

ORIGINALDecision No. 73405

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 commo-
 dities 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. 479
 (Filed November 2, 1967)

OPINION AND ORDER

A & B Garment Delivery of San Francisco, a corporation, operates as a highway common carrier for the transportation of wearing apparel and related articles (hereinafter referred to as wearing apparel), as well as general commodities when accompanying shipments of wearing apparel, between points in an area generally encompassed by Santa Rosa, Sacramento, Modesto, San Jose and San Francisco.^{1/}

By Decision No. 71659, dated December 6, 1966, in Case No. 5432 (Petition for Modification No. 435), petitioner was authorized to publish a vehicle unit rate of \$9.00 per hour for the transportation of general commodities between certain retail stores and warehouses of such stores, limited to shipments of 8,500 pounds or less and subject to other specified conditions. The currently published rate is scheduled to expire with December 25, 1967.

^{1/} It also holds permits to operate as a radial highway common carrier, highway contract carrier and city carrier which are not involved in this proceeding.

By this petition, authority is sought to continue to maintain the vehicle unit rate for a further period of one year, but to increase the currently authorized rate from \$9.00 to \$9.85 per hour. Petitioner requests permission to publish and file the proposed rate on less than statutory notice and to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code to the extent necessary to place the proposed rate in effect.

According to the petition, the operation involved was initiated because of demands of one of petitioner's largest customers for a specialized transportation service particularly suited to its needs. Revenues received from this shipper represent a substantial portion of petitioner's gross income. Allegedly, if petitioner is not able to furnish the required service, the traffic will be diverted to a competitive carrier whose operation is exempt from the rates in Minimum Rate Tariff No. 2. Petitioner has been assured of the continuance of service for this shipper if the authority requested herein is granted. The petition shows that several other department and clothing stores have since availed themselves of petitioner's service for their interbranch store transfers after having formerly transported such shipments in their own equipment.

As justification for the continuance of its current authority to assess an hourly vehicle unit rate, petitioner alleges that, except for increases in labor costs and fixed expenses and a decrease in running costs per mile, the conditions upon which its prior request for such authority were predicated continue to exist and that, under the increased hourly rate proposed herein, it will

receive a satisfactory return from the operation during the forthcoming year. In support of this latter contention petitioner presented in Exhibit C, attached to the application, a summary of its development of an hourly cost study and financial operating statements for the year ending June 30, 1967. The cost study indicates that, after all adjustments have been made to reflect current operating costs, petitioner will experience an operating ratio of 87.18 percent under the proposed hourly rate of \$9.85. Assertedly, the \$9.85 hourly rate is based upon the minimum rate for a comparable operation named in Item 560 of the Commission's City Carriers' Tariff No. 1-A, effective September 23, 1967. Petitioner explains that part of the transportation involved is performed within the City of San Francisco and is governed by the minimum rates and rules prescribed in said tariff. Authorizing the proposed hourly rate of \$9.85 will enable petitioner to assess a uniform charge for all of its hourly vehicle rental services. Revenue and expense data submitted by petitioner also indicate that the transportation involved has been profitable and reasonably may be expected to be profitable during the ensuing year.

Copies of the petition were mailed to California Trucking Association and Draymen's Association of San Francisco, Inc. on or about November 2, 1967. The petition was listed on the Commission's Daily Calendar of November 3, 1967. No objection to the granting of the petition has been received.

In the circumstances, it appears, and the Commission finds, that, for the services involved herein, the proposed vehicle unit rate of \$9.85 per hour and the maximum weight limit of 8,500 pounds are reasonable and justified by transportation conditions. A public hearing is not necessary. The Commission concludes that the petition should be granted.

In view of the impending expiration date of the current authority, the order which follows will be made effective December 15, 1967.

IT IS ORDERED that:

1. A & B Garment Delivery of San Francisco is hereby authorized to establish and publish, to expire with December 25, 1968, the vehicle unit rate specified in, and subject to the limitations and conditions set forth in, Appendix A attached hereto and by this reference made a part hereof.

2. Tariff filings required by the order herein shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

3. A & B Garment Delivery of San Francisco is hereby authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code to the extent necessary to exercise the authority granted herein. Schedules containing the rate published under this authority shall make reference to this order.

This order shall become effective December 15, 1967.

Dated at San Francisco, California, this 28th day of NOVEMBER, 1967.

E. N. Mitchell President
Stallman L. Bennett
Augustin
William S. ...
Fred P. ... Commissioners

APPENDIX A

A & B GARMENT DELIVERY OF SAN FRANCISCO

APPLICATION OF HOURLY VEHICLE UNIT RATE
AND RULES FOR TRANSPORTATION DESCRIBED HEREIN

1. A & B Garment Delivery of San Francisco is authorized to establish a rate of \$9.85 per hour for the transportation of general commodities between retail stores, which handle merchandise commodities hereinafter described, and warehouses of such retail stores (excluding retailers which sell garments incidentally such as hardware, drug and grocery stores):

Apparel, wearing	Draperies	Patterns
Bags, cloth	Dry Goods	Shirts
Bags, hand	Fittings, tailored	Shoes
Bath Robes	Footwear	Suspenders
Belts	Furnishings, men's	Tape, cloth
Blouses	Garments	Textiles
Buttons	Gloves	Thread
Cloth	Hangers, clothes	Ties
Cloth, piece goods	Hose	Towels
Clothing	Jewelry, costume	Trimmings, tailored
Clothing Accessories	Lining, clothes	Umbrellas
Containers, clothes	Luggage	Yarns

2. The transportation described above is authorized between the following points:

- (a) All points in the San Francisco Territory and within five miles of the boundary thereof.
- (b) All points on U.S. Highway 101 between San Francisco and junction with State Highway 37, one mile north of Ignacio, inclusive, including all off-route points within three miles of the said route, and the off-route points of Belvedere, Tiburon, Mill Valley, San Anselmo, Fairfax and Novato; and
- (c) All points on State Highway 24 between Oakland and Walnut Creek, inclusive.

APPENDIX A

3. The transportation described above is subject to the following limitations and conditions:

- (a) Shipments shall not exceed 8,500 pounds.
- (b) Minimum charge will be \$9.85.
- (c) No shipments of property shall be transported from retail stores or retail sales warehouses where the property has been sold at retail by a retail merchant.
- (d) Time shall be computed from the time the vehicle leaves carrier's place of business until it arrives back at said place of business.
- (e) Rate authorized above applies for service performed during regular working hours of 8:00 a.m. through 5:00 p.m., except Saturdays, Sundays and the following holidays: New Year's Day, Washington's Birthday, Decoration (Memorial) Day, Fourth of July, Labor Day, Admission Day, Thanksgiving Day and Christmas Day. When such holidays fall on Sunday the following Monday shall be considered a holiday. For services performed at the request of the shipper or consignee at other than said regular working hours and on Saturdays, Sundays and holidays shown, an additional charge equal to the actual additional over-time cost will be made.
- (f) Actual bridge tolls shall be added to the above rate when such facilities are used.
- (g) Rate authorized above applies for the exclusive use of equipment furnished.

(End of Appendix A)