	925.00	1.85
60,000	1050	1,080.00	1.80
70,000	1225	1,225.00	1.75
80,000	1375	1,360.00	1.70
90,000	1500	1,485.00	1.65
100,000	1600	1,600.00	1.60
120,000	1800	1,800.00	1.50

NOTE 1. In the event that the maximum poundage is exceeded in any one month there shall be an additional charge per 100 pounds as indicated. In the event that the maximum deliveries are exceeded in any one month, there shall be an additional charge per delivery as indicated.

NOTE 2. A maximum of two pickups per day shall be provided shipper.

Conditions:

1. Application of Charges. Minimum charges per month shall apply even though less than the maximum pounds per month are transported and/or less than the maximum number of deliveries per month are performed by the carrier.

APPLICATION OF CHARGES

Conditions:--Contd.

2. Maximum Pounds (Deliveries) Per Month: Charges will not apply unless the carrier has in effect at all times eight written contracts with the specified shippers wherein it is guaranteed that the total charges per month will aggregate a minimum of \$7,540.

3. Billing and Collecting: The carrier shall issue a freight bill for the collection of freight charges on a prepaid or weekly basis, except for any excess charges which shall be billed and collected on a monthly basis.