

ORIGINAL

Decision No. 77340

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ECONO-LINE EXPRESS, INC., a)
corporation, for authority to)
deviate from the rates, rules,)
and regulations prescribed in)
Minimum Rate Tariff No. 15.)

Application No. 51512
(Filed November 28, 1969;
Amended April 28, 1970)

Vaughn, Paul & Lyons, by John G. Lyons, for applicant.
Osborne R. Thomasson, for Cabs Unlimited, Inc.,
protestant.
William J. Maher and David E. Person, for Eastman Kodak
Company; and J. C. Kaspar, Tom Hays, H. F. Kollmyer
and A. D. Poe, for California Trucking Association,
interested parties.
Sean Mahon, for the Commission staff.

O P I N I O N

Econo-Line Express, Inc., is a corporation operating as a highway permit carrier. It seeks authority to depart from the established vehicle unit rates set forth in Minimum Rate Tariff No. 15 (MRT 15) for transportation performed for Eastman Kodak Company (Kodak) from that company's film processing laboratories at 925 Page Mill Road, Palo Alto, to its dealers and representatives within a radius of 150 air miles of said plant.

Decision No. 76616, dated December 30, 1969, granted applicant temporary authority to assess a base yearly vehicle unit rate of \$1,104 per monthly billing period and a mileage rate of 7 1/2 cents per mile, subject to further review upon consideration of additional evidence to be adduced at a public hearing. Said authority is scheduled to expire June 30, 1970. By amendment to the application filed April 28, 1970, applicant seeks to increase the base yearly vehicle rate to \$1,200 per billing period, and to depart

A. 51512 hjh

from the declared valuation of 50 cents per pound applicable in connection with the vehicle unit rates contained in MRT 15.

Public hearing was held before Examiner Mallory on May 8, 1970, in San Francisco, and the matter was submitted subject to the filing of a late-filed exhibit which has been received. Evidence was adduced by applicant's president and by an employee of Eastman Kodak Company. Other parties participated through cross-examination of the witnesses. Protestant stated its participation was to ensure that all pertinent facts were presented concerning applicant's operating costs and the circumstances surrounding the transportation.

Applicant's president presented Exhibits 1 and 2. Exhibit 1 contains a summary of the results of applicant's operations in the transportation of processed film and prints and related articles for Eastman Kodak Company for four months, December 8, 1969 to April 8, 1970. Revenues in said exhibit are based on the minimum rates in MRT 15 for the first monthly billing period and the lower rates contained in the temporary authority herein for the remaining three periods. Said exhibit covers the operations of eight vehicle units.^{1/} Exhibit 1 indicates that operating revenues were \$48,572 and operating expenses were \$34,848, resulting in net operating revenues of \$13,724 and an operating ratio of 71.7 percent.

Exhibit 2 contains an estimate of the results of operations under the sought rate deviation for a test year beginning May 8, 1970. Said exhibit was subject to extensive cross-examination. As a result thereof, applicant prepared a revised estimate in its late-filed Exhibit 3. The data in Exhibit 3 reflect corrections to the data in Exhibit 2 developed through said cross-examination.

^{1/} Applicant operates eight Rambler station wagons on eight daily delivery routes.

The following table sets forth a summary of applicant's revised estimates of its results of operation in the transportation of processed film, prints and related articles for Eastman Kodak Company for a test year beginning May 8, 1970.

TABLE I

<u>Revenues</u>	\$148,842.00
<u>Expenses</u>	\$115,411.77
<u>Net Operating Revenues</u>	\$ 33,430.23
Operating Ratio	77.53%

The witness for Kodak testified in support of the application. He stated that Kodak has found applicant's service to be excellent and that Kodak desires that applicant continue to serve it. Kodak has used yearly vehicle unit rates since December 6, 1965 under a minimum rate deviation authorized to Cabs Unlimited, Inc., doing business as Falcon Delivery Service. Kodak approached Econo-Line in November 1969 to perform the service in place of Falcon. The pickup of developed film from and delivery of prints to Kodak's dealers is particularly suitable to operations under yearly vehicle unit rates or to proprietary operations. In the event the authority sought herein is not granted, Kodak would consider proprietary operations, although it prefers not to engage in trucking operations.

The witness stated that Kodak desires that the carrier provide full liability for loss or damage of the property transported, even though no loss or damage claims had been made to carriers under the yearly vehicle unit rates.

The Commission finds as follows:

1. Operations by Econo-Line for the four-month period December 8, 1969 to April 8, 1970 for Kodak under yearly vehicle unit rates were profitable. (Exhibit 1)

2. Applicant's estimates of its results of operation for a future test year under the rates sought herein as set forth in Table 1 are reasonable and adequate for the purpose of this proceeding.

3. Table 1 indicates that applicant's operations will be profitable under the rates proposed herein.

4. Applicant now carries cargo insurance covering its full liability for loss or damage of freight transported by it, and no additional expense would be incurred by applicant if it is authorized to deviate from the limitation of liability (declared value) provisions of MRT 15.

5. The proposed rates and related provisions which are less than or different from those set forth in MRT 15 will be reasonable.

The Commission concludes that the application should be granted. Inasmuch as circumstances may change at any time, the authority will be limited to a period of one year.

O R D E R

IT IS ORDERED that:

1. Econo-Line Express, Inc. is authorized to transport exposed and processed film and prints, complimentary replacement film, incidental dealer handling supplies and advertising literature moving therewith, and used cameras and projectors for repair, when moving in packages weighing 25 pounds or less between the processing

A. 51512 hjh

laboratories of Eastman Kodak Company at 925 Page Mill Road, Palo Alto, and the places of business of dealers and representatives of Eastman Kodak Company located within a radius of 150 air miles of said address at Palo Alto, at rates less than the established minimum rates set forth in Minimum Rate Tariff No. 15, but not less than the following rates:

For station wagon or truck without trailer, having less than 9 feet lineal loading space:

Base Yearly Vehicle Unit Rate

\$1,200.00 per unit of carrier's equipment for each period between billing dates as provided in Item No. 100 (paragraph b) of Minimum Rate Tariff No. 15.

Mileage Rate

Seven and one-half cents per mile, and further subject to the conditions hereinafter set forth.

2. Applicant is further authorized to depart from the provisions of Minimum Rate Tariff No. 15 in the following respects:

- (a) Rate shall apply to 8 hours of service out of a period of 9 consecutive hours per day but may be performed with a commencement time agreed to by carrier and shipper instead of being limited to hours of service between 8 a.m. and 5:15 p.m. as provided in Item No. 200 of Minimum Rate Tariff No. 15.
- (b) Applicant shall be exempt from paragraph 9 of Item No. 111 of Minimum Rate Tariff No. 15, provided that all C.O.D. moneys are delivered and remitted to shipper on the day on which they are collected, and further provided that any loss shall not be the responsibility of the carrier.
- (c) No charge shall be made for service provided on Saturday when a prior weekday in the same week was a holiday and no service embraced by the authorizations herein was performed on said holiday.

A. 51512 hjh

(d) Applicant shall be exempt from the declared valuation requirements of Items Nos. 90 and 91 of Minimum Rate Tariff No. 15.

3. In all other respects the transportation to which this authorization relates shall be subject to the provisions of said Minimum Rate Tariff No. 15 insofar as they govern shipments which move at yearly vehicle unit rates.

4. The authority herein granted shall expire with June 30, 1971.

The effective date of this order shall be June 30, 1970.

Dated at San Francisco, California, this 9th day of JUNE, 1970.

William J. Jones
President
August
M. J. Jones
John
Yessan L. Stinson
Commissioners