

Decision No. 73533

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of RED LINE CARRIERS, INC., a corporation, for authority to depart from minimum rates in connection with certain transportation to be performed for International Business Machines Corporation.

Application No. 49279
(Filed April 12, 1967,
Amendment filed
September 25, 1967)

Berol, Loughran & Geernaert, by Frank Loughran,
for applicant.
Karl Roos, for California Moving & Storage
Association; and Arthur D. Maruna, H. F.
Kollmyer and A. D. Poe, for California
Trucking Association; interested parties.
B. I. Shoda and Kenneth R. Hansen, for the
Commission staff.

O P I N I O N

Red Line Carriers, Inc., a highway permit carrier and city carrier, seeks authority to deviate from the established minimum rates for transportation performed for International Business Machines Corporation (IBM).

A duly noticed public hearing was held and the matter submitted before Examiner Mallory at San Francisco on November 13, 1967. There were no protests. Evidence in support of the relief sought was adduced by applicant's secretary-treasurer and by a member of a firm of certified public accountants employed by applicant. Representatives of carrier associations and the Commission participated through examination of applicant's witnesses.

The evidence shows the following: Applicant holds permits as a household goods carrier, a radial highway common carrier, a highway contract carrier and a city carrier. It now

provides service to IBM through the use of eight vehicle units and drivers furnished under the monthly vehicle unit rates named in Minimum Rate Tariff No. 15 (MRT 15). IBM uses such equipment to move raw materials, partly finished machines and completely finished machines between IBM locations in and around San Jose and from and to a supplier in Berkeley. The provisions of MRT 15 preclude the use of such leased equipment for the purpose of moving used office furniture and equipment owned by IBM. At the present time IBM uses applicant to transport its used office furniture and equipment under the hourly-rate provisions of Minimum Rate Tariff No. 4-B (household goods). IBM has requested that applicant arrange so that vehicles operated under monthly vehicle unit rates can be used also to transport used office and store furniture and fixtures between the same locations that transportation is now performed under vehicle unit rates. Pursuant to IBM's request, this application was filed and a cost study was developed covering the proposed operations.

The cost study was originally developed by applicant's secretary-manager and was revised by applicant's certified public accountant. The figures set forth in the study presented by the accountant are from applicant's current labor agreement or from applicant's books and records, except with respect to certain running costs for which no specific records are maintained. The latter costs were estimated. The total costs so developed were expanded for a cost-rate relationship of 95 (to provide for profit and income taxes) in arriving at the proposed charges. Such charges are greater than those specified for comparable equipment units in MRT 15. The principal reason appears to be that the Teamster's Union Household Goods Moving Agreement, used as a basis for wages in applicant's cost study, provides for higher wages than

do the wage agreements serving as a basis for wage costs in the studies underlying MRT 15.

Applicant has requested a service area covering a radius of 250 actual miles of IBM's main facility in San Jose, which is consistent with its present agreement, although actual operations are conducted in a much smaller area. California Moving & Storage Association requested that the authority, if granted, be limited to the smaller area.

The Commission finds as follows:

1. The cost study presented herein reasonably represents the costs of providing service under the methods of operation proposed to be conducted by applicant for IBM.
2. The proposed rates will exceed said costs of operations and will provide a profit to the carrier.
3. The proposed operations will provide better utilization of equipment assigned to the exclusive use of the shipper (IBM).
4. The proposed rates are reasonable for service as a highway contract carrier and/or a household goods carrier, and are reasonable and in the public interest for operations as a city carrier within the service area proposed by applicant.

The Commission concludes that the application should be granted. Inasmuch as labor rates in labor agreements between applicant and its drivers and helpers will change on July 1, 1968, applicant requests that the authority be made to expire on that date.

O R D E R

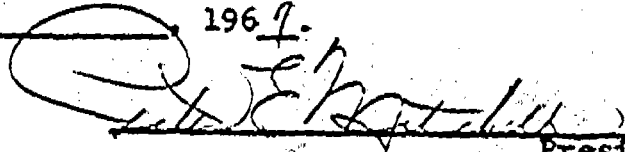
IT IS ORDERED that:

1. Red Line Carriers, Inc. is authorized to deviate from minimum rates established for the transportation of used office and store fixtures and equipment as defined in Item No. 20 of Minimum Rate Tariff No. 4-B, for International Business Machines Corporation, between points within 250 airline miles of the intersection of Monterey Road and Cottle Road in San Jose, by assessing rates and charges no less than those specified in Appendix A, attached hereto and made a part hereof.


2. The authority granted herein will expire July 1, 1968.

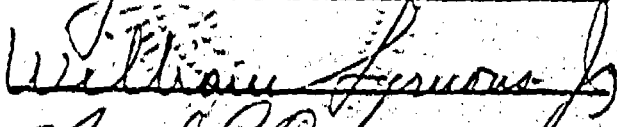
The effective date of this order shall be twenty days after the date hereof.

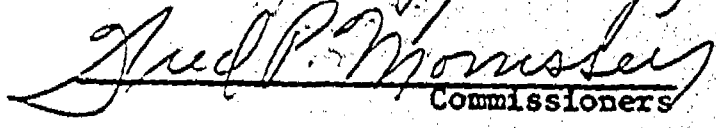
Dated at San Francisco, California, this
27th day of DECEMBER, 1967.



President






Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

RED LINE CARRIERS, INC.Statement of Monthly Vehicle Unit Rate Provisions for Application
by Red Line Carriers, Inc. to Certain Traffic of International
Business Machines Corporation.

All service covered by this statement subject to Notes 3, 4, 6, 8, 9, 10, 11, 13, 14, 16, 17, 18 and 19.

Other notes applicable as indicated by specific reference thereto.

SECTION A. BASE MONTHLY VEHICLE UNIT RATES

Base rates in dollars per unit of equipment for exclusive use for thirty (30) consecutive calendar days.

Rates do not include services performed during premium pay hours or on Saturdays, Sundays or days observed as holidays. Rates for such service will be at the additional charges provided in Section "C".

	<u>Rate</u>	<u>Excess Trailing Equipment Rate (Note 5).</u>
(a) Trucks without trailers (Note 1)		
12 feet or over (Note 2)		
2-axle van	1348	
3-axle van	1444	
(b) Tractors and semi-trailers		
Tractor (Gas)		
2-axle		
Tare weight: over 8000 lbs.		
With trailer van		
Carrier owned		
28 feet or over (Note 2)	1520	98
Tractor (Gas)		
2-axle		
Tare weight: over 8000 lbs.		
With trailer van		
Shipper owned	1422	

SECTION B. MILEAGE RATES (Note 7)

	<u>Rates in cents per mile</u>
(a) Trucks without trailer (Note 1)	
12 feet or over (Note 2)	
2-axle van	13
3-axle van	15
(b) Tractors and semi-trailers	
Tractor (Gas)	
2-axle	
Tare weight: over 8000 lbs.	
With trailer van	
Carrier owned	
28 feet or over (Note 2)	19
Tractor (Gas)	
2-axle	
Tare weight: over 8000 lbs.	
With trailer van	
Shipper owned	16-1/2

SECTION C. HOURLY VEHICLE UNIT RATES FOR PREMIUM PAY HOURS,
SATURDAYS, SUNDAYS AND HOLIDAYS

	<u>Rates</u>
Rates per hour are in dollars per unit of carrier's equipment. Rates do not include a charge for miles operated. See Section "B" for mileage rates.	
(a) For service performed other than between 8 a.m. and 5 p.m. on any day other than a day observed as a holiday, Monday through Friday.	8.40
(b) For service performed on a Saturday other than on a day observed as a holiday, the total charge shall include payment for a minimum of 6 hours between 8 a.m. and 3 p.m., regardless of the hours actually worked.	8.40
(c) For service performed on a Sunday or a day observed as a holiday, subject to a minimum charge of 4 hours if the service is performed exclusively between 8 a.m. and 12 noon or between 1 p.m. and 5 p.m. Provided further, when any service whatsoever is performed between the hours of 8 a.m. and 12 noon, and the service of such vehicle is continued after 1 p.m., then such service is subject to a minimum charge of 8 hours.	11.05

SECTION D. CHARGE FOR HELPERS

	<u>Rates</u>
When carrier furnishes help in addition to the driver, the following additional charges apply. Rates are in dollars per man-hour.	
(a) For service performed between 8 a.m. and 5 p.m. on any day other than a day observed as a holiday, Monday through Friday, subject to a minimum charge of 2 hours per man.	7.25
(b) For service performed other than between 8 a.m. and 5 p.m. on any day other than a day observed as a holiday, Monday through Friday.	8.15
(c) For service performed on a Saturday other than on a day observed as a holiday. The charge for service performed on such a day shall include payment for all hours between 8 a.m. and 12 noon, regardless of the hours actually worked.	8.15
(d) For service performed on a Sunday or a day observed as a holiday, subject to a minimum charge of 4 hours if the service is performed exclusively between 8 a.m. and 12 noon or between 1 p.m. and 5 p.m. Provided further, when any service whatsoever is performed between the hours of 8 a.m. and 12 noon and the service of the helper is continued after 1 p.m., then such service is subject to a minimum charge of 8 hours.	10.70

NOTES TO RATE SCHEDULE

1. Trucks not suitable for use with trailing equipment.
2. Lineal loading space.
3. In the event that furniture pads or skins are furnished, an additional monthly charge of \$2.35 per dozen shall be made.
4. An additional charge of \$11.15 per month shall be made for each unit of equipment that is equipped with a power-lift gate.
5. Semi-trailers furnished by carrier in excess of number of vehicles operated as a single unit.
6. Except as otherwise provided, rates are limited to 8 hours service out of 9 consecutive hours per day, and to service performed between the hours of 8 a.m. and 5 p.m. For operations in excess of these limitations add the hourly charges provided in Section "C" and the mileage rates shown in Section "B".

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7. The total miles operated will be determined by computing the number of speedometer miles registered during each day that service is performed, beginning at the point at which carrier's driver commences to operate vehicle at start of day and ending with speedometer miles registered at termination of driver's day.

8. Rates are limited to the transportation of all commodities except those for which rates are provided in the State of California Public Utilities Commission's Minimum Rate Tariffs Nos. 3-A, 6-A, 7, 8, 10, 12, 13 and 17, and except used household goods, viz.: household or personal effects, such as furniture, furnishings, clothing, radios, musical instruments, stoves and refrigerators.

9. Rates are limited to operations between points within 250 air miles from Monterey Road and Cottle Road in San Jose.

10. Holidays mean New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day and the day after Christmas Day. When one of the above holidays falls on a Sunday, the following Monday will be observed as a holiday.

11. The number of driver's hours of service for each day will be computed from the time at which carrier's driver commences either operating the motor vehicle or performing other related service, whichever is sooner, and ending at the time that carrier's driver either ceases operating the motor vehicle or performing other related service, whichever is later.

12. The number of helper's hours of service for each day shall be computed from the time helper is engaged to perform loading, unloading or other related service or required to ride carrier's vehicle, whichever is sooner, and ending at the time loading or unloading service is completed, or the helper is returned to the point at which he was engaged at start of day, whichever is later.

13. Included in each 8 hours service out of 9 consecutive hours will be two rest periods, not to exceed 15 minutes each. Time taken for lunch of one hour or less will not be included in hours of service performed.

14. In the event that a unit of equipment has become temporarily inoperable while engaged in transportation, the carrier may substitute another unit of equipment at the rates agreed upon in the written agreement until such time as the original unit of equipment is operable.

15. The rates in Sections "A" and "C" include the service of the driver only. When the carrier furnishes help in addition to the driver, the additional charges as provided in Section "D" will be assessed.

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16. Rates do not include weighmaster fees and bridge or ferry tolls. Such fees and tolls, when incurred by the carrier, shall be added to the transportation charges.

17. Rates are subject to the articles shipped being released by the shipper at a valuation of not in excess of fifty cents per pound per article.

18.(a) Within 7 calendar days after the 31st day after commencement of service, the carrier shall present a bill to the shipper which shall show the following information:

- (1) The transaction period.
- (2) Identification and type of each unit of carrier's equipment.
- (3) Base rate for each unit of equipment.
- (4) Rate per mile and number of miles operated.
- (5) Rate for premium pay and excess hours and number of hours, when applicable.
- (6) Rate for Saturday, Sunday or holiday service and dates of such service, when performed.
- (7) Rate per hour for helpers and number of hours used.
- (8) Additional charges and explanation of each.

(b) When the billing date determined above falls on a Saturday, Sunday or holiday, said billing date is extended to the following day other than Saturday, Sunday or holiday.

(c) The form of document set forth in Item No. 600 of Minimum Rate Tariff No. 15 will be suitable and proper. A copy of each freight bill shall be retained and preserved at a location within the State of California, subject to the Commission's inspection, for a period of not less than three years from the date of its issuance.

(d) Credit may be extended for a period of not to exceed 7 days, excluding Sundays and holidays, from the first 12 o'clock midnight following presentation of the freight bill.

19. Prior to the transportation of the property, the shipper must enter into a written agreement with carrier. This agreement shall show:

- (a) Provisions agreeing to the rules and regulations of this order and at a level no lower than those authorized by this order.
- (b) A clause governing adjustment of the rates and charges in the event that the provisions of this order are changed.
- (c) Date transportation service is to commence.
- (d) Type of carrier's motor power equipment.
- (e) Type of trailer or semi-trailer equipment, when applicable.

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- (f) Identification of each piece of equipment either by license number or otherwise.
- (g) Lineal loading space of each unit of equipment in feet.
- (h) Base of operations.
- (i) Base rate.
- (j) Rate per mile.
- (k) Duration of written agreement.
- (l) Declared valuation.
- (m) The agreement shall be in substantially the form of the written agreement set forth in Item No. 91 of Minimum Rate Tariff No. 15, and the original or a copy thereof shall be retained and preserved by the carrier, at a location within the State of California, subject to Commission's inspection, for a period of not less than three years from the date of its issuance.