

Decision No. 80113

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)

of)

PENINSULA PARCEL SERVICE, INC.,)
a California corporation,)Application No. 53255
(Filed April 11, 1972)for authority to depart from certain
minimum rates, rules, and regulations
established by the Public Utilities
Commission of the State of California.)INTERIM OPINION AND ORDER

Peninsula Parcel Service, Inc., a California corporation (Peninsula), operates as a highway permit carrier. By this application it seeks authority to transport packages weighing 100 pounds or less between points within a radius of 50 miles of San Carlos at rates which differ from, and are less than, the Commission's established minimum rates.

Applicant states that it currently transports a great number of packages, a majority of them weighing less than 10 pounds and all of them weighing less than 100 pounds each. It avers that it is not feasible to assess the minimum rates provided in Minimum Rate Tariff 2 (MRT 2) because applicant's competitors hold authority from the Public Utilities Commission to charge less than the required minimum. Peninsula alleges that MRT 2 rates were not designed for local deliveries of packages weighing less than 100 pounds and are higher than can be borne by the shippers involved. Applicant contends that its competitors enjoy a distinct economic rate advantage in that they are free to assess rates which are agreeable between themselves, on the one hand, and shippers, on the other, because of their having authority to deviate from the MRT 2 rates for shipments weighing less

than 100 pounds.^{1/} Peninsula declares that it is not its purpose to secure its competitors' traffic but only to retain that which it now has on an equal basis. Applicant asserts that it is of great urgency that the sought authority be granted in order that it may compete equally with its competitors.

Copies of the application were mailed to California Trucking Association, United Parcel Service, California Manufacturers Association, Small Business Administration and Rapid Radial Transport on or about April 11, 1972. The application was listed on the Commission's Daily Calendar of April 12, 1972. California Trucking Association protests the granting of this application.

In J. S. Aaronson, 58 Cal. P.U.C. 533 (1961), the Commission stated, "We have found that the minimum rates in Minimum Rate Tariff No. 2 are not the minimum reasonable rates for parcel delivery service by carriers wholly engaged in conducting parcel delivery operations and, hence, have exempted carriers operating solely as parcel delivery carriers from said minimum rates." In said decision it was pointed out that complete exemptions of the type theretofore granted which did not restrict such authority to those carriers which conducted only parcel delivery operations permitted the holder thereof an unfair competitive advantage in any freight operations that it may also conduct. So as to avoid such untowards effect in granting minimum rate exemption to parcel delivery carriers, the Commission in said decision made the following declaration of policy:

"We are of the opinion that henceforth, whenever any highway carrier requests authority to depart from the provisions of the established minimum rates, the order granting such relief should prescribe the minimum rates to be assessed by that carrier in lieu thereof. In the case of a parcel delivery carrier, the establishment or approval of minimum parcel rates to be assessed by it will remove the possibility of any abuse of the exemption granted."

^{1/} The Commission has exempted certain parcel delivery carriers from observing the minimum rates in Minimum Rate Tariff 2 on shipments of 100 pounds or less.

The application asserts that applicant is engaged exclusively in the delivery of parcels. Most of the packages weigh less than fifty pounds but occasionally the shippers desire to tender parcels weighing in excess thereof. In the application proposed rates for parcels weighing up to fifty pounds were set forth. On April 26, 1972, counsel for applicant furnished an amended schedule showing rates for parcels of various weights up to 100 pounds.

Applicant asserts that the relief sought is urgent in order that traffic not be diverted to competitors who hold the same type of authority sought herein. It asks that if hearing in this matter is deemed to be necessary, applicant be granted the relief sought on an interim basis pending such hearing. Protest has been received and therefore hearing should be held. The relief sought is consistent with the requirements of Aaronson. The proposed rates are similar to rates charged by other parcel carriers in the area. A delay in the granting of the authority might divert traffic to applicant's competitors. We conclude that this application should be set for hearing and that pending further order herein applicant should be granted the interim authority provided in the order that follows.

IT IS ORDERED that:

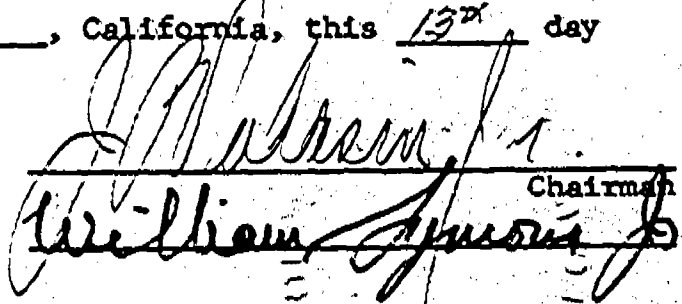
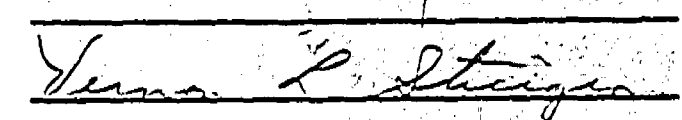

1. Public hearing shall be scheduled in the above-entitled application at a time and place to be set.

2. Pending further order herein Peninsula Parcel Service, Inc., a California corporation, is authorized to transport shipments weighing 100 pounds or less between points within a radius of 50 miles of San Carlos at rates less than and different from the established

minimum rates but not less than the rates set forth, and subject to the conditions specified, in Appendix A attached hereto and by this reference made a part hereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13th day
of MAY, 1972.


Chairman


Commissioners

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

APPENDIX A

MINIMUM RATES TO BE CHARGED BY
PENINSULA PARCEL SERVICE, INC.

Application

These rates are applicable only to the transportation of shipments weighing 100 pounds or less between points within a radius of 50 miles of San Carlos, California.

Rules

Maximum weight per package, 100 pounds.

Maximum size per package, 108 inches in length and girth combined.

Minimum charge for a package measuring over 84 inches in length and girth combined will be equal to the charge for a package weighing 34 pounds.

C.O.D. Delivery, an additional charge of 65 cents each.

Address correction, an additional charge of 65 cents each.

RATES IN DOLLARS PER PACKAGE OR PARCEL

<u>Weight Not to Exceed</u>	<u>Rate</u>	<u>Weight Not to Exceed</u>	<u>Rate</u>	<u>Weight Not to Exceed</u>	<u>Rate</u>
2 lbs	\$.50	36 lbs	\$1.67	70 lbs	\$2.97
4 "	.55	38 "	1.74	72 "	3.04
6 "	.62	40 "	1.80	74 "	3.12
8 "	.70	42 "	1.88	76 "	3.20
10 "	.78	44 "	1.96	78 "	3.27
12 "	.84	46 "	2.04	80 "	3.35
14 "	.90	48 "	2.12	82 "	3.43
16 "	.97	50 "	2.20	84 "	3.50
18 "	1.05	52 "	2.28	86 "	3.58
20 "	1.12	54 "	2.35	88 "	3.65
22 "	1.19	56 "	2.43	90 "	3.73
24 "	1.27	58 "	2.51	92 "	3.80
26 "	1.35	60 "	2.59	94 "	3.88
28 "	1.41	62 "	2.67	96 "	3.97
30 "	1.47	64 "	2.75	98 "	4.06
32 "	1.54	66 "	2.82	100 "	4.15
34 "	1.60	68 "	2.90		