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ORIGINAL

Decision No. 82922

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SERVICE DELIVERY COMPANY, INC., for  
authority to deviate from the  
minimum rates, rules, and regulations  
of Minimum Rate Tariff No. 2,  
pursuant to the provisions of  
Section 3666 of the Public Utilities  
Code.

Application No. 54786  
(Filed April 5, 1974)

OPINION AND ORDER

Service Delivery Company, Inc. operates as a highway permitted carrier for the transportation of general commodities between points within a radius of 100 miles from San Jose, California. Applicant's present operations are almost exclusively limited to the transportation of packages and parcels weighing less than 100 pounds. Applicant requests authority to depart from the governing provisions of Minimum Rate Tariff 2 to the extent set forth in Appendix A attached to the application when transporting shipments weighing 100 pounds or less between points between the counties of San Francisco, San Mateo, Santa Clara, Santa Cruz, Monterey, San Benito, Alameda, and Contra Costa.

The application makes reference to several parcel delivery carriers with whom applicant competes that have been granted the same minimum rate exemption authority sought herein. It is urged that applicant be accorded an equality of competitive opportunity essential to the stability and continuity of its services by granting the requested authority.

It is contended that the level of rates prescribed in Minimum Rate Tariff 2 are too high for parcel delivery service. Applicant submits that the Commission has historically recognized that the established minimum rates are not designed for parcel delivery service. The application states that the requested relief is consistent with the Commission's position as expressed in J. S. Aaronson (1961) 58 CPUC 533:

"The ultimate issue herein is whether the petitioner should be exempted from the requirements of Minimum Rate Tariff 2. A granting of such exemption presupposes that the established minimum rates are not suitable, reasonable, or proper for the operations by petitioner. . . . We have found that minimum rates in Minimum Rate Tariff 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. . . . Exemptions were first granted in 1939 by Decision No. 31606. Those carriers granted exemptions were common carriers maintaining tariffs naming the rates they assessed. Since that time, exemptions have been granted to highway permit carriers who do not maintain schedules of rates. Ordinarily the operating permits of those carriers have been restricted to the transportation of shipments not exceeding 100 pounds... It appears that such restriction is not sufficient to restrict the operation to a parcel service at parcel rates.

". . . 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." (Emphasis supplied.)

The minimum rate exemption authority sought by Service Delivery Company, Inc., fully conforms with the criteria set forth in the Aaronson decision. Moreover, if the sought relief is granted, applicant would then enjoy an equality of competitive opportunity with other parcel delivery carriers serving the same general area.

The certificate of service indicates that a copy of the application was served upon the California Trucking Association who, in turn, has advised the Commission that it has no objection to ex parte consideration of this matter. The application was listed on the Commission's Daily Calendar for April 8, 1974. No protests or requests for public hearing have been received.

The Commission finds that:

1. The rates, rules, and charges named in Minimum Rate Tariff 2 are not appropriate, reasonable, or otherwise proper for the parcel delivery service performed by Service Delivery Company, Inc.
2. The sought exemption from the otherwise governing provisions of Minimum Rate Tariff 2 for the transportation of shipments weighing 100 pounds or less at rates and charges not less than those specified in Appendix A hereof has been shown to be justified.
3. The minimum rate exemption authority as proposed by applicant fully conforms with the criteria prescribed in J. S. Aaronson (1961) 58 CPUC 533.

The Commission concludes that Application No. 54786 should be granted. Since transportation conditions might change, the authority to be granted by the order herein should be made subject to an expiration date of December 31, 1974. A public hearing is not necessary.

IT IS ORDERED that:

1. Service Delivery Company, Inc. is authorized to transport shipments weighing 100 pounds or less at rates less than and different from the otherwise governing minimum rates to the extent and in the manner set forth in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire on December 31, 1974 unless sooner modified or canceled by order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup> day of MAY, 1974.

Lester L. Stinson  
President  
William Synovis, Jr.

[Signature]  
[Signature]  
Commissioners

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

APPENDIX A  
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Minimum Parcel Delivery Rates  
Service Delivery Company, Inc.

Application

Rates are applicable only to the transportation of shipments weighing 100 pounds or less between points between the counties of San Francisco, San Mateo, Santa Clara, Santa Cruz, Monterey, San Benito, Alameda, and Contra Costa.

Rules

1. The rates named herein do not apply to shipments weighing 100 pounds or less when transported within the San Francisco Territory, as described in Minimum Rate Tariff 2, and consisting of property transported to or from a terminal of a passenger stage corporation and having a prior or subsequent movement as an express shipment.
2. Rates in this appendix apply only when the released or declared value is 50 cents per pound or less, and the maximum value per package or article is \$100 or less.
3. The provisions of Item 250 - Collection of Charges, Minimum Rate Tariff 2, are not applicable.
4. Shipments transported under rates named in this appendix are subject to all provisions of Minimum Rate Tariff 2, except as provided herein.
5. The rates named in this appendix do not apply to same-day service.

Rates

Schedule 1 - Proposed rates for packages weighing 50 pounds or less.

Schedule 2 - Proposed rates for packages weighing more than 50 pounds but not more than 100 pounds.

APPENDIX A  
Page 2 of 2Rates (Cont'd.)SCHEDULE 1Rates for Packages Weighing 50 Pounds or Less

<u>Weight</u> (In Pounds)	<u>Rate</u> (In Dollars) (Per Package)	<u>Weight</u> (In Pounds)	<u>Rate</u> (In Dollars) (Per Package)
1	.46	26	1.46
2	.50	27	1.50
3	.54	28	1.54
4	.58	29	1.58
5	.62	30	1.62
6	.66	31	1.66
7	.70	32	1.70
8	.74	33	1.74
9	.78	34	1.78
10	.82	35	1.82
11	.86	36	1.86
12	.90	37	1.90
13	.94	38	1.94
14	.98	39	1.98
15	1.02	40	2.02
16	1.06	41	2.06
17	1.10	42	2.10
18	1.14	43	2.14
19	1.18	44	2.18
20	1.22	45	2.22
21	1.26	46	2.26
22	1.30	47	2.30
23	1.34	48	2.34
24	1.38	49	2.38
25	1.42	50	2.42

SCHEDULE 2Rates for Packages Weighing More Than  
50 Pounds but not More Than 100 Pounds

Packages weighing more than 50 pounds but not more than 69 pounds:

44 cents per package, plus  
4 cents per pound.

Packages weighing more than 69 pounds but not more than 100 pounds:

44 cents per package, plus  
4.2 cents per pound.