

ORIGINAL

Decision No. 78414

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)
 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. 210
 (Filed November 12, 1970)

In the Matter of the Application)
 of DELIVERY SERVICE COMPANY for)
 authority to establish certain in-)
 creased rates applicable to)
 wholesale and retail service)
 between points within the East Bay)
 Drayage Area and points in Alameda,)
 Contra Costa, and Solano Counties,)
 and to wholesale service between)
 points within the East Bay Drayage)
 Area and El Cerrito.)

Application No. 52295
 (Filed November 12, 1970;
 Amended February 1, 1971)

O P I N I O N

Delivery Service Company, petitioner and applicant, is a highway common carrier of parcels between points in Alameda, Contra Costa and Solano Counties. In Application No. 52295 Delivery Service Company seeks an order authorizing it to establish, on five days' notice, increases in the wholesale parcel delivery rates in its Tariff Cal.P.U.C. No. 8, applicable to service within the East Bay Drayage Area, and in wholesale parcel delivery rates in its Tariff Cal.P.U.C. No. 9, applicable to service from points within ✓

the East Bay Drayage Area to points in Alameda, Contra Costa and Solano Counties.^{1/}

In Petition No. 210, Delivery Service Company seeks to increase the wholesale parcel delivery rates in Item No. 840 of Minimum Rate Tariff 1-B (MRT 1-B) to the levels sought for service within the East Bay Drayage Area in its Application No. 52295.

Said petition alleges that historically the Commission has adopted Delivery Service Company's wholesale parcel delivery rates as the minimum rates to be assessed by highway permit carriers for transportation in the East Bay Drayage Area. Said rates provide substantially lower charges on shipments of one package weighing 40 pounds or less than the minimum charges otherwise applicable. The increases sought appear to average about 15 percent.

The present minimum rates in Item 840 of MRT 1-B and applicant's published rates for wholesale and retail parcel delivery service became effective April 4, 1970, pursuant to Decision No. 76823, in Application No. 51547 and Petition No. 183 in Case No. 5441. Applicant states that since the effective date of its present rates, wages paid to its drivers have increased by 50 cents per hour; health and welfare payments have increased by \$4.33 per month per driver; pension fund contributions have increased by 2-1/2 cents per hour, and vacation pay was raised. In addition, applicant has incurred increases in public liability, property damage and cargo insurance, in workmen's compensation insurance, and in other expenses.

Exhibits attached to the application show that for the period March 28, 1970 through September 11, 1970, applicant had a

^{1/} The East Bay Drayage Area, as described in Minimum Rate Tariff 1-B, consists of the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland and Piedmont.

net operating profit of \$392, resulting in an operating ratio of 99.88 percent before income taxes. The exhibits also show that the operating results for this period adjusted to reflect current operating costs and the increased rates sought herein would produce a net operating profit of \$10,796 and an operating ratio of 96.9 percent before income taxes.

The application, as amended, alleges that Delivery Service Company's retail parcel delivery services are not now required by the public, as its former customers for this service have discontinued the use of applicant's services and have found other parcel carriers to replace applicant. Therefore, applicant seeks to eliminate retail parcel delivery service from its certificate and to cancel its published rates for such services.

Applicant urges that it is in immediate need of additional revenues to cover the increased operating costs incurred since its rates were last adjusted, and requests that the application and petition be granted without hearing. Notice of the filing of the application and petition appeared on the Commission's Daily Calendar. There are no protests or requests for public hearing.

In the circumstances it appears and the Commission finds:

1. Delivery Service Company continues to be the rate-making carrier in connection with the wholesale parcel delivery services for which rates are provided in Item 840 of MRT 1-B.
2. The increased rates proposed in Petition No. 210 and in Application No. 52295 are justified.
3. The minimum rates established by the order which follows are the just, reasonable and nondiscriminatory rates to be observed by all highway carriers for the services to which they apply.

4. Public convenience and necessity no longer require applicant's services as a highway common carrier for the retail delivery of packages.

5. A public hearing is not necessary.

The application and petition should be granted.

O R D E R

IT IS ORDERED that:

1. Delivery Service Company, a corporation, is authorized to publish and file the increased rates proposed in Application No. 52295.

2. Minimum Rate Tariff 1-B (Appendix B of Decision No. 65834, as amended) is further amended by incorporating therein to become effective April 17, 1971, Tenth Revised Page 43 attached hereto and by this reference made a part hereof.

3. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 65834, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

4. Tariff publications required or authorized to be made by common carriers 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 fifth day after the effective date of this order, on not less than five days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than April 17, 1971; and as to tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

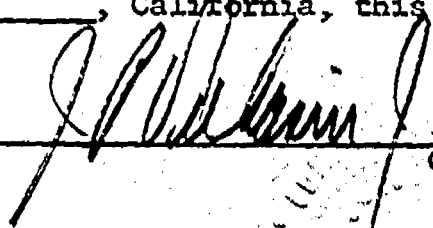
5. In all other respects Decision No. 65834, as amended, shall remain in full force and effect.

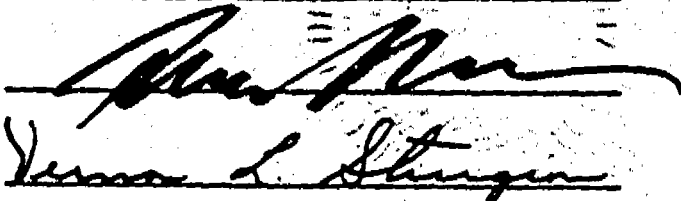
6. The certificate of public convenience and necessity granted to Delivery Service Company set forth in Appendix A of Decision No. 68451 dated January 12, 1965 in Application No. 46107, as amended by Decision No. 78149 dated January 5, 1971 in Application No. 52103, is hereby further amended by incorporating therein Second Revised Pages 1 and 2 attached hereto in place of First Revised Pages 1 and 2.

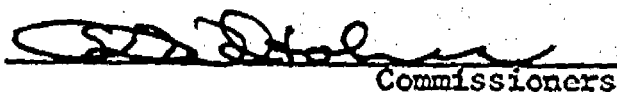
7. Within sixty days after the effective date hereof and on not less than five days' notice to the Commission and to the public, Delivery Service Company shall amend its tariffs on file with the Commission to cancel rates and rules applicable to retail parcel delivery.

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

Dated at San Francisco, California, this 9th
day of MARCH, 1971.


Chairman


Vernon L. Sturgeon


Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

SECTION 3--COMMODITY RATES (Concluded) In Cents Per 100 Pounds, Except As Noted		ITEM
COMMODITY	RATE	
<p>PARCEL CITY DELIVERY (Wholesale Only) (See Note)</p> <p>Within and between all zones, and applies on packages containing property, weighing not to exceed (1)40 pounds per package, and only on deliveries from jobbers, wholesalers, industries and retail stores to other jobbers, wholesalers, industries and retail stores.</p> <p>1 to and including 100 packages per week ----- 106 Over 100 to and including 400 packages per week ----- 83 Over 400 packages per week ----- 69</p> <p>(1) On all packages exceeding 40 pounds in weight, an additional charge of 3 cents per pound shall be made for each pound or fraction thereof in excess of 40 pounds.</p> <p>NOTE.--The above rates are subject to a service charge of 50 cents for each pickup stop made at consignor's place of business.</p>	<p>In Cents Per Package</p> <p>106 83 69</p> <p>840</p>	
<p>FREIGHT, REGARDLESS OF CLASSIFICATION, transported within and between all zones:</p> <p>PARCEL DELIVERIES</p> <p>1. The rates and provisions of this item are limited in their application to shipments of general commodities, except articles of unusual value, dangerous articles (Class A and B explosives), household goods, commodities in bulk, and commodities requiring temperature control or special equipment. Each package or article shall be considered as a separate and distinct shipment.</p> <p>2. The provisions of this item will not apply to the transportation of:</p> <p>(a) Any package or article weighing more than 50 pounds or exceeding 108 inches in length and girth combined.</p> <p>(b) Any packages or articles weighing in the aggregate more than 100 pounds from one consignor at one location to one consignee at one location during a single day.</p> <p>(c) Any package or article when consignor requests delivery on the same day that package or article is picked up at consignor's place of business or delivered to carrier's terminal.</p> <p>(d) Any shipment between retail stores and their branches or warehouses on the one hand, and on the other hand, the premises of the customers of such stores.</p> <p>3. Rates and charges in this item shall apply only on prepaid shipments and only where the shipper elects in writing in advance to utilize the rates and charges herein for all packages weighing 50 pounds or less tendered by said shipper to the carrier for delivery during the same calendar week.</p> <p>NOTE.--In addition to the rates named herein the carrier shall assess a service charge of \$2.00 per week unless all packages or pieces are tendered at carrier's terminal.</p>	<p>In Cents Per Package 36</p> <p>Plus 3 cents for each pound or fraction thereof</p> <p>(See Note)</p> <p>850</p>	
<p>Change } Decision No. 78414 Increase }</p>		
EFFECTIVE		
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA		
Correction 326		

hh/gf

Appendix A
(Dec. 68451)

DELIVERY SERVICE COMPANY
(a corporation)

Second Revised Page 1
Cancels
First Revised Page 1

Delivery Service Company, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport:

- A. Packages between Alameda, Oakland, Piedmont, Emeryville, Berkeley, Albany and El Cerrito.
- B. General commodities at wholesale between any two or more of the points described in subparagraph A above.

Issued by California Public Utilities Commission.

Decision No. 78414 Application No. 52295.

- C. Property between Alameda, Albany, Berkeley, El Cerrito, Emeryville, Oakland, Piedmont, and intermediate points, on the one hand, and, on the other hand, Alvarado, Antioch, Brentwood, Benicia, Castro Valley, Centerville, Clayton, Concord, Crockett, Danville, Decoto, Dublin, El Sobrante, Hayward, Irvington, Lafayette, Livermore, Martinez, Mission San Jose, Mt. Eden, Newark, Nichols, Niles, Oakley, Orinda, Pacheco, Pinole, Pittsburg, Pleasanton, Port Chicago, Richmond, Rodeo, San Leandro, San Lorenzo, San Pablo, Santa Rita, San Ramon, Sunol, Vallejo, Walnut Creek, Warm Springs, and intermediate points over and along U.S. Highways 40 and 50 and State Highways 4, 9, 17, 21, 24, and 48, and any other appropriate state and county roads and streets in and between the above-named points.

RESTRICTIONS:

1. Applicant shall not use trucks of a larger rating than one ton.
2. Applicant shall not carry any package or parcel weighing more than one hundred pounds.
3. Applicant shall not carry any package or parcel with a combined length and girth of more than one hundred sixty inches.
4. Applicant shall publish only a tariff for parcel delivery in which charges are made per parcel or package delivered.
5. Applicant shall not transport parcels or packages which have been sold at retail by a retail merchant, and transported from a retail store or retail store warehouse to residences of retail customers.

(End of Appendix A)

Issued by California Public Utilities Commission.

Decision No. 78414, Application No. 52295.