

Decision No. 79571

ORIGINAL

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 household goods carriers, common
carriers, highway carriers, and city
carriers, relating to the transporta-
tion of used household goods and
related property.

Case No. 5330
Order Setting Hearing No. 49
dated June 3, 1970

(See List of Appearances in Appendix A)

O P I N I O N

On June 3, 1970, the Commission issued its Order Setting Hearing No. 49 to determine whether certain amendments to Minimum Rate Tariff 4-B (the tariff) were needed. Attached to the Order were the proposed amendments of the staff which dealt with the subject of estimating rules for the transportation of used household goods. The California Moving and Storage Association, Inc., (CMSA) opposed the staff's proposed amendments and submitted alternate amendments. The San Francisco Neighborhood Legal Assistance Foundation (the Foundation) and the Association of California Consumers supported the staff's proposed amendments with some modification. After due notice, 14 days of public hearings were held before Examiner Robert Barnett. The matter was submitted on March 1, 1971, subject to the filing of briefs, which were received. On July 7, 1971, Examiner Barnett issued a proposed report in this matter. Exceptions to the proposed report and replies to those exceptions have been filed by the interested parties. The matter is now ready for decision.

I

BACKGROUND

Pursuant to Public Utilities Code Section 5191, in 1963, the Commission issued Minimum Rate Tariff 4-B naming minimum rates, rules and regulations for the transportation of used household goods, personal effects and office, store and institution furniture, fixtures and equipment over the public highways within the State of California. As the tariff indicates, the rates are minimum; household goods carriers, if they conform to certain rules set forth in the tariff, may charge all the traffic will bear, but no less than the minimum rates.

Public Utilities Code Section 5245 states: "The commission shall establish rules and regulations controlling the estimates given by a household goods carrier to a shipper of the charges it would make to perform services covered by this chapter. All household goods carriers shall observe such rules and regulations and the failure so to do is unlawful. The commission shall make such rules and regulations as are necessary to the application and enforcement of rules and regulations established pursuant to this section. (Added 1963, Ch. 1826.)" In 1966, pursuant to Section 5245, the Commission issued tariff Items 32 and 33, applicable only to distance rates, which permit, but do not require, carriers to give estimates of charges to shippers. Any estimate so given shall be in writing and shall be made only after a visual inspection of the goods by the estimator. Whenever actual charges on any shipment exceed by more than 10 percent or \$25, whichever is greater, any estimate of charges given by the carrier to the shipper, immediately upon determining the actual charges the carrier shall notify the shipper of the amount thereof by telegram or telephone at the carrier's expense.

Underestimating is not a violation of the tariff. The tariff does not proscribe carriers from collecting more than 110 percent of the amount estimated. Regardless of how great the total amount charged exceeds the estimate, there can be a reduction in charges only if the carrier is in violation of Items 145, 150, and 155 of the tariff. Items 145 and 150 require the issuance and signing of a confirmation of shipping instructions and rate quotation document prior to the commencement of performance of any service specified therein. Item 155, Observance of Quoted Rates and Charges, provides that the quoted rate must be assessed unless, prior to the rendition of any transportation, the carrier fails to issue a confirmation of shipping instructions and rate quotation document, or if such document is issued but does not contain a description of the transportation and accessorial services ordered to be undertaken, the rates quoted for the services so described, the agreed or declared value of the property per pound per article, and the signature of shipper and carrier, then rates and charges no higher than the minimum rates and charges in the tariff shall be assessed.

The tariff provides two basic rates: one for local moves, a move of 50 constructive miles or less, and one for distance moves, a move in excess of 50 constructive miles. In addition, rates are provided for such accessorial services as furnishing shipping containers, and packing and unpacking; and there is a provision for additional charges for pickup or delivery at other than the ground floor. This brief description does not exhaust the variety of rates and services provided for in the tariff, but it is sufficient for the purposes of this opinion.

Item 190 of the tariff provides for the collection of charges. It states that ". . . transportation and accessorial charges shall be collected by the carriers prior to relinquishing physical possession of shipments entrusted to them for transportation. . . . [C]arriers may relinquish possession of freight in advance of the payment of the charges thereon and may extend credit in the amount of such charges to those who undertake to pay them, such persons herein being called debtors, for a period of seven days, excluding Saturdays, Sundays and legal holidays." And most importantly, Item 155 provides in part "When charges determined on the quoted basis are lower than those resulting under the minimum rates provided in this tariff, the latter shall be used."

To sum up, the tariff provides that carriers may give estimates of charges on distance moves. However, if the estimate is less than the charges computed by application of the minimum rates, the carrier must collect the minimum rate; if the carrier quoted higher-than-minimum rates, the carrier must collect the higher rate. As a means of protecting the public the present estimating rule has proved to be worthless, and needless to say, the rule has caused hundreds of complaints from shippers who, after obtaining an estimate and shipped their goods, found that at point of destination the carrier refused to unload the goods unless cash considerably in excess of the estimate was paid. This proceeding was instituted to investigate means by which the problem could be alleviated.

There are approximately 975 operating household goods carriers in the State of California who reported total gross intrastate revenues of approximately \$73,000,000 to the Commission in 1969. Forty carriers accounted for approximately one-third of the \$73,000,000 leaving an average of less than \$40,000 each gross revenue for all other household goods carriers in the state.

II

EVIDENCE

A. Staff Testimony

A senior transportation representative testified concerning complaints received by the Commission regarding household goods carriers. He stated that during 1969 the Transportation Division of the Commission received 1,004 complaints of all types, including bus, rail, and airline. Of these, 268, or 27 percent, involved household goods carriers; 183 complaints alleged underestimates or overcharges by household goods carriers. Additionally, 2,760 reports of underestimates (including the 183) for transportation performed in 1969 were submitted by carriers. During the same period the carriers reported a total of 13,306 estimates. The total number of estimates made during 1969 is not available because when no monthly underestimates are reported, a carrier is not required to submit reports of its estimates. For the underestimates reported, charges exceeded the estimates on the average of 28 percent a shipment.

To show how the present estimating rule operates in conjunction with other tariff provisions, the witness gave the following example:

"The written estimate is 5,000 pounds, and the 4-B minimum rate is \$5.00 per 100 pounds. Total estimated charges are \$250. The actual chargeable weight of the shipment is 7,000 pounds. Carrier must charge \$350 or \$100 more than the estimate. Now, assume the same estimated weight of 5,000 pounds and quoted estimate rate of \$4.00 or \$1.00 under the minimum.

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Estimated charge is \$200. Regardless of the confirmation, the shipper must pay the minimum rate of \$5.00 per 100 pounds for the 7,000 pounds or \$350, which is \$150 over the estimate of \$200. Again, let's take the same shipment, but now the rate quoted in the estimate is \$6.00, which is \$1.00 more than the minimum rate. Estimated charges on 5,000 pounds is \$300. The total charges for the 7,000 pounds at \$6.00 per 100 pounds is \$420. If the confirmation is properly issued and contains the required information, the Commission staff may not direct adjustment. If the confirmation is improper, such as the failure to show the required description of the transportation and accessorial services ordered, the rate for services, the agreed or declared value or the required signatures, the Commission staff may suggest a voluntary reduction to minimum charge of \$350, which is \$50 over the estimate. If the carrier refuses to adjust, a formal hearing must be held before the carrier can be directed to reduce his charges to the minimum, and only at this time does the carrier become subject to punitive action by the Commission."

He concluded that his "review of the reports of underestimates indicated that the major reasons for variance stated by carriers were: the shipper added to the shipment after the estimate was given; he failed to show the estimator all goods to be transported; he did not dispose of items as intended; he acquired items after the estimate; he did not pack as indicated to the estimator; he required the carrier to perform more packing than planned; and he requested additional services after the estimate." It appeared from his review that "one of the underlying reasons for these variances is a 'breakdown of communication' between the estimator and the shipper. It would also appear that the estimator is often dealing with shippers who are not acquainted with complexities

and regulations of the shipment of household goods. Apparently, estimators have not sufficiently explained that no free 'services' are included in the basic distance rate other than time to load and unload, and that failure of the shipper to show all the goods to be shipped will result in additional charges based on weight actually shipped and additional charges for the accessorial services attributable to such items." He also found that in some instances rates quoted in estimates were lower than the rates charged; rates quoted in estimates were greater than the rates charged; and flight charges (stairs) at origin or destination were charged but not estimated. He said that the chief reason for a lack of understanding between shipper and estimator is that regardless of the degree of error in the estimate, the tariff guarantees the carrier his total charges unless the carrier has failed to issue properly certain documents.

A second senior transportation representative testified that he made a study of the problem of estimating charges in the movement of used household goods. It was his conclusion that a prospective shipper needs an accurate estimate in order to plan for payment, to make decisions regarding the amounts and kinds of services to be ordered, and to determine if a household goods mover should be hired or, as an alternative, move the goods himself. He said that an unreliable estimate causes serious personal and financial hardships. In most cases the shipper must pay all transportation charges in cash in order to receive his goods at destination. If the charges are not paid in full it is not uncommon for a carrier to withhold delivery of all or a portion of the goods, thereby incurring additional charges for storage and redelivery plus the cost of finding substitute housing until the goods are delivered. The witness recognized that estimates are frequently given under competitive circumstances with the realization, by the carrier at least, that the

tariff charges must be collected as a matter of law regardless of the amount of the estimate. He stated that the estimate has no affect under the tariff to bind its maker and there is no legal restraint which would directly motivate the carrier's estimating personnel to give more accurate estimates.

To relieve this unequal situation the witness proposed amendments to the tariff. Under the staff's proposal the tariff provisions on estimating practices would be applied to both distance and hourly (local) moves and would eliminate all oral or telephone estimates on either distance or hourly moves. All estimates would be in writing and based on a visual inspection. Once an estimate is made, the lower of that estimate plus 10 percent, or the minimum rate provided in the tariff would be binding on the carrier.

When an estimate has not been made, the staff proposal provides that the rates quoted in the confirmation of shipping instructions and rate quotation document shall be collected; except that when the rates set forth in the tariff result in total charges higher than those resulting under the rates quoted in the confirmation, the tariff rates shall apply. The effect of these two different rules, depending upon whether or not an estimate has been made, is that (1) if an estimate is made, the minimum rates in the tariff then would become a ceiling above which carriers cannot charge, and (2) if no estimate is made, the minimum rates would then become the floor beneath which no rates may be charged.

To provide for the situation where additional services are requested after the original estimate is rendered, the staff proposal requires the carrier to "immediately and before continuing service either issue a supplementary estimate or cancel the original estimate and issue a new estimate to cover all the services and materials to be provided." The staff expects the carriers' drivers to make the new estimate or the supplement to the original estimate.

The provision for reestimating extends to destination points also. After the carrier reaches the destination, if the carrier finds that there are more stairs than were originally contemplated, or that his truck cannot get as close to the delivery point as originally contemplated, additional charges will be required pursuant to tariff. At this time, under the staff proposal a new estimate must be made. Finally, the staff proposal permits, but does not require, each carrier that is called upon to make an estimate to charge a \$10 estimating fee. This fee would cover all estimates and reestimates provided by the carrier on one shipment even though several reestimates were required.

B. Noncarrier Testimony in Support of Staff

Nine members of the public testified about problems in household goods movements which they would like to see remedied. The incidents described by the public witnesses will not be set forth in detail as they illustrate the same carrier-shipper problems testified to by the staff witnesses.

Briefly, the public witnesses' testimony illustrated disputes over whether a housewife had shown the estimator all of the goods to be moved, whether additional packing was requested, whether the moving men, on local moves, were inefficient and took too much time to make the move, and the fact that at destination, when the actual charges greatly exceed the estimate, the shipper may be considerably inconvenienced in raising money to pay the carrier.

C. Carrier Testimony

Large and small carriers operating in metropolitan and rural communities testified to the problems they presently face in estimating household goods moves. Although the problems vary according to the size of the carrier, its connection with a nationwide carrier, and the wealth and geographic location of the community it serves, the carriers unanimously denounced the staff proposal as impracticable and supported CMSA's proposals. Their testimony on local moves at hourly rates reveals three general categories of imponderables faced by carriers and shippers which affect the accuracy of the estimates: (a) those which neither the shipper nor the carrier can anticipate or control; (b) those which the carrier cannot anticipate or control; and (c) those which the carrier can control. As a preface to their testimony of estimating problems and the application of the staff proposal to those problems, the carriers pointed out that the average charge on a local move ranges from \$52 in a small rural area to \$140 in an expensive metropolitan community. Under the staff proposal this would leave the carrier a tolerance of from \$5 to \$14 on a local move.

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Imponderables which neither the shipper nor the carrier can control on a local move include: delays caused by traffic congestion, bad weather, and railroad crossings, and delays caused by accidents on the freeways and highways.

Imponderables controlled by the shipper but not the carrier include: additional packing not contemplated at the time of the estimate; the decision to move items that at the time of the estimate were expected to be disposed of by other means, such as a garage sale; and the time it takes the moving men to arrange furniture at the point of destination.

Factors over which the carrier may have some control include: costs of advertising and estimating; determination of problems at destination, such as size of elevators, number of stairs, and problems associated with narrow streets and drive-ways; and the ability to give estimates over the telephone without visual inspection. The carriers pointed out that although problems based upon these factors can be reduced in some degree by carrier activity, to do so would substantially increase the costs of the move. They asserted that a visual estimate at point of destination is physically possible but, from a practical point of view is prohibitively costly. In addition, when shippers have nothing to lose and everything to gain by the staff proposal, there will be an increase in the number of requests for estimates. The carrier witnesses testified that the cost of making a visual estimate is at least \$7.50 and that it is anticipated that on each move there may be two or three estimates, all raising the cost of doing business, and the rates.

CMSA presented as its expert the director of the Division of Transportation Economics for the California Trucking Association. The director testified that the most suitable solution to the problems of household goods estimating would be to eliminate written estimates altogether, while retaining the practice of oral estimates. If the Commission does not agree with this proposal, then he recommends that there be no change in the status of estimating on local moves (at present there is no rule on the subject), but as to long distance moves, estimating rules should be compatible with those prescribed by the Interstate Commerce Commission. The rules proposed by CMSA differ from the ICC rules in only two material ways: (1) the CMSA rule provides that estimates are permissive; the ICC rule is mandatory, and (2) the CMSA rule provides for an estimating leeway of 10 percent or \$25, whichever is greater; the ICC rule only provides for 10 percent. Both rules require carriers to extend shippers 15 days' credit for sums in excess of the estimate plus the leeway.

In the witness' opinion, with regard to local moves, the imposition of an estimating rule would create more problems than would be solved. He felt that since local moving charges are determined by the amount of time involved in making the move, the customer primarily determines the cost of the move. There is no way carriers can estimate customer changes of mind, nor the time involved in possible transportation delays.

He said that to establish regulations and charges on local moves that may involve additional costs to the carrier means that those costs, of necessity, are passed on to the public through rate increases; and may lead to diversion of traffic from the industry to private carriage through rental trucks. He added that the permissive nature of the \$10 estimating charge that the staff recommends would be tantamount to an open invitation to preference, discrimination, and rebates.

D. Noncarrier Testimony in Opposition to the Staff

The traffic managers of three large corporations testified in opposition to the staff proposal. Their companies are involved in hundreds of moves a year, both local and distance. They oppose the staff proposal on the ground that its net effect will add cost to the corporate shipper because of the increased cost of operations experienced by household goods carriers. A ceiling of 110 percent of the estimate will result in a downward thrust in revenue which will inevitably clash with the increased costs of estimating. They assert that the staff proposal will lead to competitive bidding, result in a deterioration of service, and destroy the present rate structure. They see no need for visual estimating of local moves because carriers cannot afford them and the minimum rates should prevail in any case.

III

DISCUSSION

For the reasons set forth below we find that the Commission should promulgate rules to regulate the estimating practices of household goods carriers for both local and long distance moves. For long distance moves the rule should be comparable to the ICC rule. The long distance move rule will provide that a carrier may give an estimate when requested by the shipper, the estimate shall be in writing and shall be made only after a visual inspection of the goods by the estimator, and whenever the total charges on a long distance move exceed the amount of the estimate by more than 10 percent or \$25 (whichever is greater), the carrier must deliver the goods upon payment of the amount of the estimate plus an additional 10 percent or \$25 (whichever is greater), then the shipper shall have 15 days within which to pay the balance.

On local moves the rule will provide that a carrier may give an estimate when requested by the shipper; the estimate shall be in writing but no visual inspection is required; and whenever the total charges on a local move exceed the amount of the estimate by more than 25 percent or \$25 (whichever is greater), the carrier must deliver the goods upon payment of the amount of the estimate plus an additional 25 percent or \$25 (whichever is greater), then the shipper shall have 15 days within which to pay the balance.

A. CMSA's Proposal to Abolish Written Estimates

CMSA's proposal to abolish written estimates is totally without merit. Not only does it contradict the direct mandate of Public Utilities Code Section 5245 ("The commission shall establish rules and regulations controlling the estimates given by a household goods carrier . . ." (emphasis added)), but to adopt the CMSA proposal would leave only unregulated oral estimates as the method by which a shipper might determine shipping charges. Such a result does not cure any of the problems discussed in this opinion but exacerbates them. Additional questions arise as to whether an estimate was given, how much the estimate was, and on what basis the estimate was made. Permitting oral estimates, but prohibiting written estimates contradicts the usually sound legal advice that proposals should be in writing.

CMSA in its brief says that its primary solution to the estimating problem "is to eliminate all estimates by carriers, substituting instead information on rates and self-help estimating materials." This position appears to be different from the position taken by CMSA at the hearing when their expert proposed that written estimates be prohibited but that oral estimates were permissible. CMSA's "primary solution" is less helpful than the recommendation of its expert that only written estimates be prohibited. Not only does this solution fly in the face of the statute, but it totally ignores the need of the public for accurate estimates, as shown by the more than 13,000 requests for estimates in 1969, and the response of the industry which complied with the requests.

B. The Staff Proposal

In our opinion the staff proposal creates more problems than it solves, would be prohibitively costly to implement, and is an indirect attack on the minimum rate structure. Basically, the staff proposal would convert estimates into bids which, upon acceptance by the shipper, would constitute a binding figure on the carrier requiring it to charge no more than 110 percent of the estimate or the minimum rate, whichever is lower.

To the extent that the proposal permits rates lower than the tariff on the basis of a bid means that a carrier which determines that it can make a profit on a haul for less than the minimum rate may charge less than the minimum rate. For instance, if a particular move would cost \$200 under tariff rates but a carrier determines that it could make the move profitably for \$175, under the staff proposal the carrier could estimate the job at \$160 and legally be able to charge \$176 for a move that otherwise would require a \$200 charge. Any time a carrier wishes to do a job for less than the minimum rate, all it need do is give a low estimate. Thus, the stability of the minimum rate structure is undermined, and rate wars are encouraged. If an assault is going to be made on the minimum rate structure, and we express no opinion on the merits of such an assault, it should be done directly in a proceeding which clearly tells all interested parties that the minimum rate structure is under attack. It should not be done under the guise of amending estimating rules.

Further, under a rule that says the lower of the estimate or the tariff will be the rate, but if there is no estimate, then the carrier can charge all the traffic will bear, no aware shipper would move his household goods without requiring an estimate. Thus, the minimum rates are converted into maximum rates. Again, we express no opinion on the desirability of this result, but if the result is intended it should be done in a proceeding which gives express notice of the intention.

But even if this were the proceeding in which to make the minimum rates the maximum rates and to make the estimate a firm bid, the staff proposal doesn't meet the problems described by the staff witnesses and the carrier witnesses. The problem from the shipper's point of view, as succinctly set forth by the staff witness, is that a prospective shipper needs an accurate estimate in order to plan for payment, to make decisions regarding the amounts and kinds of service to be ordered, and to determine if a household goods mover should be hired, or as an alternative, move the goods himself.

The staff proposal allows carriers to make reestimates when factors arise which were not contemplated at the time of the original estimate. But the rule will cause an incredible amount of delay without any compensating benefit to the shipper. From the evidence it is clear that the most likely time for reestimating will be when the carrier comes to the shipper's door on moving day and finds that there are more goods to be shipped than contemplated, or that the carrier will have to do additional work, such as packing. The next most likely time will be at point of destination when the carrier finds that he can't get his van close enough to the house, or there are more stairs than anticipated, or the elevator is not available.

Reestimates at those times will have no value to the shipper as far as determining the amounts and kinds of services to be ordered or determining whether a household goods mover should be employed. The reestimates may have some slight value in determining the amount of money that the shipper will require at point of destination -- if banks are open.

Under the staff proposal every time a new factor arose which would vary the estimate, it would be necessary for the drivers to immediately stop work and either reestimate the job or call for an estimator to come out to reestimate the job. Obviously, it would be impractical to call for a reestimator to come out to do the job. However, if the driver is to do the reestimating, the driver would need additional training and would in all probability be paid more money than he now earns because of greater responsibility and greater skill.

On any move, whether long distance or local, once the household goods are on the carrier's van, it is difficult to conceive of a situation where a reestimate would be more than a mere formality. Obviously, after the goods are on the truck, a shipper is not going to decline to accept an estimate, and if he did, the shipper presumably would be responsible for paying the carrier's time and labor in loading and unloading the truck. The reestimate then, once goods are partially or fully loaded on the truck, is a paperwork formality which does not justify the delay such a requirement would create.

Even before the goods are loaded, however, it is apparent that as a practical matter, a reestimate would be a mere paper formality. Certainly, when a shipper is prepared to move on a specific day, he is not going to switch carriers regardless of what a reestimate indicates. During the peak summer months, a change of carrier would mean a delay of more than one week. As a result, regardless of what the reestimate states, the carrier providing the original acceptable estimate is going to retain the move, and the requirement of a formal reestimate will not affect that. Once again, the requirement of additional paperwork does not justify the delays the staff proposal would cause.

The staff proposal will cause moving costs to rise. The staff proposes that for each company providing an estimate, an additional \$10 estimating charge be permitted for both local and distance moves; a cost now included in the distance rate structure. But even the staff proposal may not be enough. The evidence shows that it costs as much to visually estimate a local move as a distance move. Witnesses testified that it costs at least \$7.50 to make a visual estimate and that usually three companies give estimates on any job on which an estimate is requested. Visual estimating costs are clearly out of proportion to the \$50 to \$140 average range of revenue received from a local move. (The average range for a distance move is from \$165 to \$420.) And the reestimating requirements for both distance and local moves will raise costs without corresponding benefits.

C. Interested Parties' Proposals

The San Francisco Neighborhood Legal Assistance Foundation, supported by the Association of California Consumers, proposed that estimates be required in all cases except when the shipper waives the right or when the carrier determines that it is too difficult to make; if an estimate is given the lower of the estimate or the minimum rate shall be the lawful rate. On shipments for which an estimate has not been issued the Foundation proposes that the tariff rate be the maximum rate permitted. And finally, the Foundation proposes that the insurance valuation rule which provides for 100 percent higher rates when the shipper requests the carrier to assume greater liability than 60 cents per pound be abolished.

The Foundation's proposal to make the tariff rate a maximum rather than a minimum rate is denied for the reasons heretofore stated in our discussion of the staff proposal. The request that estimates be given in all cases is denied because the cost of providing unsolicited visual estimates would far outweigh any benefits received, and would certainly cause rates to rise.

The Foundation's proposal to abolish the 100 percent higher rates presently required by the tariff when the shipper requests the carrier to assume greater liability than 60 cents per pound is meritorious. Such provision is essentially a penalty clause, having no relation to the cost of providing service, or to the cost of covering or insuring against possible damage losses. Rates and charges should reflect the cost of service, and should be kept separately from the cost of meeting possible damage claims. However, no evidence was presented to support an alternate provision, and to abolish the tariff provision without providing a substitute is not warranted. In our

opinion the problem of valuation for insurance purposes and the tariff rule that limits carrier liability are subjects that merit prompt attention. Interested parties are invited to file appropriate applications before the Commission so that the matters may be determined on a complete record.

D. Regulation of Estimating on Distance Moves

In our opinion the most reasonable proposal for estimating on distance moves that has been brought to our attention is the CMSA adaption of the present ICC rule. Our adopted rule is set forth in Appendix B. In order to conform to our tariff and statutes, we struck the words "motor common" from the CMSA proposal so that the rule will begin "Every carrier engaged in the transportation of household goods" Another difference from the ICC rule will make the estimating leeway 10 percent of the estimate or \$25, whichever is greater. The ICC rule only provides for a 10 percent leeway. We do not expect that this change will have much impact on distance moves, but it should reduce arguments over small amounts of money.

In promulgating this new rule we are aware that it will not solve the problem created when the estimate is substantially below the final charge. But to make the estimate, or 110 percent of the estimate, the final charge eliminates all meaning to the word "estimate" and places an unconscionable burden on a carrier which might be bound to an inadequate price due to circumstances which the carrier could not anticipate or control. If we were to make the estimate plus 10 percent a firm price, we would have no choice but to include in the estimating rule the cumbersome reestimating provisions suggested by the staff. And, as we have discussed above, reestimating on the day of the move, or after the move has commenced, has little or no value to the shipper.

The virtues of the 110 percent rule are that it provides a reasonable estimate of the amount of money needed by the shipper at destination to obtain possession of his goods and, hopefully, it will engender a desire on the part of carriers to be more accurate in estimating to avoid collection problems created by the 15-day credit rule.

E. Regulation of Estimating on Local Moves

CMSA asserts that regulation of estimating on local moves is impractical and would impose unfair hardships on both shippers and carriers. It argues that where the average revenue from a local move ranges from \$52 for some companies to \$140 for other companies, it is impossible to estimate, with sufficient accuracy, the final cost in any given move. CMSA cites the various imponderables discussed above, such as traffic congestion, traffic accidents, shippers changing their minds as to the amount of goods shipped and packed, etc. CMSA argues that the prudent carrier could not allow itself to be caught in the trap of being committed to a figure without regard to these imponderables.

Finally, CMSA states that large and small carriers provide a high percentage of their estimates over the telephone on the basis of information provided by shippers. The carrier witnesses unanimously testified to the substantial expense involved in visual inspections in connection with written estimates and noted the impossibility on local moves of being bound by all estimates based on unconfirmed facts obtained over the telephone. Yet, CMSA acknowledges that customers expect and most carriers prefer to give oral estimates over the telephone

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to shippers upon request. The carriers say that in large towns, some shippers' concern for privacy make telephone estimates desirable and in small towns, friends and neighbors of the carriers expect rough approximations over the telephone rather than formal written estimates based on visual inspections. (CMSA's position is in some degree contradictory. In one breath it requests a prohibition on all estimating and in the next breath it says, in regard to local moves, "customers expect and most carriers prefer to give oral estimates over the telephone to shippers upon request.")

We are in agreement with many of CMSA's arguments on local moves. We recognize that it costs as much to make a visual estimate for a local move as it does for a long distance move, and that the average charge for a local move is much lower than the average for a distance move. Also, if carriers could not make estimates over the telephone based upon information supplied by the shippers, there would be very few estimates on local moves.

But, from the shipper's point of view, the problem of underestimating a local move is no different from the problem of underestimating a distance move. When there is a substantial underestimate, he still feels cheated, he still must raise the total amount of the shipping charges regardless of the estimate before he can get his goods, and he still is precluded from making an intelligent choice as to whether to use a household goods carrier or move the goods himself. We cannot conceive

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of a rule within the bounds of fiscal reason which would solve all of the problems of a local move but in our opinion a rule that requires delivery of the goods upon payment of 125 percent of the estimate or \$25, whichever is greater, will be a forward step in reducing complaints. A \$25 leeway is about one hour's charge under the tariff. Because of the greater number of imponderables on local moves than on distance moves a 25 percent leeway, rather than 10 percent, is appropriate. Our adopted rule is set forth in Appendix B.

The new rule will fix the outer limits of the amount of cash a shipper needs in order to obtain his goods upon delivery. And perhaps more importantly, the rule should cause carriers to be more accurate in their estimating to avoid collection problems created by the 15-day credit rule. Since local moves are at hourly rates, the rule should encourage expeditious handling of the move. If the shipper feels that the moving men worked too slowly, and if the charge exceeds the estimate by more than 125 percent, the carrier may have difficulty collecting the balance of its bill.

We will require a written estimate so that disputes over the amount of the estimate, or whether one was given, will be lessened. The written estimate on local moves may be similar in form to the estimate on distance moves, but that will not be required. A confirmation by letter or postcard, or a notation on the confirmation of shipping instructions and rate quotation document will be satisfactory.

IV

EXCEPTIONS

Up to this point this opinion has been a copy of the examiner's proposed report, with minor changes. Exceptions to the proposed report were filed, and some require discussion.

CMSA's Exceptions

CMSA does not contest the examiner's recommendations for distance moves; its exceptions deal only with the examiner's findings and conclusions and recommended order dealing with local moving. CMSA's exceptions fall into three categories: (1) those relating to the need for regulation of estimating on local moves; (2) those relating to the requirement of a written estimate; and (3) those relating to the requirement that carriers extend 15 days' credit on local moves after receipt of 125 percent of the estimate, or the estimate plus \$25 (whichever is greater), from the shipper.

CMSA states that the examiner's recommendation that rules be adopted to regulate local moves will impose an undue hardship on the carriers, will detrimentally affect the shipping public at large, and will benefit only those shippers who intentionally or unintentionally change their minds about the services they require at the time of the move. CMSA argues that because local moving charges are determined by the amount of time involved in making the move and because so many factors affect this time, estimating on local moves becomes impossible.

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CMSA's proposal that we should not regulate local moves at all cannot be sustained. Not only would we be ignoring the statute covering this matter (Public Utilities Code Section 5245 states: "The Commission shall establish rules and regulations controlling the estimates given by a household goods carrier to a shipper of the charges it would make to perform services covered by this chapter"), but we would be ignoring the realities of local moving in California. There are tens of thousands of local moves each year in California; estimates are given for these moves in a great majority of the cases; and there is substantial underestimating. Just as we must recognize the problems of the carriers, we must also recognize the problems of shippers. Shippers need accurate estimates in order to plan for payment, to make decisions regarding the amounts and kinds of services to be ordered, and to determine if a household goods mover should be hired or, as an alternative, move the goods themselves. Unreliable estimates cause serious personal and financial hardships. In balancing the interests of the shippers and carriers it is our opinion that this minimum protection we are affording shippers will not cause undue hardship to the carriers. If any particular carrier feels that it is a burden or a hardship to provide estimates on local moves it need not provide the estimate. Our rule does not require estimates.

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CMSA objects to the requirement of a written estimate on the ground that it would unduly burden the carriers without a corresponding benefit to the shipping public. CMSA overlooks the fact that disputes concerning estimating occur after a move is made. It appears to us beyond debate that a written memorandum of an agreement is better than relying on the recollection of interested parties. We are not requiring an elaborate detail of the estimate; all we are requiring is that the amount of the estimate be recorded. The obvious time that this should be done is when the estimator takes the order for the move over the telephone and writes down the name and address of the shipper. At that time the estimator can also write down the amount of the estimate. In the case where a shipper is given an estimate and calls back at some later time to order the move, if there is a question about the estimate, the person taking the order can reestimate the job at that time. The additional few minutes' time that may be required in this instance would be offset by the benefit to the shipper and the mover's knowledge that he is getting new business.

CMSA objects to the requirement that a report of underestimates on local moves be made on a quarterly basis to the Commission. It asserts that this would require additional paperwork and would require maintaining extensive additional filing rooms in each carrier's operation which would increase the cost of the carriers, to be eventually passed on to the shippers. This point is reasonable; we will not require reports on underestimates of local moves. Reports of underestimates on distance moves will continue to be required.

Finally, CMSA argues that Finding of Fact No. 9 (which provides that on local moves, whenever the total charges exceed the amount of the estimate by more than 25 percent or \$25 (whichever is greater), that carrier must deliver the goods upon payment of the amount of the estimate plus an additional 25 percent or \$25 (whichever is greater), then the shipper shall have 15 days within which to pay the balance) is unreasonable in that the 25 percent or \$25 leeway does not grant enough margin for estimating error, and that permitting an extension of credit will, as a practical matter, prevent the collection of any additional amounts because those amounts are so small that the costs of collection would far exceed the amount to be collected. If this consequence is the result of our rule, this is the result that we wish. We expect these rules to have a beneficial effect; we expect estimating to be more accurate; we want rules that will be effective and not merely exercises in futility. If the carriers stand to lose money by these procedures, then perhaps the carriers will improve their estimating practices. We do not accept the principle that bad debts which are incurred as a result of poor estimating practices are part of the cost of doing business and are necessarily reflected in the minimum rate structure.

Exceptions of the Staff
and the Foundation

The exceptions of the staff and the Foundation are similar on their major points and can be considered together. Their exceptions fall into five categories:

(1) That the examiner erred in allowing the carriers to collect the total charges on moves, provided that 15 days' credit be extended, where the actual charges exceed the estimated charges by more than 110 percent, or 125 percent, as the case may be;

(2) That the examiner erred in refusing to consider the staff and the Foundation's proposal for firm estimates because such proposals constituted an indirect attack on the minimum rate structure:

(3) That the examiner erred in not requiring carriers to provide written estimates based on visual inspection of both distance and local moves to any member of the shipping public who requests an estimate;

(4) That the examiner erred in concluding that the staff reestimating proposal would increase carrier costs and rates without any corresponding benefit to the shipping public; and

(5) That the examiner erred in determining that this hearing was not the appropriate vehicle for an attack on the valuation rule set out in the tariff.

In our opinion the examiner's conclusions were correct. All of the points raised by the staff and the Foundation were discussed in the examiner's proposed report, which is substantially set forth in an earlier part of this opinion. Therefore, our additional comments on these exceptions will be brief.

The principal point of controversy is the examiner's refusal to accept the proposal that estimates should be firm bids, plus 10 percent. The staff and the Foundation assert that this proposal is the only way the real problem in estimating can be solved, i.e., that estimating has been used by carriers to obtain moving jobs by either intentionally underestimating or carelessly providing estimates. They argue that if the firm bid plus 10 percent proposal is accepted then there is no need for the 15-day credit rule. We agree with the examiner. His refusal is merely an affirmation of the Commission's interpretation as set forth in Item 430 of the tariff, which states:

Estimates. Carriers cannot determine what your move will cost you until all packing has been completed and the goods are loaded on a vehicle and weighed. They make estimates to try to approximate the cost for you. To get a reasonably accurate estimate you must show the estimator everything you intend to ship and indicate any additional services that you desire performed by the carrier. An estimate is not a bid or a contract. Choosing the carrier submitting the lowest estimate will not assure you the lowest cost move. Regardless of any estimate, the actual weight of your goods and the actual amount of packing and other services performed by the carrier will determine the final amount you must pay for your moving. All estimates for moving at distance rates are now required to be in writing. Do not accept any oral approximation of the charges.

(Emphasis added.)

The tariff does no more than reflect the dictionary definition of the word "estimate" which is: "to judge the value, worth, or significance of; especially: to arrive at (a value judgment that is often valid but incomplete, approximate, or tentative) . . . to arrive at an often accurate but usually only approximate statement of the cost of (a job to be done): to arrive at a sometimes only tentative price for which one is willing to undertake (a job to be done). . . ." (Webster's Third New International Dictionary of the English Language Unabridged 1964.) In sum, an estimate is not a contract, a bid, nor a guarantee; and we do not intend to twist the English language to make it so. As we do not intend to promulgate a rule that estimates are firm contracts, we need not discuss whether such a rule would be a direct or indirect attack on the minimum rates and whether it might be considered in this hearing.

The examiner was correct in not requiring carriers to provide written estimates of both distance and local moves based on visual inspection to any shipper on request. Such a requirement would be costly: the carriers estimated the cost to be about \$7.50 an estimate; the staff proposed that the carriers be permitted to charge the prospective shipper \$10 for each estimate given. These costs are extremely high in comparison to the value of the shipment; especially when estimates are requested from more than one carrier. Further, if we required the carrier to give estimates upon request, in fairness we would either have to require the shippers to pay the \$10 charge or include the costs of the estimate in the hourly rate schedule. It is not worthwhile to raise hourly rates by embedding estimating costs in the rate structure.

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The examiner was correct in concluding that the staff reestimating proposal would increase carrier costs and rates without any corresponding benefit to the shipping public. In our opinion the reestimating provisions would not protect the public in any manner, but would harm the public because prior to shipment the shipper cannot know even approximately how much his shipment is going to cost if reestimates are permitted after the goods are on the truck. As the Foundation states in its exceptions, "It is uncontroverted that shippers need accurate estimates . . . to decide which mover, if any, to hire." We agree with that statement; and to provide reestimates after the carrier is hired, the goods are on the truck, and the move has either been made or in the process of being made, will not help the shipper in any way to decide which mover, if any, to hire. In addition, this provision, which is supposed to be for the carriers' benefit, was opposed by the carriers because of the anticipated increase in cost for reestimating.

The examiner was correct in concluding that this hearing is not the appropriate vehicle for an attack on the valuation rules set out in the tariff. As the examiner stated in his proposed report, "no evidence was presented to support an alternate provision, and to abolish the tariff provision without providing a substitute is not warranted." We agree with this analysis. The valuation provision is essentially for insurance purposes and a limitation on the carrier's liability. This limitation on liability tends to keep rates down and places the burden of obtaining insurance upon the shipper. Tariff rates are not concerned with the value of the shipment except as this brief valuation clause affects it. To remove the valuation clause without providing an alternate means of insurance would result in persons shipping household goods of low value subsidizing those who ship household goods of high value. It should be noted that the tariff valuation rule is similar to that found in the ICC regulations on the subject.

The exceptions filed by the Association of California Consumers are similar to those filed by the staff and the Foundation and need not be discussed separately. Other exceptions are no more than different statements of the exceptions discussed above and require no further comment.

Findings of Fact

1. During 1969 the Commission received 1,004 complaints of all types, including bus, rail, and airline. Of these, 268, or 27 percent, involved household goods carriers; 183 complaints alleged underestimates or overcharges by household goods carriers. Additionally, 2,760 reports of underestimates (including the 183) for transportation performed in 1969 were submitted by carriers. During the same period the carriers reported a total of 13,306 estimates. For the underestimates reported, charges exceeded the estimates on the average of 28 percent a shipment.

2. Reasons for variance between the estimate and the actual charges include: the shipper failed to show the estimator all goods to be transported; the shipper did not dispose of items as intended; the shipper acquired items after the estimate; the shipper did not pack as indicated to the estimator; the shipper required the carrier to perform more packing than planned; the shipper requested additional services after the estimate; the shipper requested extended furniture arrangement at point of destination; neither the shipper nor the carrier knew the size of elevators nor the number of stairs at point of destination; neither the shipper nor the carrier knew that the moving van could not get close to the point of destination to unload; the carrier intentionally underestimated to obtain the job knowing that the law commanded him to collect the minimum rates regardless of the estimate; the carrier sent an unqualified estimator to do the job; on hourly moves the carrier was inefficient and took too much time; and on hourly moves there were delays caused by traffic congestion, by bad weather, and by accidents on the freeways and highways.

3. Shippers need accurate estimates in order to plan for payment, to make decisions regarding the amounts and kinds of services to be ordered, and to determine if a household goods mover should be hired or, as an alternative, move the goods themselves. Unreliable estimates cause serious personal and financial hardships.

4. The average charge on a local move ranges from \$52 in a small rural area to \$140 in a metropolitan community; the average charge for distance moves range from \$165 to \$420.

5. The cost of making a visual estimate is at least \$7.50 and, on average, each move will have two estimates.

6. Abolishing all estimates, both written and oral, will deprive the public of a necessary service. Abolishing written estimates and retaining oral estimates will not cure any of the problems involved in underestimating but will exacerbate them.

7. Establishing the estimate, or 110 percent of the estimate, as a firm price from which the carrier cannot deviate, is an indirect attack on the minimum rate structure; will encourage rate wars; is unfair to the carriers because of the many imponderables associated with a move; and will occasion numerous reestimates on the day of the move and after the move, which will increase the cost of moving but which have no value to the shipper.

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8. On distance moves, a rule that provides that whenever the total charges exceed the amount of the estimate by more than 10 percent or \$25 (whichever is greater), the carrier must deliver the goods upon payment of the amount of the estimate plus an additional 10 percent or \$25 (whichever is greater), then the shipper shall have 15 days within which to pay the balance, will give the shipper a reasonable estimate of the amount of money needed at destination to obtain possession of his goods and will encourage accurate estimating by carriers to avoid collection problems created by the 15-day credit rule.

9. On local moves, a rule which provides that whenever the total charges exceed the amount of the estimate by more than 25 percent or \$25 (whichever is greater), the carrier must deliver the goods upon payment of the amount of the estimate plus an additional 25 percent or \$25 (whichever is greater), then the shipper shall have 15 days within which to pay the balance, will give the shipper a reasonable estimate of the amount of money needed at destination to obtain possession of his goods and will encourage accurate estimating by carriers to avoid collection problems created by the 15-day credit rule.

10. Because of the greater number of imponderables in estimating a local move as compared to a distance move, a 25 percent leeway over the estimate, rather than 10 percent, is appropriate for local moves.

11. From the shipper's point of view, the problem of underestimating a local move is no different from the problem of underestimating a distance move.

12. Written estimates based on visual inspection are reasonable for distance moves. Written estimates based on information derived from telephone conversations or other nonvisual inspection are reasonable for local moves because the cost of visually estimating a local move is too great in relationship to the final charges.

13. Items 32 and 33 of Minimum Rate Tariff 4-B are unreasonable and should be canceled.

14. New Item 31 as set forth in Appendix B of this opinion is reasonable.

The Commission concludes that present Items 32 and 33 should be canceled in their entirety and Item 31 set forth in Appendix B should be included in Minimum Rate Tariff 4-B. Items Nos. 430 and 432 of Minimum Rate Tariff 4-B should be amended as set forth in Appendix C to provide the appropriate estimating information for shippers.

O R D E R

IT IS ORDERED that Minimum Rate Tariff 4-B is amended by incorporating therein, to become effective April 1, 1972, Appendices B and C attached hereto.

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

Dated at San Francisco, California,
this 11th day of JANUARY, 1972.

William Lyons Jr. Chairman
Thomas M. ...

...
Commissioners

We concur, we agree this order is a step in the right direction but we believe it does not go far enough in correcting prevailing abuses in the house-holding ^{moving} industry

*Jerome L. Sturgeon
J. ... , Chairman*

APPENDIX A

APPEARANCES

INTERESTED PARTIES:

Knapp, Gill, Hibbert & Stevens, by
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and David P. Christianson, Attorneys
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Woelfel, for California Moving &
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Philip K. Davies, for State of California
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Gilbert T. Graham, Attorney at Law, for
San Francisco Neighborhood Legal
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A. L. Libra, Attorney at Law, and Tad
Muraoka and Dan Biondi, for California
Manufacturers Assn.

Richard A. Redmond, for California
Household Goods Carriers Bureau.

Mrs. Sylvia Siegel, for Assn. of California
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Ralph M. Aaland and Otto Broyles, for
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Chas. N. Amendt, for Slocum Van & Storage,
Inc., dba City Transfer & Storage.

M. J. Anderson, for Burbank Van & Storage Co.

Jack M. Archer, Attorney at Law, for Rudd
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Eddie Asivido, for Bevan-Pearson Mayflower,
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APPENDIX A

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Sam S. Blank, for Dependable Moving &
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Earl Booker, for Orth Van & Storage, Inc.
Frank J. Burgess, for Banning Van &
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Robert F. Burnett, W. F. Goines, and
Robert C. Johnson, for Bekins Moving &
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Addison B. Cahoon, for Cahoon Transfer &
Storage Co.

C. W. Carlon, for C. A. Buck Moving &
Storage Co.

A. L. Chioman, for Chipman Van & Storage Co.
Charles Lee Colston, for Turlock Van &
Storage.

Ernest Conner, for Ernie Conner's Moving
& Storage.

Edward Coudere, for Sausalito Moving &
Storage.

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Richard F. Cowan, for Cowan's Moving &
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APPENDIX A

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Roger Fallon and David Macaulay, for Lawrence Mayflower Storage.
J. T. Fischer, for Republic Van & Storage.
Alberta Galbraith and H. J. Galbraith, for Galbraith Van & Storage Co.
Arthur N. Garidelle, for Garidelle's Van & Storage Co.
Jim Garvey, for Kozy Moving & Storage.
W. R. Gould, for Gould Van & Storage.
George C. Haines, for American Red Ball Transit, Inc.
Frances Hillings and Leo B. Hillings, for Eastern Van Lines.
John L. Hinckley, for Thomas Hinckley Co., Inc., dba Thomas Transfer Co.
Dick Hubbard, for Hubbard-North American Van Lines.
O. J. Hulsey, for Weather Bros. Van Line, Inc.
Jack Hussey, for Hussey Moving & Storage, Inc.
Harold Jensen, for Modesto Transfer & Storage.
Stephen Johnson, for Richmond Transfer & Storage.
Robert L. Jump, for Wright Transfer Co.
Roberta I. Keeton, for Alexanders Van & Storage, Inc.
David M. Kling, for Great American Moving & Storage.
Jay Kramer, for James Transfer & Storage.
Rex E. Lang, for TEK Van Lines, Inc.
C. K. Lester, for Belmont Van & Storage.
Lloyd Lucas and George E. Thomas, for Thomas Transfer & Storage Co., Inc.
John I. Maxwell, for Penn Van & Storage Co.
Gordon B. McGrain, for B & L Moving & Storage.
John E. Miller, for Miller's Transfer & Storage.
Wally D. Miller, for Buena Park Transfer & Storage, Inc.
O. E. Mulloy, for Maris Van & Storage.
Larry Mustaller, for Thomas Transfer Co.
Fred Nason, Jr., for Hills Transfer & Storage Co.
James A. Nevil, for Nevil Storage Co.
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Dan O'Neil and Richard H. O'Neil, for O'Neil Moving & Storage, Inc.
R. E. Pagano and Dorne W. Yaeger, for Bear Van Lines, Inc.
James E. Patterson, for World Wide Moving & Storage.

APPENDIX A

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Gerald M. Poznanovich, for Schultz Bros. Van
& Storage.
Chas. L. Reed, for Whittier Transfer & Storage Co.
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California Mayflower Moving & Storage.
Dana Roberts, for Acme Transfer & Storage Co.
Harold E. Roland, for May Transfer & Storage Co.
Harold J. Rookey, Sr., and H. J. Rookey, Jr.,
for Riverside Transfer & Storage, Inc.
Ralph E. Rose, for City Transfer & Storage Co.
Carl Ruffin, for OK Moving & Storage.
W. A. Sanburn, for Tri-City Van & Storage Corp.
Brian S. Schackman, for Slocum Van & Storage.
Phil Shambaugh, for Phil's Transfer & Storage.
Richard Shirk, for North American Van Lines, Inc.,
Nacal, Inc.
Armour C. Smith, for Dawson Van & Storage Co.
G. W. Stadler, for Torrance Van & Storage Co., et al.
Daryle Stearns, for Harbor Transfer & Storage.
Peggy A. Stearns, for Harbor Transfer & Storage.
Robert J. Stewart, for Acacia Van & Storage Co.
James C. Stinson, for Sullivan Storage & Transfer Co.
Roeder S. Stinson, for Owens Bros. Transfer & Storage.
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William E. Struebing and Carter C. Walters, Jr.,
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Raymond T. Taylor, Attorney at Law, for Bakers
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Sophia E. Taylor, for Arbor Vitae Transfer & Storage.
Chas. E. Threet and Philip J. McDougall, for
Lido Van & Storage.
Vince Torras, for Wermuch Storage Co., Inc.
Abe L. Vermillion, for Salt Lake Moving & Storage Co.
Walter J. Vermillion, for Salt Lake Transfer Co.
Tom Williams, for Andy's Transfer & Storage.

COMMISSION STAFF:

Vincent V. MacKenzie, Attorney at Law.

(End of Appendix A)

APPENDIX B

MINIMUM RATE TARIFF NO. 4-B

ITEMS 32 AND 33:

Cancel in entirety.

ITEM 31 (NEW):

ESTIMATES OF CHARGES

1. Applies only to charges involving rates provided in Items 300 and 320:
 - (a) Estimates by the carrier. Every carrier engaged in the transportation of household goods may upon request of a shipper of household goods cause to be given to such shipper an estimate of the charges for proposed services. The estimate shall be made only after a visual inspection of the goods by the estimator. Across the top of each form there shall be imprinted in red letters not less than 1/2-inch high the words "Estimated Cost of Services." The form shall be fully executed as appropriate in each case in accordance with the instructions therein. The original or a true legible copy of each estimate form prepared in accordance with this paragraph shall be delivered to the shipper; and a copy thereof shall be maintained by the carrier as part of its record of shipment.
 - (b) Delivery when actual charges exceed estimated charges. Whenever the total tariff charges on a shipment on which all or part of such charges are to be paid on delivery shall exceed by more than 10 percent or \$25 (whichever is greater) the amount of the estimate of charges on that shipment such carrier must, upon request of the shipper or his representative, relinquish possession of the shipment upon payment of the amount of the estimated charges plus an additional 10 percent or \$25 (whichever is greater) of the estimated charges, and the carrier shall defer demand for the remainder of the tariff charges for a period of 15 days following delivery excluding Saturdays, Sundays, and holidays.

APPENDIX B (Continued)

ITEM 31 (NEW): Continued

- (c) Estimate form for shipper's use. Carriers may furnish to shippers or prospective shippers an estimate form which may contain statements of the weights of average pieces of furniture and other household articles of various types, for use by the shipper in making his own estimate of the total weight of his goods. Any instructions necessary to enable the shipper to use the estimate form shall be printed in the form. If cubic-foot measurements are used in arriving at the weight, the form shall state that a weight factor of 7 pounds per cubic foot shall be used.
 - (d) Notification to shipper of charges. Whenever the shipper specifically requests notification of the actual weight and charges on a shipment, and supplies the carrier with an address or telephone number at which the communication will be received, the carrier shall comply with such request immediately upon determining the actual weight and charges. Such notification shall be made by telephone, telegraph, or in person and the actual cost of such notification shall be collected from the shipper.
2. Applies only to charges involving rates provided in Item 330:
- (a) Estimates by the carrier. Every carrier engaged in the transportation of household goods may upon request of a shipper of household goods cause to be given to such shipper an estimate in writing of the charges for proposed services. The estimate need not be a visual estimate. The written estimate required by this paragraph may be complied with by noting the amount of the estimate on the confirmation of shipping instructions and rate quotation document. The original or a true legible copy of each estimate prepared in accordance with this paragraph shall be delivered to the shipper; and a copy thereof shall be maintained by the carrier as part of its record of shipment.

APPENDIX B (Continued)

ITEM 31 (NEW): Continued

- (b) Delivery when actual charges exceed estimated charges. Whenever the total tariff charges on a shipment on which all or part of such charges are to be paid on delivery shall exceed by more than 25 percent or \$25 (whichever is greater) the amount of the estimate of charges on that shipment such carrier must, upon request of the shipper or his representative, relinquish possession of the shipment upon payment of the amount of the estimated charges plus an additional 25 percent or \$25 (whichever is greater) of the estimated charges, and the carrier shall defer demand for the remainder of the tariff charges for a period of 15 days following delivery excluding Saturdays, Sundays, and holidays.
3. Report of underestimates. Commencing with a report for the 3 months beginning April 1, 1972, every carrier of household goods shall file with the California Public Utilities Commission a quarterly report, on a report form prescribed by the Commission, of all instances during the period where the actual charges for services rendered differ from the estimated charges by more than that allowed in paragraph 1(b) of this Item, with an explanation of reasons for the difference. This report shall be filed within 30 days after the end of the quarter to which it relates and shall constitute a public record. The report shall contain a statement of the amount of credit extended and all pertinent collection information. No irregularity in providing the estimate of charges relieves the carrier of the requirement to report underestimates.

APPENDIX C

ITEM NO. 430:

IMPORTANT NOTICE TO SHIPPERS OF HOUSEHOLD GOODS

(Items Nos. 430, 431, and 432)

(Items Nos. 430 and 432 apply to all moves. Item No. 431 applies only in connection with distance rates named in Items Nos. 300 and 320.)

The Public Utilities Commission requires that this notice shall be delivered to all shippers of household goods in intrastate commerce.

Some carriers (frequently called "movers") perform the transportation of household goods themselves; other carriers act as agents for the carriers who do the actual hauling. In some instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, home address, and telephone number of the carrier which is to transport your shipment, and keep that carrier informed as to how and where you may be reached at all times until the shipment is delivered.

Before completing arrangements for the shipment of your household goods, all of the information herein should be considered carefully by you.

Shipping Order. Before your shipment leaves point of origin, you should obtain from the carrier a shipping order or receipt, signed by you and the carrier. Be sure that this shows the carrier's name and address and the telephone number at which you can reach the carrier; an address and telephone number furnished by you at which the carrier can send messages regarding your shipment; the location to which your goods are moving; the date of loading and the preferred date of delivery; and the declared or released valuation of the goods.

APPENDIX C (Continued)

ITEM NO. 430: Continued

Estimates. Carriers cannot determine what your move will cost you until (a) on moves charged for at distance rates all packing has been completed and the goods are loaded on a vehicle and weighed, or (b) on moves charged for at hourly rates the move has been completed. However, carriers make estimates to try to approximate the cost for you. To get a reasonably accurate estimate you must inform the carrier's agent of everything that you intend to ship and indicate any additional services that you desire performed by the carrier. An estimate is not a bid or a contract. Choosing the carrier submitting the lowest estimate will not assure the lowest cost move. Regardless of any estimate, the actual weight of your goods, or the hours required for the move, plus the actual amount of packing and other services performed by the carrier will determine the final amount you must pay for your move. All estimates for moving are required to be in writing. Do not accept oral estimates.

Regardless of any prior estimate received for the carriage of your shipment, you will be obligated to pay transportation charges and other charges computed in accordance with tariffs prescribed by the Public Utilities Commission. The total charges which you must pay may be more, or less, than the estimate received from the carrier, and as explained under "Payment of Charges-- Freight Bill," the charges generally must be in cash or by money order or certified check at the time of delivery. Having additional funds on hand when the van arrives at destination can spare you considerable difficulty.

APPENDIX C (Continued)

ITEM NO. 432:

IMPORTANT NOTICE TO SHIPPERS OF HOUSEHOLD
GOODS (Concluded)

(Items Nos. 430, 431, and 432)

Transportation Rates and Released Values. On moves charged for at distance rates, rates are stated in amounts per 100 pounds depending upon the distance involved. On local moves (50 constructive miles or less) hourly rates are charged. The carrier's charges generally vary according to the released or declared value of the shipment. Under the base rates in Minimum Rate Tariff No. 4-B issued by the California Public Utilities Commission, the carrier's responsibility for loss and damage caused by it is limited to sixty cents per pound for the actual weight of each lost or damaged article. Most articles are worth more than this, and many are worth a great deal more.

Payment of Charges--Freight Bill. Unless you have made arrangements beforehand for credit, the carrier will require payment in cash or by money order or certified check, before unloading. Be prepared with sufficient funds to pay the actual charges, which may be greater than what was estimated.

(1) On moves charged for at distance rates whenever the total tariff charges on a shipment on which all or part of such charges are to be paid on delivery shall exceed by more than 10 percent or \$25 (whichever is greater) the amount of the estimate of charges on that shipment such carrier must, upon request of the shipper or his representative, relinquish possession of the shipment upon payment of the amount of the estimated charges plus an additional 10 percent or \$25 (whichever is greater) of the estimated charges, and the carrier shall defer demand for the remainder of the tariff charges for a period of 15 days following delivery excluding Saturdays, Sundays, and holidays.

APPENDIX C (Continued)

ITEM NO. 432: (Continued)

(2) On moves charged for at hourly rates whenever the total tariff charges on a shipment on which all or part of such charges are to be paid on delivery shall exceed by more than 25 percent or \$25 (whichever is greater) the amount of the estimate of charges on that shipment such carrier must, upon request of the shipper or his representative, relinquish possession of the shipment upon payment of the amount of the estimated charges plus an additional 25 percent or \$25 (whichever is greater) of the estimated charges, and the carrier shall defer demand for the remainder of the tariff charges for a period of 15 days following delivery excluding Saturdays, Sundays, and holidays.

When paying charges, you should obtain a receipt for the amount paid. Such receipt is called a freight bill or expense bill and should set forth all of the facts pertaining to your move.

Preparing Articles for Shipment. Some articles such as stoves, refrigerators and washing machines may require disconnection and usually require special servicing to protect their mechanisms during movement. It is your responsibility to have this done. Some carriers upon your request will arrange to have this servicing done at your expense. You should arrange to take down all blinds, draperies, window cornices, mirrors, and other items attached to the walls, and to take up carpets which are tacked down. The charge for such service is not included in the transportation charge and will be performed by the carrier only at an extra per-hour charge. Under no circumstances should you pack jewelry, money, or valuable papers with your other belongings, or pack any matches, flammables, or other dangerous articles.

APPENDIX C (Continued)

ITEM NO. 432: (Continued)

Storage in Transit. If you desire your household goods to be stored in transit and delivered at a later date, you may usually obtain such service upon specific request. The length of time a shipment may be stored in transit is sixty days, and additional charges are made for such service. At the end of the designated storage-in-transit period, and in the absence of final delivery instructions, the shipment will be placed in permanent storage and the carrier's liability in respect thereof will cease. Any further service must be made the subject of a separate contract with the warehouseman. If you do not specifically request storage-in-transit from the carrier, but arrange with someone other than the carrier to pick up your goods for storage, you will be required to pay such other person for such service. Some warehouses make separate charges for checking goods out of storage, and collect dock charges from carriers for the space occupied by their vehicles while being loaded. Such charges are passed on to the shipper.

Questions pertaining to this transportation may be referred to any of the Commission's offices located at:

San Francisco, Los Angeles, Bakersfield, El Centro, Eureka, Fresno, Oakland, Redding, Sacramento, San Bernardino, San Diego, San Jose, Santa Ana, Santa Barbara, Santa Rosa, and Stockton.