

ORIGINAL

Decision No. 78048

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 carriers 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
Petition for Modification
No. 594

In the Matter of the Investigation into the rates, rules, regulations, charges, allowances and practices of all common carriers, highway carriers and city carriers relating to the transportation of property in Los Angeles and Orange Counties (transportation for which rates are provided in Minimum Rate Tariff No. 5).

Case No. 5435
Petition for Modification
No. 156

In the Matter of the Investigation into the rates, rules, regulations, charges, allowances and practices of all common carriers, highway carriers, and city carriers relating to the transportation of property in the City and County of San Francisco, and the Counties of Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma.

Case No. 5441
Petition for Modification
No. 201
(Filed July 29, 1970;
Amended September 11, 1970)

Handler, Baker & Greene by Daniel W. Baker,
for A & B Garment Delivery, Garment Car-
riers, Inc., and A & B Garment Delivery
of San Francisco, petitioners.
Arthur D. Maruna, H. F. Kollmyer and Arlo D.
Poe, for California Trucking Association,
interested party.
Joseph C. Matson and Sean A. Mahon, for the
Commission staff.

O P I N I O N

These petitions by A & B Garment Delivery (A & B/LA), A & B Garment Delivery of San Francisco (A & B/SF) and Garment Carriers, Inc. (G.C.) for authority to increase rates were heard on a common record and were submitted September 15, 1970, before Examiner Thompson at San Francisco. Copies of the petitions and notice of hearing were served in accordance with the Commission's procedural rules. There are no protests.

The petitioners are three interrelated, commonly owned highway common carriers that provide a specialized service for the transportation of garments, clothing, wearing apparel and related commodities. A & B/LA serves points in the Los Angeles Basin Area; A & B/SF serves points in the territory encompassed generally by Santa Rosa, Sacramento, Modesto, San Jose and San Francisco; G.C. operates between the areas served by the other two carriers and also serves San Diego under joint rates with another connecting carrier. A substantial portion of petitioners' revenues is received from the carriage of garments on hangers, in bags, under rates published in their tariffs. It is those rates which are involved in the petitions. Petitioners transport other commodities at rates which are generally subject to the Commission's minimum rate orders and the proposed increases would not be applicable to that traffic.

Petitioners' proposed tariff amendments include: upward adjustments in rates and charges for the transportation of garments of which a marked amount of said adjustments consist of substitution of precise rates for surcharges which have previously been authorized by the Commission, increases in certain service and insurance

charges, and the inclusion of new rules relating to furnishing copies of shipping documents and limiting liability on shipments of furs. By letter dated October 22, 1970, petitioners ask that the proposed rule limiting liability for shipments of furs be withdrawn.

Petitioners presented financial statements regarding their individual operations and also a consolidated financial statement. Operations by the three carriers are interrelated and there is common utilization of certain facilities. It is desirable for the purposes of this proceeding to consider the petitioners' operations as though they are conducted by a single entity. A consolidated profit and loss statement for the year 1969 shows total revenues of \$3,774,998, total operating expenses of \$3,609,549, net operating revenues of \$165,449 and an operating ratio before income taxes of 95.6 percent. Said results were then adjusted to reflect the proposed rates and increases in rates on other commodities, and to reflect current operations and present expense levels. The adjusted results are total revenues of \$3,931,611, total expenses of \$3,729,004, net operating revenues of \$202,607 and an operating ratio before income taxes of 94.8 percent.

A number of petitioners' proposed tariff amendments are motivated by the substantial number of truck hijackings they have experienced. The hijackings have not only resulted in petitioners incurring greater insurance expenses and claim losses but also have increased their expenses in other ways. In the transactions between sellers and buyers in the garment industry, normally, the monies involved in such transactions are not due the seller until the goods are delivered. When the seller has not received remuneration after a period of time, it is the practice for the seller to request proof

of delivery date from the carrier so that he can determine whether the monies are due and payable. It has been the practice of the petitioners to furnish without charge a copy of the delivery receipt to the shipper upon request. In the past the occasional furnishing of such service had little effect upon the office routines and operations of the carriers. Since the multiplicity of hijackings the requests for copies of delivery receipts have increased to such an extent that the furnishing of such service has resulted in noticeable and significant expense to petitioners. Petitioners propose the following new tariff item:

"When shipper, consignee or their agent requests a copy of carrier's 'delivery receipt' (delivery document) showing proof of delivery, carrier will furnish same, subject to a charge of Three (3) Dollars for each 'facsimile copy' (photostat, xerox, etc.) of said document."

Petitioners' president testified to the number of hijackings, described how the hijacks were accomplished and described the measures being taken by the local police authorities, the FBI and petitioners to combat the hijacking problem. It would not be in the public interest to recite such testimony except to state that petitioners are incurring expense as a result thereof.

California Trucking Association and the Commission staff did not offer evidence. No one opposed the granting of the authority sought. The proposed increases have been shown to be justified. The application should be granted.

O R D E R

IT IS ORDERED that:

1. A & B Garment Delivery, a corporation, A & B Garment Delivery of San Francisco, a corporation, and Garment Carriers, Inc., and each of them, are authorized to establish the increased rates proposed herein. 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 the tenth day after the effective date of this order, on not less than ten days' notice to the Commission and to the public.

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

3. 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.

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

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

Chairman

A. J. ...

William J. ...

John ...

Vernon L. Stinger

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.