

**ORIGINAL**

Decision No. 73407

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of National Motor Freight Traffic )  
Association, Inc., Agent, for and )  
on behalf of certain highway com- )  
mon carriers and express corpora- )  
tions, for authority to make vari- )  
ous revisions in National Motor )  
Freight Classification A-9 and its )  
California Supplement. )

Application No. 49778  
(Filed November 6, 1967)

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. 480)  
(Filed November 6, 1967)

And Related Matters )

Cases Nos. 5435, 5439, 5440,  
5441, 5603 and 7858  
(Petitions for Modification  
Nos. 96, 64, 52, 132, 46  
and 31, respectively)  
(Filed November 6, 1967)

OPINION AND ORDER

Various common carriers participate in National Motor Freight Classification A-9 (CAL) as governed by National Motor Freight Classification A-9, hereinafter referred to as the Governing Classification, for class ratings and other provisions. Also, various Commission minimum rate tariffs are subject to the class ratings and/or other provisions of such classification.

By Application No. 49778, National Motor Freight Traffic Association, Inc., Agent, seeks authority, on behalf of such common carriers, to publish various revisions in the Governing Classification to become effective January 1, 1968, concurrently with the national effective date for such revisions.<sup>1</sup> By the above petitions, California Trucking Association seeks to have the ratings and other provisions in the Governing Classification similarly revised to govern the minimum rates and rules in various Commission minimum rate tariffs.<sup>2</sup> Petitioner requests that all common carriers be directed to establish in their respective tariffs such modifications as may be prescribed by the Commission's order in these proceedings, including relief from the long- and short-haul provisions of Section 460 of the Public Utilities Code.

Applicant and petitioner, hereinafter referred to as applicants, state that the Governing Classification is periodically revised to meet the changing needs of commerce. Applicants aver that the procedures available to shippers and carriers to initiate such revisions, to participate in their disposition and to protect their interests are generally known to the carriers and shippers. Applicants allege that the sought revisions have been authorized by the National Classification Board, after due process, and are generally scheduled to become effective January 1, 1968, for tariffs covering areas other than California and that such revisions, if authorized,

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The changes, which are provided in Supplements 21 and 13 to the Governing Classification, are set forth in Exhibits A and B, respectively, and the related justifications in Exhibit C, all of which are attached to the application.

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The tariffs are Minimum Rate Tariffs Nos. 1-B (East Bay Drayage), 2 (General Commodities Statewide), 5 (Los Angeles Drayage), 9-B (San Diego Drayage), 10 (Cement Statewide), 11-A (Uncrated New Furniture Statewide), City Carriers' Tariff No. 1-A (San Francisco Drayage) and Exception Ratings Tariff No. 1.

would permit maintenance of uniformity of classification provisions between California and the rest of the nation.

A review of applicants' proposed revisions indicates that they pertain principally to (1) format of classification; (2) correction of publishing errors and omissions; (3) clarification of existing descriptions of articles; (4) cancellation of obsolete provisions; and (5) establishment of specific ratings for newly designed or manufactured articles. Such changes are within the framework of the criteria heretofore announced by this Commission for establishing revisions in the Governing Classification on California intrastate traffic.<sup>3</sup>

Applicants suggest, to protect the interests of all parties, that the effective date of any order issued herein should be thirty days after the date of this decision. This would provide ample opportunity for any interested party to advise applicants and the Commission concerning those items which might require separate and further consideration without unduly delaying the effectiveness of the great body of classification changes which, applicants assert, are necessary and desirable, and concerning which there is no question or dispute.

Copies of the application and petitions were mailed to various chambers of commerce, shipper organizations, carrier representatives and other interested parties on or about November 3, 1967. The application and petitions were listed on the Commission's Daily Calendar of November 8, 1967. No objection to the granting of the application and petitions has been received except as hereinafter discussed with respect to the Furniture Manufacturers Association of California.

<sup>3</sup>

See Decision No. 68324 in Case No. 5432, et al., 63 Cal.P.U.C. 728; Decision No. 68711 in Case No. 5432, et al., 64 Cal.P.U.C. 146; also Decisions Nos. 70287, 70335, 70656, 70828, 70960, 71182, 71200, 71405, 71531, 71730, 72027, 72289, 72438, 72589, 72740, 72885, 73099 and 73234, all issued in Case No. 5432, et al., unreported.

By letter from its Director, Traffic Department, dated November 10, 1967, Furniture Manufacturers Association of California (FMAC) informed the Commission that, on behalf of some 155 producers and shippers of furniture, it is opposed to changes in the classification ratings under the Furniture Group as such changes would result in increases in freight costs ranging from 18 to 100 percent and in inflationary price increases of the product at the wholesale level ranging from 4 to 7 percent. FMAC asserts that the increases sought by applicants are beyond the realm of absorption by either producer or seller and must ultimately be passed on to the consuming public or, as an alternative, shippers will be forced to increase their present proprietary fleet operations. FMAC urges that the Commission stay action of both Supplements 21 and 13 to the Governing Classification as they pertain to the Furniture Group, and requests that the matter not be granted on an ex parte order without adequate showing by the applicants that such increases are necessary on California intrastate traffic.

In the circumstances, it appears, and the Commission finds, that:

1. Except as provided in Finding No. 4, the proposed classification revisions set forth in Application No. 49778, are reasonable and, to the extent that said ratings and rules will result in increases, such increases are justified.
2. The proposed ratings and rules which applicant will be authorized to establish, except to the extent that said ratings and rules are different from and are superseded by present exceptions contained in the respective minimum rate tariffs and the governing exception ratings tariff, are suitable to govern the minimum rates established by the Commission.

3. Except as provided in Finding No. 4, the rates and charges resulting from the application of the aforesaid ratings and rules are, and for the future will be, the just, reasonable and nondiscriminatory minimum rates for the transportation of property by city carriers and highway carriers subject to the applicable minimum rate tariffs.

4. The changes sought by applicants in connection with Items 79000-A to 82220-A, inclusive, of the Governing Classification are not justified.

Based on the above findings, the Commission concludes that the proposed classification changes set forth in Application No. 49778 should be authorized, and that such ratings and rules should be adopted and approved, to the extent indicated in the ensuing order, to govern the minimum rates established by the Commission. The Commission further concludes that participating common carriers in applicant's National Motor Freight Classification A-9 and A-9(CAL) should be 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. The order which follows should be made effective thirty days after the date hereof and the earliest effective date of the tariff publications involved should be January 1, 1968.

IT IS ORDERED that:

1. Except as otherwise provided in Ordering Paragraph 8 hereof, National Motor Freight Traffic Association, Inc., Agent, on behalf of participating common carriers in National Motor Freight Classification A-9(CAL) as governed by National Motor Freight Classification A-9, is authorized to establish and publish the classification ratings and rules set forth in Application No. 49778 to become effective not earlier than January 1, 1968, on not less than three days' notice to the Commission and to the public.

2. Except as otherwise provided in Ordering Paragraphs 6 and 8 hereof, the classification ratings and rules authorized herein are approved and adopted as the just, reasonable and nondiscriminatory ratings and rules to govern the minimum rates and rules promulgated by the Commission in City Carriers' Tariff No. 1-A and Minimum Rate Tariffs Nos. 1-B, 2, 5, 9-B, 10 and 11-A.

3. Tariff publications required to be made by common carriers as a result of Ordering Paragraph 2 hereof may be made effective not earlier than January 1, 1968, on not less than three days' notice to the Commission and to the public and such tariff publications shall be made effective not later than March 1, 1968; and tariff publications which are authorized but not required to be made by common carriers as a result of Ordering Paragraph 2 hereof may be made effective not earlier than January 1, 1968, and may be made effective on not less than three days' notice to the Commission and to the public if filed within sixty days of the effective date of the tariff publications authorized in Ordering Paragraph 1 hereof.

4. The classification ratings and rules authorized to be established by Ordering Paragraph 2 hereof are authorized to be made applicable also for the transportation of:

- (a) Commodities for which minimum rates have not been established, or
- (b) Commodities which are subject to higher rates than, or more restrictive provisions than, the minimum rates or provisions otherwise applicable.

5. Any provisions concurrently maintained in common carrier tariffs which are more restrictive than, or which produce charges greater than, those contained in City Carriers' Tariff No. 1-A and Minimum Rate Tariffs Nos. 1-B, 2, 5, 9-B, 10 and 11-A, are authorized to be maintained in connection with the ratings and rules authorized and directed to be established herein.

6. Except as provided in Ordering Paragraph 5 hereof, common carriers are not authorized to publish ratings and rules which are different from, and are superseded by, present exceptions contained in Exception Ratings Tariff No. 1, City Carriers' Tariff No. 1-A and Minimum Rate Tariffs Nos. 1-B, 2, 5, 9-B, 10 and 11-A.

7. Common carriers, in establishing and maintaining the ratings and rules 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 ratings and rules published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

8. The provisions proposed to be published by applicants in Items 79000-A to 82220-A, inclusive, as listed in Supplement 21 to National Motor Freight Classification A-9, and the corresponding item numbers listed in Supplement 13 to National Motor Freight Classification A-9 (CAL) are hereby denied. ✓

9. A public hearing shall be scheduled in these proceedings for the receipt of evidence concerning the application to California intrastate traffic of the items described in Ordering Paragraph 3 hereof.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of November, 1967.

*John E. [unclear]*  
President

*William L. Bennett*

*August [unclear]*

*William [unclear]*

*Fred P. Monsey*  
Commissioners