

ORIGINAL

Decision No. 78597

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. 630
 (Filed February 22, 1971)

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. 632
 (Filed February 26, 1971)

And Related Matters.

Cases Nos. 5435, 5439,
 5441, 6322 and 7858
 Petitions for Modification
 Nos. 174, 142, 223, 5 and
 94, respectively
 (Filed February 22, 1971)
 and

Petitions for Modification
 Nos. 176, 143, 225, 6 and
 95, respectively
 (Filed February 26, 1971)

O P I N I O N

These petitions, filed by International Business Machines Corporation (IBM) and Xerox Corporation (Xerox), seek amendment of various minimum rate tariffs to include therein provisions authorizing the transportation of certain business machines shipped loose,

when transportation is performed in van-type vehicles commonly used for the transportation of household goods or electronic equipment and normally equipped with pads, covers, dividers and other protective materials necessary for such transportation.^{1/}

The petitions allege that the machines in question transported for IBM and Xerox have always moved loose in California intrastate traffic, under provisions of Item 300 of Minimum Rate Tariff 2 (MRT 2) and related items in other minimum rate tariffs.^{2/} All such items were subjected to an expiration date of December 31, 1970. Decision No. 78096 of December 15, 1970 in Case No. 5432, Petition No. 610, extended the expiration date of Item 300 of MRT 2 to April 30, 1971. Similar items in other tariffs (footnote 2) expired on December 31, 1970. Decision No. 78596, issued today in Case No. 5432, Petition No. 610, et al., found that Item 300 of MRT 2 should not be continued beyond its current expiration date of April 30, 1971.

^{1/} The machines are described in National Motor Freight Classification No. A-11, in the following items:

Item 115740: Accounting Card Machines (Card Punching, Sorting, or Tabulating), in boxes, or Packages 548, 786, 1120 or when weighing each not in excess of 1,600 pounds, in wire-bound crates, or parts, NOI, in boxes.

Item 118250: Copying, Duplicating or Reproducing Machines, NOI, in boxes, crates, or Packages 1142, 1168, 1239, 1243 and 1384 (applies only on machines which produce copies, duplicates or reproductions from original letter, drawings, documents or printed matter of any kind, or from master sheets).

(Numbered packages in the above descriptions are various forms of fireboard boxes.)

^{2/} Minimum Rate Tariff 1-B, Item 330; Minimum Rate Tariff 5, Item 210; Minimum Rate Tariff 19, Item 270; and Minimum Rate Tariff 9-B, Item 310.

The petitions state that each of the aforesaid minimum rate tariff items in substance provided an exception to the governing classification so as to except the machines shipped by IBM and Xerox from the packing requirements of the governing classification, which exception permitted those items to be transported loose. Cancellation of the aforesaid items requires that the shipments of these commodities by petitioners be packed in accordance with the requirements of the National Motor Freight Classification A-11 or, if not so packed, that petitioners pay a penalty of three times the rate applicable thereto when shipped in containers.

The cancellation of Item 300 of MRT 2 and related items in other tariffs assertedly produces a rate structure inappropriate to the transportation of petitioners' business machines. The petitions state that the ratings provided in the National Motor Freight Classification and the packing requirements relating to these commodities were established in relation to the transportation of such commodities by general commodity carriers. The transportation of these machines for petitioners is not undertaken by general commodity carriers, but by specialized carriers that are familiar with the specialized service required to move these commodities. The packing requirements of the National Motor Freight Classification, in connection with packing of these items, are inappropriate to their transportation by the specialized carriers who have always transported them loose.

The petitions state that, to demonstrate the inappropriate character of the classification in application to this transportation, Rule 423 of National Motor Freight Classification A-11, which applies to the movement of petitioners' commodities in the absence of the

aforesaid items of the minimum rate tariffs, requires the shipper to notify a carrier to whom a loose item is to be tendered forty-eight hours in advance of shipping date, so as to enable the carrier to make arrangements for the furnishing of protective padding, covers, dividers or other necessary protective materials. Petitioners urge that the purpose and objective of this rule is meaningless when the transportation is performed by carriers normally engaged in this transportation; such carriers are always in possession of protective material and other impediments necessary to the instant movement of these commodities unpacked. Petitioners believe that Rule 423 would not accomplish any useful purpose in reference to transportation of these commodities but would result in useless, added and costly clerical detail and impede the rapid movement of business machines.

The petitions aver that the experience of IBM and Xerox in moving loose business machines in California intrastate commerce is that such transportation has not created any problem of damage to the carriers. Petitioners urge that the cost of packing these commodities would be substantial and if they were to be crated the cost of their movement intrastate would be substantially higher, as indicated by comparisons set forth in Exhibit 1 attached to each petition.

Exhibit 1 to the petition of IBM shows a comparison of the Class 100 and Class 300 mileage class rates in MRT 2 with the published rates assessed by interstate common carriers of uncrated office machinery. The Class 100 rates are applicable under the provisions of Item 300 of MRT 2 which expire April 30, 1971. Upon expiration of said item, Class 300 rates will be applicable. The interstate rates are those of household goods carriers, who are authorized to

transport uncrated office machinery in addition to household goods, and to apply household goods rates to movements of new uncrated office machines.^{3/} The comparison in IBM's Exhibit 1 shows that the rates for interstate movements are approximately on the same level as Class 100 rates for minimum weights of 4,000 pounds and less, but exceed Class 100 rates for shipments weighing in excess of 4,000 pounds. The comparison of interstate rates with Class 300 rates shows that Class 300 rates exceed the interstate rates by substantial amounts in all instances.

Exhibit 1 to Xerox's petition shows that the company's actual transportation cost for 1970 for the movement of uncrated office copy machines totaled \$1,068,300; and if Xerox was required to crate said machines, its transportation costs would have been \$2,599,200, or more than double the actual charges.

Copies of the petition were served upon the California Trucking Association, which has informed the Commission that it has no objection to the ex parte consideration requested therein. Notice of the filing of the petitions 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, the petitioners' proposals are reasonable and that the resulting rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved, and, to the extent that said rates and charges may result in increases, such

^{3/} The definition of "household goods carrier" in Section 5109 of the Household Goods Carriers Act (Chapter 7, Division 2 of the Public Utilities Code) includes only carriers engaged in the transportation of used office, store and institution furniture and fixtures.

increases are justified. A public hearing is not necessary. The Commission concludes that the petitions should be granted. Tariff publication will be accomplished by the establishment of an exception item in Exception Ratings Tariff 1, thus avoiding the necessity of publishing identical provisions in each tariff containing class rates.

O R D E R

IT IS ORDERED that:

1. Exception Ratings Tariff 1 (Appendix A to Decision No. 66195, as amended) is further amended by incorporating therein, to become effective June 5, 1971, Tenth Revised Page 2, Twenty-Sixth Revised Page 3, Seventh Revised Page 4, First Revised Page 27-WW and Original Page 27-WWWW, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 66195, as amended, are hereby directed to establish in their tariffs the amendments necessary to conform with the further adjustments ordered herein.

3. Tariff publications required 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 tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and such tariff publications shall be made effective not later than June 5, 1971; tariff publications which are authorized but not required to be made by common carriers as a result of the order

herein may be made effective not earlier than the tenth day after the effective date of this order, and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

4. Common carriers, in establishing and maintaining the ratings 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 ratings published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

5. In all other respects, Decision No. 66195, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 20th day of APRIL, 1971.

Chairman
William Symons, Jr.

Vernon L. Sturgeon

Commissioners

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

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* Change) Decision No. 78597
 * Addition)

EFFECTIVE

Correction

 ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA

INDEX OF COMMODITIES

COMMODITIES	ITEM	COMMODITIES	ITEM
Acids	1200	Kernels, corn, roasted	480
Articles as described in the Governing Classification	1030-1050	Ladders, step	900
Blankets	1800	Logs, compressed sawdust	600
Boxes	1820	*Machines, viz.:	
Briquettes, wood	180	Accounting Card	
Cans, ash, garbage, oiled waste, refuse	1680	Copying, Duplicating or Reproducing	1850
Carriers, old (used)	280	Pads, sanitary	755
Carriers, used packages	300,320, 321,340	Paper or Paper Articles	1640, 1840
Cartons, egg, pulp	270	Returned Shipments	820
Chemicals	1320	Rubber Articles	1660
Cocoa or Cocoa Paste	480	Salt, common (Sodium Chloride)	880
Compounds, tree and wood killing	460	Shipments, returned	820
Confectionery	480	Stepladders	900
Fertilizers	540,560, 580	Sugar	940
Flowers, fresh, cut	592	Wood Briquettes	180
Furniture	1020	Wood, fuel	600
Furniture and related arti- cles	1000	Wood, kindling	600

* Addition, Decision No. 78597

EFFECTIVE

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

ARRANGEMENT OF TARIFF

This is a loose-leaf tariff consisting of the following sections:

- SECTION 1 contains rules of general application. Except as otherwise specifically provided, the rules contained in Section 1 govern the ratings in Section 2 of the tariff.
- SECTION 2 contains ratings which are exceptions to the Governing Classification.
- SECTION 2-A contains less truckload classes (ratings) which are exceptions to the Governing Classification.
- SECTION 2-B contains truckload classes (ratings) and minimum weights which are exceptions to the Governing Classification.
- SECTION 2-C contains ratings which are interim exceptions to ratings in the Governing Classification (Applies only in connection with Minimum Rate Tariffs 1-B, 2, 9-B and 19).
- SECTION 2-D contains classes (ratings) *and provisions which are exceptions to the Governing Classification.
- SECTION 3 contains table of rates in cents per 100 pounds, based on a percent of a given rate.

◊ Change)
 * Addition) Decision No. **78597**

EFFECTIVE

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

SECTION 2-D

CLASSES (RATINGS)
*AND PROVISIONS
WHICH ARE EXCEPTIONS TO THE
GOVERNING CLASSIFICATION

* Addition, Decision No. 78597

EFFECTIVE

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

SECTION 2-D--PROVISIONS WHICH ARE EXCEPTIONS TO THE GC	ITEM
(Numbers within parentheses immediately following commodities shown below refer to such commodities as they are described in the corresponding item numbers of the Governing Classification.)	
ARTICLES	
<p>MACHINES, viz.:</p> <p>Business or Office; Accounting Card (115740) Copying, Duplicating or Reproducing, NOI (118250)</p> <p>May be shipped loose subject to provisions of Notes 1, 2 and 3.</p> <p>NOTE 1.--The provisions of this item apply only in connection with transportation performed in a van-type vehicle commonly used for the transportation of household goods or electronic equipment and normally equipped with pads, covers, dividers and other protective materials, tie-downs and dollies necessary for such transportation.</p> <p>NOTE 2.--The provisions of this item apply only in connection with transportation of straight shipments of the commodities referred to herein.</p> <p>NOTE 3.--The provisions of this item apply only in connection with shipments released to 50¢ per pound per article. The bill of lading issued for any shipment accepted for transportation at this rate shall have printed on the face thereof a statement reading as follows:</p> <p>"Unless a different value is declared, the shipper hereby releases the property to a value of 50¢ per pound per article."</p>	*6 1850
<p>* Addition) o Reduction) Decision No. 78597</p>	
EFFECTIVE	
<p>Correction</p>	<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>