

**ORIGINAL**

Decision No. 73931

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 car- )  
riers 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

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 73879 dated March 19, 1968, in Shortened Procedure Tariff Docket Application No. 50026, United Parcel Service, Inc., (UPS) was authorized effective April 1, 1968, to apply the zip code sectional center method in determining the rate zones for parcel deliveries within California.

In some instances, the rates of UPS are lower than the minimum rates for parcel delivery service established by the Commission. Under the so-called "alternative" rate provisions of the Commission's minimum rate tariffs, other parcel delivery carriers in California publish rates on the level of the UPS rates.

By Decision No. 73879, supra, common carriers subject to the minimum rate provisions of Minimum Rate Tariff No. 2 were not required to make corresponding adjustments in their tariffs for the transportation of parcel delivery shipments and, consequently, the long-standing rate relationship between the parcel delivery rates of UPS and those of the aforementioned common carriers no longer exists in some instances.

In the circumstances, it appears, and the Commission finds, that the rate relationship in question should be reestablished and that increases resulting from the tariff revisions involved are justified. A public hearing is not necessary. The Commission concludes that the common carriers herein involved should be required to publish and file a method for determining rate zones for the transportation of parcel delivery shipments, which will result in rates no lower than those authorized by Decision No. 73879, supra.

Inasmuch as the UPS adjusted rates became effective April 1, 1968, the order which follows will be made effective on the date hereof.

IT IS ORDERED that:

1. Common carriers maintaining, under outstanding authorizations permitting the alternative use of common carrier parcel delivery rates, rates below the specific minimum rate levels otherwise applicable on the commodities and between the points for which increases were authorized by Decision No. 73879, dated March 19, 1968, in Shortened Procedure Tariff Docket Application No. 50026, are authorized and directed to increase such rates, on not less than three days' notice to the Commission and to the public, to the level of the rates established by said decision or to the level of the specific minimum rates, whichever is lower; such increases shall be made effective not earlier than the third day after the effective date of this order and not later than July 1, 1968.

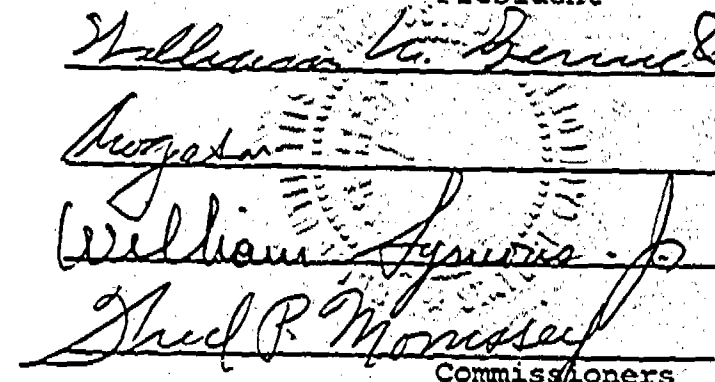
2. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such 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 orders authorizing long- and short-haul departures and to this order.

3. In all other respects Decision No. 31606, as amended, shall remain in full force and effect.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 2nd day of April, 1968.

  
Robert E. Mitchell  
President  
William C. Bennett  
Morgan  
William J. Lyons  
Shel R. Monrosey  
Commissioners