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Decision No. 77057

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of DELTA LINES, a corporation,
for authority to increase certain
rates and charges.

Application No. 51658
(Filed January 28, 1970)

O P I N I O N

Delta Lines operates as a highway common carrier pursuant to a certificate of public convenience and necessity issued by this Commission in Decision No. 61921 in Application No. 24431 and several supplementary decisions. By this application, it seeks authority under the provisions of Section 454 of the Public Utilities Code to increase its charges on certain traffic by changing the present split delivery privileges provided in its tariff in relation to the transportation of commodities requiring temperature control. Specifically, applicant requests authority to publish for its account in Item 650 of Western Motor Tariff Bureau, Inc., Agent, Local, Joint and Proportional Freight and Express Tariff No. 111, California Public Utilities Commission No. 15, the following language:

"Split delivery shipments of commodities accorded temperature control service (or mixed shipments of said commodities with other commodities) shall consist of not more than 5 component parts, the composite shipment shall weigh (or transportation charges must be computed on) not less than 10,000 pounds, and the points of delivery of all component parts shall be within 50 constructive miles of the initial point of delivery."

Applicant alleges that in transporting commodities requiring temperature control under the present provisions of the split delivery rule, it finds that it is, in effect, performing less-than-truckload (LTL) service at volume or truckload (TL) rates. Applicant believes that in so doing it is sustaining losses in the handling of commodities requiring temperature control.

Applicant has made a study of its split delivery service in transporting commodities requiring temperature control for the entire month of July, 1969, which is a typical month. A copy of the study is attached to the application as Exhibit C. The study shows the number of split components included in single shipments of commodities requiring temperature control to which the split delivery rule presently applies range from a high of 29 to a low of 2. Applicant avers that all of such components were handled by applicant at rates less than minimum LTL rates but at costs which applicant believes to be as great or greater than the costs which it would have incurred had such components been handled as LTL shipments. Applicant further avers that this traffic returns less revenue than the minimum found by the Public Utilities Commission in its findings relating to Minimum Rate Tariff No. 2 as the minimum revenue required of a minimum reasonable rate for moving this traffic as LTL shipments. The study also shows the present revenue derived from this traffic and the anticipated maximum increase in revenue which applicant may realize from handling this traffic provided its proposal is authorized.

Applicant further alleges that under the present application of the split delivery rule it receives little or no benefit from the single pickup aspect of the rule because the shipments tendered in most instances must necessarily be picked up, brought into a terminal location, segregated as to destination and then reloaded onto various line-haul units, depending upon various specific destinations involved. Upon arriving at a break-bulk terminal, it must be segregated again across a terminal platform and loaded onto the local delivery equipment for ultimate delivery. Should a component part of this shipment be consigned to a destination point to which little traffic moves, applicant encounters

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one or two additional terminal handlings. Each time such traffic is handled it must be protected continuously against the existing temperature, which is very costly and requires additional handling not required by normal freight shipments.

The applicant's proposed tariff rule is the same tariff rule applicable via the lines of Illinois-California Express, Inc. and was authorized by Decision No. 75291 dated February 4, 1969, in Application No. 50552.

Applicant presently transports in split delivery service commodities requiring temperature control for two shippers; both of these shippers have been served with copies of the application. Copies of the application were also served upon California Trucking Association and California Manufacturers Association. The application appeared on the Commission's Daily Calendar of January 29, 1970. No protests to the granting of the application have been received.

After consideration, the Commission finds that:

1. Increases in rates resulting from the publication of the proposed rule are justified.
2. A public hearing is not necessary.

The Commission concludes that the application should be granted. To the extent that relief from the long- and short-haul provisions is necessary to publish such rule, such relief is justified and should be granted.

O R D E R

IT IS ORDERED that:

1. Delta Lines, a corporation, is authorized to publish and file the tariff rule proposed in Application No. 51658.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.

3. In establishing and maintaining the rule authorized hereinabove, applicant is authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code. Schedules containing the rule published under this authority shall make reference to this order.

4. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at Los Angeles, California, this 7th day of APRIL, 1970.

William J. Lyons
President
Alvin J. [unclear]
William J. [unclear]
Thomas J. [unclear]
Vernon L. Stenger
Commissioners