

ORIGINAL

Decision No. 74696

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Special Delivery Service, a Cali-)	
fornia corporation, for authority)	Application No. 50429
to deviate from the established)	(Filed July 25, 1968)
minimum rates for the transporta-)	
tion of automotive parts, supplies,)	
and related commodities.)	

OPINION AND ORDER

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. By Decision No. 72244 dated April 4, 1967, in Application No. 48885, as amended by Decision No. 72972 dated August 29, 1967, in Application No. 49473, it was authorized to deviate from the established minimum rates for the transportation of automotive parts, supplies and related commodities under contract for eight shippers between points within a radius of 50 miles of the City of Oakland. The rate authority granted by said decisions expired on May 1, 1968.

By this application, Special Delivery Service seeks reinstatement of the expired authority, with certain modifications, for a period of one year. Applicant states that it has already negotiated contracts with five shippers and has tentative contracts with three other shippers, subject to Commission approval of the authority sought herein, for transportation services to be performed at the proposed rates and charges which are the same as those previously authorized.

The minimum rates applicable to the transportation involved are set forth in Minimum Rate Tariff No. 2 (Statewide-general

commodity), Minimum Rate Tariff No. 1-B (East Bay Drayage) and City Carriers' Tariff No. 1-A (San Francisco Drayage). Under the carrier's rate proposal, shippers would be assessed a flat charge per month, the amount of which would depend upon the maximum weight per month and the maximum number of deliveries per month for which the shipper would contract. The proposed maximum tonnages range from 10,000 to 120,000 pounds per month; the maximum deliveries are from 175 to 1,800 per month; the corresponding monthly charges run from \$205 to \$1,800 and the excess charges per 100 pounds or per delivery range from \$2.05 in connection with the smallest weight bracket to \$1.50 for the largest weight bracket.

Applicant proposes to perform this transportation for the eight shippers named with two sixteen foot van trailers, one piece of equipment operating between Oakland, San Francisco, San Jose, Los Gatos, Fremont, Livermore, Hayward, San Leandro, East Oakland and Berkeley, an average distance of 185 miles for the complete route, performing an average of 27 deliveries for each of the shippers involved. The second piece of equipment will operate between Oakland, San Francisco, Santa Rosa, St. Helena, Napa, Vallejo, Richmond and points in Contra Costa County, an average mileage for this route of 185 miles, and average 27 deliveries per day for each shipper. Each piece of equipment will make its own pickups and deliveries. Pickups will be made between 4:00 and 6:00 p.m. and deliveries are to be made after 8:00 p.m. so that freight picked up in the afternoon will be delivered the same night.

As recited in Decision No. 72244, evidence of record at the hearing on the original application showed that the established minimum rates and rules are not suitable for the specialized type of transportation service involved herein. The transportation which applicant performs is largely in the nature of a parcel delivery

service for shipments generally weighing less than 100 pounds. Most shipments of auto parts normally are transported subject to the minimum charge provisions of the governing minimum rate tariffs and the remaining shipments are subject to the minimum Class 85 (formerly second class) rates. Evidence shows that the application of such minimum charges and rates results in excessive freight charges.

Applicant alleges that the rate authority sought herein is necessary because the shippers involved have previously performed their own transportation, on a proprietary basis, and have indicated they will do so again unless the carrier is granted relief from the existing minimum rates which result in excessive transportation costs. It further alleges that it can perform the transportation service involved efficiently and economically under the proposed rates.

Revenue and expense data submitted by applicant indicate that the transportation involved will be performed at a profit during the ensuing year. According to such data, applicant anticipates a monthly net revenue, before income taxes, of \$974.

Applicant's transmittal letter shows that copies of the verified application were mailed on July 22, 1968, to California Trucking Association and to Alta Freight and Transfer, Inc. and Keller's Freight Lines, Inc., competing highway carriers. The application was listed on the Commission's Daily Calendar of July 26, 1968. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable and consistent with the public interest for the transportation services involved. A public hearing is not necessary. The Commission concludes that the application should be granted.

In view of the fact that the subject authority expired May 1, 1968, the order which follows will be made effective on the date hereof.

IT IS ORDERED that:

1. Special Delivery Service, a corporation, operating as a city carrier and as a highway contract carrier, is authorized to transport automotive parts, supplies and related commodities between points located within a radius of 50 miles of the city of Oakland, at rates less than the established minimum rates, but in no event lower in volume or effect than the application of charges set forth in Appendix A, attached hereto and by this reference made a part hereof.

2. The authority herein granted shall expire one year after the effective date of this order, unless sooner canceled, modified or extended by order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 17th day of September, 1968.

William Lyons, Jr.
President

Edward E. Mitchell

William W. Bennett

Augusta

Paul P. Mansueti
Commissioners

APPENDIX A TO DECISION NO. ~~74696~~

APPLICATION OF CHARGES

Carrier: SPECIAL DELIVERY SERVICE

Shippers: American Parts System, Inc., San Francisco
Chancellor and Lyon Co., Inc., Oakland
Genuine Parts Co., Oakland
Levins Auto Supply Co., San Francisco
NorCal Distributors, Inc., San Francisco
Pacific Automotive Co., San Francisco
Seaport Automotive Warehouse, Oakland
United Auto Service, Oakland

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
		Boyes Springs
		St. Helena

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.

(END OF APPENDIX A)