

Decision No. 80112

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation  
for the purpose of considering and  
determining revisions in or reissues  
of Exception Ratings Tariff No. 1. }

Case No. 7858  
Petition for Modification  
No. 126  
(Filed November 22, 1971)

Dennis D. Kendall, for petitioner.  
Arthur D. Maruna, H. F. Kollmeyer and A. D. Poe,  
Attorney at Law, for California Trucking  
Association; and Tad Muraoka, for IBM  
Corporation; interested parties.  
B. I. Shoda, for the Commission staff.

O P I N I O N

By this petition, as amended at the hearing herein, Ampex Corporation requests that Item 1850 of Exception Ratings Tariff 1 (ERT 1) be revised to include therein tape recorders, as described in Item 62860 of National Motor Freight Classification A-12 (NMFC A-12), with a minimum weight of 500 pounds per each complete unit.

Item 62860 of NMFC A-12 provides a less truckload rating of 110 and a truckload rating of 70, subject to a minimum weight of 15,000 pounds, for recorders or players in wooden boxes or specified packages. If an item in the classification provides specific packing requirements for the article or articles described therein and said item or tariffs making reference thereto do not provide for loose shipments thereof, Item 423 of the classification provides penalty ratings for such shipments. For articles rated Class 110 and 70, the penalty ratings in Item 423 for loose shipments are Class 350 and 200, respectively. Item 423 also requires the shipper to place its order for transportation services with the carrier at least 48 hours in advance of the shipping date to enable the carrier to make arrangements for protective padding and other such materials. In the circumstances, since neither Item 62860 nor any tariff making reference thereto provide for loose or unpacked shipments, such shipments of tape recorders are subject to said penalty ratings.

Item 1850 of ERT 1 provides that accounting card machines and copying, duplicating or reproducing machines, as described in Items 115740 and 118250, respectively, of NMFC A-12, may be shipped loose at the ratings set forth in said classification items provided the transportation is performed in van type equipment which has the necessary protective devices and material and is normally used for household goods or electrical equipment, it is a straight shipment and it has a released value of 50 cents per pound. Said Items 115740 and 118250 require that the articles be packed. If it were not for the exception in Item 1850 of ERT 1, said articles when shipped loose would be subject to the penalty ratings in Item 423 of NMFC A-12. The sought authority, if granted, would add tape recorders to Item 1850 of ERT 1, and if shipped loose or unpacked in accordance with the provisions of said item, the Class 100 and 70 ratings in Item 62860 would apply to such shipments.

Public hearing was held before Examiner Mooney in San Francisco on February 17, 1972, on which date the matter was submitted.

Testimony and exhibits were presented by the Corporate Traffic Analyst of applicant. He testified that Ampex manufactures professional and consumer tape recorders; that professional recorders, with which we are here concerned, are shipped loose without packing or crating throughout California from five Ampex Divisions, including the plant at Redwood City and have been so shipped for many years; that the professional tape recorders manufactured by Ampex generally range in value from five or so thousand to over one hundred thousand dollars and weigh from over 500 pounds to a ton or more; that many are both video and audio tape recorders; and that they are permanently installed in buildings where professional recording is being done.

The Corporate Traffic Analyst stated that prior to the expiration of the liberalized packing rule in Item 300 of Minimum Rate Tariff 2 (MRT 2), Ampex regularly shipped tape recorders loose via household goods and specialty electrical equipment carriers at the class ratings set forth in Item 62860 of NMFA-12, and that subsequent to the expiration of said Item 300 it was necessary to apply the penalty ratings in Item 423.<sup>1/</sup> He stated that said penalty ratings are inequitable for the following reasons: The packing requirements in Item 62860 of NMFA-12 were established for transportation by general commodity carriers; the transportation in issue, however, is handled by specialized electronic van carriers who have always transported the recorders loose and are familiar with the particular service required; during 1970, Ampex had no damage claims against said specialized carriers; crating of tape recorders would not only add expense for labor, materials and transportation due to additional weight, but would also impede the rapid movement of said commodities because of increased bulkiness and handling problems; most consignees do not have facilities for uncrating shipments and disposing of the packing material; the average additional cost of handling a crated shipment is \$300; generally the only customer for whom shipments are crated is the government; the carriers moving the tape recorders do not provide any extra or unusual services not normally provided for shipments of all other commodities moving under their authority; the application of the penalty ratings in Item 423 results in unduly high and unreasonable minimum rates and charges.

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<sup>1/</sup> Item 300 of MRT 2 provided in part that, subject to certain exceptions not involved herein, articles will not be subject to the packing requirements of the classification but may be shipped in any container or form which will render the transportation reasonably safe and practicable. Said item was subject to an expiration date of April 30, 1971. Decision No. 78596, dated April 20, 1971, in Case No. 5432, Petition No. 610, et al., denied an extension of said expiration date and the item expired.

As to the requirement in Item 423 that the shipper notify the carrier 48 hours before the shipping date, the Corporate Traffic Analyst pointed out that said rule is for the benefit of general commodity carriers; that the specialized carriers who move the tape recorders have all the necessary protective padding and materials which are used in their normal day to day operations; and that most of the professional tape recorders are custom made and must be shipped as soon as possible. He testified that although some interstate shipments have a released value of \$5 per pound, most shipments are generally released to a value of 50 cents per pound and insurance is carried by Ampex for the value in excess thereof. The witness stated that Ampex is the only manufacturer of professional tape recorders in California; that it is most likely the major shipper thereof in the state; and that all of its transportation of said commodity is performed by for-hire carriers.

Testimony in support of the application was presented by representatives of three carriers in the San Francisco Bay Area who transport loose, unpacked tape recorders for Ampex. They stated that they have special equipment and trained personnel for handling said transportation; that they have had no claims; that the sought rates are reasonable; and that the transportation characteristics of the loose tape recorders are similar to those of the commodities now included in Item 1850 of ERT 1.

With the exception of an objection by the Commission staff to the 50 cent per pound released value, there were no protests to the granting of the sought amendment to Item 1850 of ERT 1 set forth herein. As to the released value, the staff argued that it should be \$5 per pound. We do not agree. As the evidence points out, the loose tape recorders are transported by specialized carriers who are equipped to handle such shipments; the claims experience has been excellent; Ampex, the major shipper of professional tape recorders, insures shipments for any value in excess of 50 cents per pound; and the commodities presently listed in Item 1850 of ERT 1 are subject to the 50 cent per pound released value. Based on a review of the entire record, we are of the opinion that said amendment should be adopted.

The Commission finds that:

1. The transportation of loose tape recorders with a minimum weight of 500 pounds per each complete unit within California, under the circumstances and conditions set forth by petitioner herein, reflects more favorable transportation characteristics than contemplated in the establishment of the present applicable class ratings for said commodity named in the National Motor Freight Classification A-12.

2. The favorable transportation characteristics of the commodity in issue are similar to the other commodities currently listed in Item 1850 of the Commission's Exception Ratings Tariff 1.

3. The petitioner's sought relief would, if adopted, result in rates lower than the class rates currently applicable to the transportation of the commodity in issue in California.

4. The proposed exception ratings for loose tape recorders with a minimum weight of 500 pounds per each complete unit are reasonable and the resulting rates will be just, reasonable and non-discriminatory minimum rates for the transportation involved.

The Commission concludes that Petition for Modification No. 126, in Case No. 7858, as amended at the hearing herein, should be granted.

O R D E R

IT IS ORDERED that:

1. Exception Ratings Tariff 1 (Appendix A to Decision No. 66195, as amended) is hereby further amended by incorporating therein, to become effective July 15, 1972, Thirty-third Revised Page 3 and Second Revised Page 27-WWWW, attached hereto and by this reference made a part hereof.

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

3. Tariff publications required to be made by common carriers as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than the tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and such tariff publications shall be made effective not later than July 15, 1972; and the tariff publications which are authorized but not required to be made by common carriers as a result of the order herein may be made effective not earlier than the tenth day after the effective date of this order, and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

4. Common carriers, in establishing and maintaining the 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.

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

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

Dated at San Francisco, California, this 31<sup>st</sup>  
day of MAY, 1972.

[Signature]  
Chairman  
William Seymour J.  
Vernon L. Shroyer  
[Signature]  
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

## INDEX OF COMMODITIES

COMMODITIES	ITEM	COMMODITIES	ITEM
Acids	1200	Kernels, corn, roasted	480
Articles as described in the Governing Classification	1030-1050	Logs, compressed sawdust	600
Blankets	1800	Machines, viz.: Accounting Card Copying, Duplicating or Reproducing	1850
Carriers, shipping	270	Pads, sanitary	755
Carriers, used packages	320,321,340	Paper Articles	1640
Cartons, egg, pulp	270	Plastic film or sheeting	490
Cases, egg or egg carrier filler flats, wood pulp	450	*Recorders, tape	1850
Chemicals	1320	Returned Shipments	820
Clay, viz.: (Bentonite)	366	Salt, common (Sodium Chloride)	880
Cocoa or Cocoa Paste	480	Sheeting, plastic	490
Compounds, tree and weed killing	460	Shipments, returned	820
Confectionery	480	Sod, chopped or not chopped	860
Containers, sheet steel	1855-1857	Strontium Nitrate	870
Fertilizers	540,560,580	Sugar	940
Film, plastic	490	Wood, fuel	600
Flowers, fresh, cut	592	Wood, kindling	600

\* Addition, Decision No.

80112

EFFECTIVE

Correction

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



SECTION 2-D--PROVISIONS WHICH ARE EXCEPTIONS TO THE GC	ITEM
(Numbers within parentheses immediately following commodities shown below refer to such commodities as they are described in the corresponding item numbers of the Governing Classification.)	
ARTICLES	
<p><b>MACHINES:</b></p> <p>Business or Office, viz.: Accounting Card (115740) Copying, Duplicating or Reproducing, MOI (118250)</p> <p><b>*ELECTRICAL EQUIPMENT:</b></p> <p>Tape Recorders (62860), minimum weight 500 pounds for each complete unit.</p> <p>Commodities referred to herein may be shipped loose subject to provisions of Notes 1, 2 and 3.</p> <p>NOTE 1.--The provisions of this item apply only in connection with transportation performed in a van-type vehicle commonly used for the transportation of household goods or electronic equipment and normally equipped with pads, covers, dividers and other protective materials, tie-downs and dollies necessary for such transportation.</p> <p>NOTE 2.--The provisions of this item apply only in connection with transportation of straight shipments of the commodities referred to herein, except that with shipments of commodities named in Item 118250 of the GC there may be included (not to exceed ten pounds in weight) kits, business or office copying, duplicating or reproducing machine (108030).</p> <p>NOTE 3.--The provisions of this item apply only in connection with shipments released to 50¢ per pound per article. The bill of lading issued for any shipment accepted for transportation at this rate shall have printed on the face thereof a statement reading as follows:</p> <p>"Unless a different value is declared, the shipper hereby releases the property to a value of 50¢ per pound per article."</p>	61850
<p>           ◊ Change       )            * Addition    )            ◊ Reduction   )         </p> <p>Decision No.       <b>80112</b></p>	
EFFECTIVE	
Correction <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA SAN FRANCISCO, CALIFORNIA</div>	