

79952 ORIGINAL

Decision No. _____

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 highway
 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 2).

Case No. 5432
 Petition for Modification
 No. 638
 (Filed April 6, 1971)

(For List of Appearances see Appendix A)

O P I N I O N

By this petition the California Trucking Association (CTA) seeks a revision of the mixed shipment provisions in Note 4, Item 530 (Shipment Charges - Metropolitan Los Angeles Area) of Minimum Rate Tariff 2 (MRT 2). Petition 638 was scheduled to be heard on a consolidated record with related Petition 636 before Examiner Gagnon at Los Angeles. At the December 28, 1971 adjourned hearing the CTA and the Commission's Transportation staff presented evidence relative to Petition 638. Said petition was then submitted for decision.

Minimum rates for the highway transportation of property by for-hire carriers between points located within the Metropolitan Los Angeles Area were recently established by Decision No. 78264, dated February 2, 1971, in Case No. 6322 (OSH Decision No. 74991) et al. These minimum rates replaced the prior governing rate structure published in former MRT 5 (Los Angeles Drayage Area) and MRT 2 (Statewide - General Commodities). The rates established by said decision were published in MRT 2 and 15 (hourly vehicle unit rates), effective April 24, 1971. The Metropolitan Los Angeles Area includes the geographical area embraced by the portions of Los Angeles and Orange Counties included in the 58 Metropolitan Zones 201 through 258, as described in Section 2-A of the Commission's Distance Table 7.

The general tariff rules and distance class rate scales published in MRT 2 apply, except as otherwise specifically provided, to the for-hire transportation of property statewide in California. Said general class rate structure contains distance class rate scales for each of the minimum weight brackets of: Any Quantity, 5,000, 10,000 and 20,000 pounds. Additionally, truckload distance class rate scales are provided in the tariff which are subject to the minimum weight provisions of the governing National Motor Freight Classification A-12 or authorized exceptions thereto. The Any-Quantity class rates do not apply to shipments having both point of origin and point of destination within the Metropolitan Los Angeles Area. In lieu thereof, the shipment charges and distance class rates, expressed in cents per 100 pounds and subject to a minimum weight of 1,000 pounds, established by Decision No. 78264 and published in Items 530 and 550, respectively, of MRT 2 apply. It is the application of the special mixed shipment provisions set forth in Note 4 of tariff Item 530, in lieu of the general mixed shipment provisions contained in Item 90 of the tariff, which gives rise to the issues involved in Petition 638. Pertinent portions of the mixed shipment provisions contained in Items 90 and 530 of MRT 2 are set forth below:

A. MRT 2, Item 90 - General Mixed Shipment Rule

- "2. When two or more commodities, for which different rates are provided, are shipped as a mixed shipment without actual weights being furnished or obtained for the portion shipped under the separate rates, charges for the entire shipment will be computed at...rate applicable to the highest rated commodity contained in such mixed shipment.

- "3. When two or more commodities are included in the same shipment and separate weights thereof are furnished or obtained, charges will be computed at the separate rates applicable to such commodities in straight shipments of the combined weight of the mixed shipment. The minimum weight shall be the highest provided for any of the rates used.... In the event a lower charge results by considering such commodities as...separate shipments, such lower charges shall apply.
- "4. When charges are computed on a higher minimum weight than the quantity actually shipped, any deficiency between actual weight of the shipment and the greater minimum weight shall be computed at the rate applicable to the lowest rated commodity...in the shipment provided the actual weight of such commodity...aggregates ten percent (10%) of the actual weight of the shipment or 500 pounds, whichever is lower. If the aggregate actual weight of such lowest rated commodity...does not total the required amount, the deficit weight shall be charged for at the rate applicable to the commodity...having the greatest aggregate weight.
- "5. If lower charges result by applying specific mixture provisions of the Governing Classification or Exception Ratings Tariff...such basis shall be used..."

B. MRT 2. Item 530 (Partial)

SHIPMENT CHARGES--METROPOLITAN LOS ANGELES AREA
(Applies only to shipments having both point of origin and point of destination in the Metropolitan Los Angeles Area)

(Charges on shipments weighing less than 1,000 pounds)

Weight of Shipment (In Pounds)		(Surcharges Not Included) Charge in Cents	
<u>Over</u>	<u>But Not Over</u>	<u>Col. A</u>	<u>Cols. B and C</u>
0	25	380	-
25	50	465	-
50	75	535	-
75	100	595	-
100	150	710	-
150	200	830	-
200	250	950	-
250	300	1040	-
300	400	1230	-
400	500	1375	-
500	600	1505	-
600	700	1635	-
700	800	1765	-
800	900	1895	-
900	#	2035	-

But less than 1,000 pounds.

NOTE 1. For commodities rated over Class 100 in the National Motor Freight Classification, the Shipment Charge shall be the charge stated above for the weight of the shipment multiplied by the applicable rating. Exception: Not subject to the temporary lower charges provided in Col. C.

NOTE 4. (Exception to paragraphs 2, 3 and 5 of Item 90 - Mixed Shipments) Mixed shipments shall be subject to the charges applicable to the highest rated commodity in the shipment, but not to exceed Class 125.

It will be noted that tariff Item 530 provides shipment charges for various shipment weight brackets under 1,000 pounds. When straight shipments of commodities rated over Class 100 are transported, Note 1 of Item 530 states that shipment charges named in the

item for the particular weight of shipment involved, shall be increased by the applicable percentage rating above Class 100. However, when such shipment contains two or more commodities subject to different class ratings, Note 4 of tariff Item 530 provides, as an exception to the mixed shipment rule in Item 90 of MRT 2, that the shipment charge shall be that for the highest rated commodity in the shipment, but not to exceed Class 125. Paragraph 2 of tariff Item 90 also provides for the computation of mixed shipment charges based upon the rate applicable to the highest rated commodity in the shipment whenever actual weights for the respective commodities included in the shipment are not furnished or obtained. This latter tariff provision does not include a class rate ceiling similar to that published in Note 4 of tariff Item 530. Mixed shipments subject to the Item 150 minimum charges of MRT 2 are also subject to rates applicable to the highest rated article in the shipment whenever actual weights are not furnished for the several articles contained in the shipment or if said shipments are transported distances exceeding 150 miles. Here again, no class rate "hold-down", such as published in Note 4 of tariff Item 530, is provided. In MRT 2 Item 149 (Small Shipment Service) the contested declassification tariff provision involved herein is specifically avoided by excluding mixed shipments containing commodities rated above Class 100. The application of MRT 2 Items 149 and 150 are restricted to traffic other than that moving within the Metropolitan Los Angeles Area.

In this proceeding the California Trucking Association recommends that the Class 125 maximum rating provision in Note 4 of tariff Item 530 be cancelled. In lieu thereof, CTA suggests the following tariff change:

Proposed Note 4, Item 530, MRT 2
(Exhibit 13)

"NOTE 4. (Exception to paragraphs 2, 3 and 5 of Item 90 - Mixed Shipments) When provisions of this item are applied to a shipment containing commodities subject to different ratings, the entire shipment shall be considered as subject to the highest rating of any commodity in the shipment."

The CTA contends that the current application of Note 4 in Item 530 creates circumstances which effectively destroy the intended application of Item 530 shipment charges under the existing provisions of Note 1 in said tariff item. The Director for CTA's Division of Transportation Economics presented several illustrations to demonstrate its aforementioned contention, pertinent portions of which are set forth in Tables 1 and 2 below:

Table 1

CHARGES ACCRUING UNDER SAMPLE SHIPMENTS CONTAINING COMMODITIES
SUBJECT TO RATINGS HIGHER THAN CLASS 100
(Exhibit 12)

EXAMPLE 1

Shipment A - (Note 1, Item 530)
50 lbs Commodity (Class 200) = \$4.65 X 200 . . \$9.30 ✓
Shipment B - (Note 4, Item 530)
50 lbs Commodity (Class 200)
10 lbs Commodity (Class 300)
60 lbs Mixed Shipment = \$5.35 X 125 (maximum) . \$6.69

RESULT: Greater weight, commodities subject to
higher rating and lower charges.

EXAMPLE 2

Shipment A - (Note 1, Item 530)
100 lbs Commodity (Class 200) = \$5.95 X 200. . \$11.90
Shipment B - (Note 4, Item 530)
10 lbs Commodity (Class 100)
20 lbs Commodity (Class 110)
40 lbs Commodity (Class 125)
25 lbs Commodity (Class 175)
5 lbs Commodity (Class 200)
100 lbs Mixed Shipment = \$5.95 X 125 (maximum) . \$ 7.44

RESULT: More commodities and lower charges. Charges
are even lower than the 5 pounds of Class 200
freight if taken by itself as a separate
shipment.

Table 2

THE EFFECT OF A CLASS 125 "HOLD-DOWN" ON MIXED SHIPMENTS
COMPARED TO STRAIGHT SHIPMENTS OF A COMMODITY RATED CLASS 150

Weight of Shipment (In Pounds)	<u>Column A</u>		Maximum Charge As
	Straight Shipment Charge		Mixed Shipment
	<u>Class 100 Or Less</u>	<u>Class 150</u>	<u>Computed Under Note 4</u> <u>(Class 125 Hold-Down)</u>
0 - 25	\$ 3.80	\$ 5.70	\$ 4.75
25 - 50	4.65	6.98	5.81
50 - 75	5.35	8.03	6.69
75 - 100	5.95	8.93	7.44
100 - 150	7.10	10.65	8.88
150 - 200	8.30	12.45	10.38
200 - 250	9.50	14.25	11.88
250 - 300	10.40	15.60	13.00
300 - 400	12.30	18.45	15.38
400 - 500	13.75	20.63	17.19
500 - 600	15.05	22.58	18.81
600 - 700	16.35	24.53	20.44
700 - 800	17.65	26.48	22.06
800 - 900	18.95	28.43	23.69
900	20.35	30.53	25.44

From the above presentation the CTA director draws the conclusion that the shipment charges for "any mixed shipment (regardless of the level of class ratings) will never exceed those for a straight shipment subject to Class 125 rating, even though the straight shipment charges themselves will be higher in all cases where the commodity shipped is subject to a rating higher than Class 125." Therefore, petitioner avers the cost-rate relationship of the shipment charges, heretofore found reasonable by the Commission and set forth in Item 530 of MRT 2, is rendered unreasonable by the declassification device available under the mixed shipment rule in Note 4 of said tariff item. Accordingly, petitioner explains the purpose of its tariff proposal is to reflect a reasonable application of Item 530 shipment charges when mixed shipments are involved and at the same time maintains tariff consistency with like established tariff interpretations in related circumstances.

The Commission's Transportation Division staff presented evidence in support of the current mixed shipment rule in Note 4, Item 530 of MRT 2. In Exhibit 14 the staff presented a comparison of the shipment charges accruing under CTA's mixed shipment proposal with the like charges resulting under the established mixed shipment rule in Item 530 of MRT 2. The staff comparison is summarized below:

Table 3

A. Straight Shipments versus B. Mixed Shipments	MRT 2, Item 530 Shipment Charges	
	<u>Proposed Note 4</u>	<u>Present Note 4</u>
<u>Example 1</u>		
A. 50 pounds of Class 100 or lower	\$ 4.65	\$ 4.65
B. 45 pounds of Class 100 or lower		
5 pounds of Class 300		
50 pounds mixed shipment	13.95	5.81
<u>Example 2</u>		
A. 100 pounds of Class 100 or lower	5.95	5.95
B. 50 pounds of Class 100 or lower		
50 pounds of Class 110		
100 pounds mixed shipment	6.55	6.55
<u>Example 3</u>		
A. 900 pounds of Class 100 or lower	18.95	18.95
B. 890 pounds of Class 100 or lower		
0 pounds of Class 300		
900 pounds mixed shipment	56.85	(1)23.50
(1) Should be \$23.69		

From Table 3 it will be noted that charges for mixed shipments containing articles rated Class 125 or less remain unchanged under CTA's rate proposal. However, when the mixed shipments contain articles rated over Class 125, the staff exhibit indicates that considerable increases will occur under petitioner's suggested tariff change.

In staff Exhibit 15 a revenue comparison is made of the Metropolitan Los Angeles Area traffic under the minimum rates applicable prior to Decision No. 78264 (MRT 2 and 5) with the like revenues expected under the staff rate proposals as ultimately adopted by said decision. The exhibit shows that a reduction in revenues of only 0.7 percent is anticipated under the newly established Metropolitan Los Angeles Area rate structure in MRT 2. When the mixed shipment traffic is excluded from such revenue comparisons, the staff estimates an increase of 1.2 percent in revenues under the new Metropolitan Los Angeles Area rate structure. The staff concludes, therefore, that the mixed shipment provisions in Note 4, Item 530 of MRT 2 will not cause any appreciative reduction in the carriers' Metropolitan Los Angeles Area revenues.

In Exhibit 16 the staff makes reference to the first mixed shipment rule it introduced (Decision No. 78264) for application in conjunction with the present tariff Item 530 shipment charges. Said initial tariff proposal provided that mixed shipment charges shall be based on the highest rated commodity in the shipment. This original staff proposal, which is substantially the same as now suggested by petitioner, was subsequently abandoned by the staff in favor of its second rate proposal which is currently reflected in Note 4, Item 530 of MRT 2. This latter tariff rule was recommended by the staff when it concluded that the increases involved under their original proposal were excessive.

A tariff rule providing for the consolidation of two or more commodities subject to different rates into a single mixed shipment, instead of two or more separate shipments for each commodity, is generally established in recognition of dual carrier-shipper advantages. By combining several different commodities into one mixed shipment a carrier is afforded an opportunity to experience lower operating costs than would otherwise accrue if the same volume of freight was tendered as two or more straight shipments. Such operating cost savings are made possible through more efficient utilization of carrier's equipment and increased productivity of

carrier's direct and indirect labor. In order to encourage mixed shipment traffic a portion of carrier's "cost savings" is shared with shippers under tariff provisions authorizing the use of lower volume incentive rates based on the total weight of the mixed shipment. Shippers, on the other hand, by consolidating their commodities into a single mixed shipment, enjoy lower volume incentive rates which, in turn, reduce their distribution and marketing costs. When shippers consolidate their commodities into a single mixed shipment tariff provisions for various accessorial carrier services (such as split pickup or split delivery services) frequently become economically attractive. Tariff rules for mixed shipments are also responsive to market demands for the movement of related commodities in designated commodity groups or product mixtures.

Whenever a joint carrier-shipper co-operative effort increases the carrier's efficiency of operations and thereby lowers the carrier's costs of operations, it is generally sound transportation economics to make a reasonable portion of such "cost saving" available to the shipper through appropriate provisions in the tariff. Under no circumstance must such sharing of carrier's "cost savings" reflect an unwarranted erosion of revenues actually contemplated in the applicable rate structure as compensation to the carrier for its services. Evaluation of the present and proposed mixed shipment rule for Item 530 of MRT 2, in the light of the aforementioned criterion, will reveal whether the current mixed shipment rule in Item 530 reflects proper rate making and, if not, to what extent petitioner's proposal would improve the economic validity of said tariff rule.

It has been demonstrated that the present mixed shipment rule in Note 4 of tariff Item 530 contains several tariff characteristics that cannot be justified as proper economic rate making. For example, Note 4 of the tariff item provides a declassification feature whereby all articles in a mixed shipment rated higher than Class 125 are subject to a shipment charge not to exceed Class 125 (Tables 1, 2 and 3). Such a tariff rule is contrary to the long established classification principle which holds that whenever higher rated articles

are commingled with lower rated articles the classification characteristics of the former are generally taken on or applied to the latter. This is necessary in order to insure that the greater transportation risks established for the mixed shipment by the presence of the higher rated commodity is reflected adequately in the applicable rates.

It is to be expected that the total freight charges for the combined weight of a mixed shipment, under a properly constructed tariff rule, will exceed the individual charges for the weight of each of the different rated articles in the mixed shipment when said articles are rated as separate straight shipments. Conversely, the charges for the total weight of a mixed shipment will, except for shipper demands to the contrary, be less than the aggregate of the charges applicable to the weight of each of the different rated articles contained in the mixed shipment when said articles are rated as separate shipments. Under the declassification provision of Note 4 in Item 530 of MRT 2, Metropolitan Los Angeles Area shipment charges for a single straight shipment rated over Class 125 can frequently be defeated by the mere addition of a small quantity of freight subject to a different rating. Whenever this occurs the shipper is not only sharing in possible savings in carrier operating costs, previously referred to herein, but is also participating in revenues intended solely as compensation to the carrier for its services. To argue, as does the staff in this proceeding, that such reductions in shipment charges are common under all mixed shipment tariff rules is not persuasive. At best, such instances, if experienced at all, would strongly suggest a need for remedial adjustments in the mixed shipment tariff rule involved (see Paragraph 4, Item 90 of MRT 2).

Mixed shipments within the Metropolitan Los Angeles Area, subject to Note 4 in Item 530 of MRT 2, containing only articles rated less than Class 125 do not enjoy the same rate stop privilege accorded like mixed shipments containing articles rated Class 125 or higher. Similarly, mixed shipments within the Metropolitan Los Angeles Area, weighing 1,000 pounds or more and subject to the general mixed

shipment provisions in Item 90 of MRT 2, are not favored with the rate stop privilege involved herein. There is no apparent justification for the present rate advantage accorded Metropolitan Los Angeles Area mixed shipment traffic, rated Class 125 or higher, under the existing provisions in Note 4, Item 530 of MRT 2.

It is clear that the vulnerability of the present mixed shipment rule in Note 4 of Item 530, initially stems from its direct application to a scale of per shipment charges; whereas said tariff rule is basically designed for prior application with a scale of class rates for subsequent computation of shipment charges. Elsewhere in MRT 2, shipment charges, subject to mixed shipment rules, are determined by first applying a scale of governing class rates which may be further restricted to that class rate applicable to the highest rated commodity contained in the mixed shipment (Items 90 and 150). This latter restriction is generally the same as the staff's original proposal presented in Decision No. 78264 and re-introduced by CTA in this proceeding. It is also noted that, under the provision of Item 149 of MRT 2, shipment charges for requested "Small Shipment Service" do not apply to mixed shipments including any commodity rated above Class 100.

The staff finally explains that it does not expect Metropolitan Los Angeles Area shippers, of commodities rated above Class 125, to change their straight shipments into mixed shipments merely to take advantage of the lower mixed shipment charges readily available under the provisions in Note 4, Item 530 of MRT 2. The staff concludes, therefore, that the current provisions of Note 4 in tariff Item 530 will not materially affect carrier revenues. Such a gratuitous investiture of ineptitude upon the Metropolitan Los Angeles Area traffic community is not only highly speculative but totally unsupported by the record in this proceeding.

Under petitioner's proposed revision of Note 4, Item 530 of MRT 2, mixed shipment charges are to be computed at the rate applicable to the highest rated article in the shipment. This tariff

proposal is the same as initially proposed by the staff in Decision No. 78264 (see Exhibit 16 herein) and is substantially similar to the mixed shipment rules named elsewhere in MRT 2 for computing minimum charges on a per shipment basis. The CTA's rate proposal retains the inherent advantages of mixed shipments essential to the shippers' distribution and marketing requirements. Most important, while affording shippers an opportunity to realize lower transportation unit costs, the integrity of the underlying shipment charges named in Item 530 of MRT 2 will be preserved under the recommended revision of Note 4 in said tariff item.

The Commission finds that:

1. Minimum shipment charges applicable to the highway transportation of property within the Metropolitan Los Angeles Area, in lots of less than 1,000 pounds, are set forth in Item 530 of Minimum Rate Tariff 2.
2. Under the provisions of Note 1 in Item 530, straight shipments of commodities rated over Class 100 are subject to the shipment charge named in said tariff item multiplied by the applicable rating.
3. In connection with mixed shipments, Note 4 in Item 530 of the tariff provides that the applicable shipment charges shall be that computed at the highest rated commodity in the shipment, but not to exceed Class 125.
4. The mixed shipment provisions in Note 4, Item 530 of Minimum Rate Tariff 2 affords shippers an opportunity to experience lower total freight charges than would otherwise apply if each commodity in the mixed shipment were rated as a separate shipment.
5. The differentially lower total mixed shipment charges should enable the shipper only a reasonable opportunity to share in the potential savings in carrier's cost of operations when handling a single higher volume mixed shipment, as compared to transporting the various component parts thereof as multiple separate shipments.

6. Under the existing Class 125 maximum rating provision in Note 4 of Item 530, total charges for a mixed shipment containing one or more commodities rated above Class 125 could result in lower charges than the individual Item 530 shipment charges applicable to such higher rated commodities when rated as separate shipments.

7. The application of the Class 125 limitation in Note 4, Item 530 of Minimum Rate Tariff 2 could result in an unreasonable diversion of a portion of the shipment charges intended, under the minimum rate structure, as compensation to the carrier for its services.

8. The declassification of commodities rated above Class 125, under the mixed shipment rule in Note 4 of tariff Item 530, does not reflect established classification and/or rate-making principles and is unduly preferential to certain Metropolitan Los Angeles Area shippers.

9. Petitioner's sought cancellation of the Class 125 hold-down provision in Note 4 of tariff Item 530 would, if adopted, require Item 530 mixed shipment charges to be computed at the rating applicable to the highest rated commodity in the mixed shipment. This rate proposal is the same as originally suggested by the Commission's staff but subsequently abandoned by the staff in favor of the present rule in Note 4 of tariff Item 530.

10. The petitioner's sought revision of Note 4 of tariff Item 530 would establish, for the Metropolitan Los Angeles Area, a mixed shipment rule substantially similar to that currently provided elsewhere in Minimum Rate Tariff 2 for like movements outside said area when subject to minimum per shipment charges.

11. The petitioner's proposal will, if adopted, afford Metropolitan Los Angeles Area shippers a reasonable opportunity to enjoy lower mixed shipment charges shown to be justified by transportation conditions.

12. The increases in mixed shipment charges, that may occur under petitioner's proposed tariff rule change, reflect primarily the realization of shipment charges by the carrier, now partially diverted

to the shipper under existing tariff provisions, initially found justified by Decision No. 78264, dated February 2, 1971, in Case No. 6322, as compensation for services performed by the carrier.

13. To the extent that petitioner's proposed revised mixed shipment tariff rule may result in increased mixed shipment charges, the certification required by the Code of Federal Regulations is attached hereto as Appendix B.

The Commission concludes that Petition for Modification No. 638, in Case No. 5432, should be granted and that Note 4 in Item 530 of Minimum Rate Tariff 2 should be amended accordingly.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein, to become effective May 27, 1972, Third Revised Page 44-C, 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 to said Decision No. 31606, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. Any provisions currently maintained in common carrier tariffs which are more restrictive than, or which produce charges greater than, those contained in Minimum Rate Tariff 2 are authorized to be maintained in connection with the increased rates and charges directed to be established by ordering paragraph 2 hereof.

4. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 2 are authorized to increase such rates by the same amounts authorized for Minimum Rate Tariff 2 rates herein.

5. Common carriers maintaining rates on the same level as Minimum Rate Tariff 2 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 2 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff 2 rates herein.

6. Common carriers maintaining rates at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 2 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff 2 rates herein.

7. Tariff publications required or authorized to be made by common carriers as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than the tenth day after the effective date of this order, on not less than ten days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than May 27, 1972; and as to tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

8. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

9. In all other respects said Decision No. 31606, 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 Los Angeles, California, this 18th day of APRIL, 1972.

William L. Sturgeon Chairman
John L. Sturgeon
Sturgeon Commissioners

2 abt

William L. Sturgeon

APPENDIX A

LIST OF APPEARANCES

Petitioner: Arlo D. Poe and R. W. Smith, Attorneys at Law, and H. F. Kollmyer, for California Trucking Association.

Respondents: Anthony J. Konicki, for Pacific Motor Trucking Co.; D. A. Miller, for Huskie Freightways, Inc.; and Warren Goodman, for Ventura Transfer Company.

Protestants: Jess J. Butcher, for California Manufacturers Association; Earl W. Gerloff, for Humble Oil & Refining Company; and Roger E. Marken, for Traffic Managers Conference. ✓

Interested Parties: William D. Grindrod, for Norris Industries; Don B. Shields and Don C. Newkirk, for Highway Carriers Association; William D. Mayer, for Cannery League of California; R. C. Fels, for Furniture Manufacturers Association of California and California Lamp & Shade Association; Charles H. Caterino, for the Flintkote Company - Pioneer Division; Robert D. Stout, for Swift Edible Oil Company - Division of Swift & Company; James Quintrall, for Los Angeles Warehouseman's Association; R. G. Moon and Jerry Kerns, for Western Motor Tariff Bureau; Thomas I. Kiyohara, for Craig Corporation; W. A. Watkins, for Bethlehem Steel Corporation; John D. Maharg, by Ronald L. Schneider, Attorney at Law, for Los Angeles County; Verne K. Wochnick, for Los Angeles Area Chamber of Commerce; and Robert L. Krevtz, for National Gypsum Company. ✓

Commission Staff: Norman Haley and Ronald I. Hollis.

APPENDIX B

CERTIFICATION CONCERNING INCREASES IN
METROPOLITAN LOS ANGELES AREA MIXED
SHIPMENT CHARGES PUBLISHED IN ITEM 530
OF MINIMUM RATE TARIFF 2

1. The decision of the California Public Utilities Commission, to which this certification is appended, authorizes and directs revisions in the present tariff rule governing the determination of minimum charges applicable to certain mixed shipments transported by highway carriers within the Metropolitan Los Angeles Area.
2. The amendment of said tariff rule may result in increases. Such increases reflect the realization of revenues previously authorized the carriers as compensation for their services which are now erroneously diverted to shippers under the existing mixed shipment rule.
3. The increases resulting under the revised mixed shipment rule involves a comparatively small amount of traffic. The total amount of said increases is not susceptible to evaluation; will have little, if any, effect upon carriers operating ratios and/or rates of return; and will not reflect future inflationary expectations.
4. This appendix to the rate decision constitutes the certification required by the Code of Federal Regulations.

SECTION 2--CLASS RATES (Continued)

ITEM

SHIPMENT CHARGES--METROPOLITAN LOS ANGELES AREA
(Applies only to shipments having both point of origin and point
of destination in the Metropolitan Los Angeles Area.)
(See Notes 1, 2, 3 and 4)

(Charges on shipments weighing less than 1,000 pounds)

Weight of Shipment (In Pounds)		Charge in Cents		
Over	But Not Over	Col. A (1)	Col. B (2)	Col. C (3)
0	25	380	270	265
25	50	465	305	315
50	75	535	345	370
75	100	595	365	425
100	150	710	430	500
150	200	830	515	605
200	250	950	590	725
250	300	1040	670	830
300	400	1230	760	1010
400	500	1375	760	1075
500	600	1505	760	1175
600	700	1635	760	1320
700	800	1765	760	1475
800	900	1895	760	1615
900	†	2035	760	1765

† But less than 1,000 pounds.

6530

NOTE 1.--For commodities rated over Class 100 in the National Motor Freight Classification, the Shipment Charge shall be the charge stated above for the weight of the shipment multiplied by the applicable rating. Exception: Not subject to the charges provided in Col. C.

NOTE 2.--Charges in this item will not apply to shipments made under the provisions of Item 265, Parcel Deliveries.

NOTE 3.--For shipments having point of origin or point of destination on a wharf, the shipment charge shall be that charge determined under other provisions of this item, plus 100 cents per shipment.

NOTE 4.--(Exception to paragraphs 2, 3 and 5 of Item 90-Mixed Shipments) when provisions of this item are applied to a shipment containing commodities subject to different ratings, the entire shipment shall be considered as subject to the highest rating of any commodity in the shipment.

(1) Applicable only on shipments not subject to Cols. B and C.

(2) Applicable only on shipments subject to Pool Shipments in Item 179-1.

(E)(3) Applicable only on shipments which have both point of origin and point of destination within the area encompassed by one or more of the following Metropolitan Zones: 218, 227, 228, 229, 234, 235 and 236.

(E) Expires upon further order of the Commission.

◊ Change } Decision No.
◊ Increase }

EFFECTIVE

Correction

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