

ORIGINAL

Decision No. 83194

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)
transportation of used household)
goods and related property.)

Case No. 5330
Petition for Modification No. 52
(Filed July 28, 1970;
amended September 3, 1970,
March 23, 1971,
November 21, 1972,
May 8, 1973, and
July 12, 1973)

(Appearances are listed in Appendix A)

O P I N I O N

This petition by California Moving and Storage Association, Inc. concerns modifications of the rates and rules in Minimum Rate Tariff 4-B governing long-distance moving by household goods carriers. Following 16 days of hearing, commencing December 5, 1972 and extending to July 10, 1973, before Examiner Thompson in San Francisco and Los Angeles, the matter was taken under submission subject to briefs and the filing of a late-filed exhibit. Late-filed Exhibit 73 was received on August 30, 1973 and briefs were filed on October 10, 1973.

Household goods carriers are regulated by the Commission pursuant to the Household Goods Carriers Act (Division 2, Chapter 7 of the Public Utilities Code). The purpose of such regulation is to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just and reasonable rates for transportation by carriers operating on such

highways; and to secure full and unrestricted flow of traffic by motor carriers over such highways which will adequately meet reasonable public demands by providing for the regulation of rates of all transportation agencies, so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public (Pub. Util. Code, Sect. 5102). In the implementation of that purpose the Commission is required to establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by any household goods carrier. Section 5191 of the Act provides that in establishing or approving such rates the Commission shall give due consideration to the cost of all the transportation services performed, including length of haul, any additional transportation service performed, or to be performed, to, from, or beyond the regularly established termini of common carriers or of any accessorial service, the value of the commodity transported, and the value of the facility reasonably necessary to perform the transportation service. The procedure by which the Commission determines just, reasonable, and nondiscriminatory minimum rates in accordance with the statutory mandate is to first consider the services involved, and particularly the typical requirements of shippers in connection with such services, then from all of the data before it of the various types and classes of carriers the Commission determines the relevant cost and value data appropriate to providing the most efficient and economical service.^{1/} The cost-finding procedure is to ascertain the type of carrier best suited to provide efficient and

^{1/} See California Manufacturers Association v Public Utilities Commission (1954) 42 C 2d 530.

economical service and then within that class of carrier determine the costs of a reasonably efficient carrier of performing a typical service, with typical equipment and facilities necessary to provide that service, and under conditions typically encountered by carriers of that class in actually performing the service.^{2/}

The minimum rates with which we are here concerned govern the transportation of uncrated used household goods and personal effects, and uncrated used office, store, and institution furniture, fixtures and equipment, over the public highways between all points in the State of California. Although the minimum rates are applicable to such transportation performed by highway contract carriers and radial highway common carriers, the dominant class of carrier engaged in this transportation is the household goods carrier. The operations and the businesses conducted by household goods carriers vary widely and may cover a wide range of services related more or less to the field of household goods, such as international and domestic freight forwarding, continental or nationwide transportation by motor vehicle, long-haul transportation within the State, local moving, packing and crating, storage in transit, permanent storage, and operating retail stores. Some companies, such as the Bekins Company, through their subsidiaries, engage in all of the aforementioned activities. Others offer all of the services to the public but perform only some of them and act as booking agents for other companies with respect to the other services. Other companies only offer one or a few of the various services.^{3/}

^{2/} More extensive discussion of the procedures in cost-finding and minimum ratemaking in connection with household goods carriers may be found in the following decisions in Case No. 5330:

Decision No. 53520 dated July 31, 1956.

Decision No. 57695 dated October 13, 1959.

Decision No. 65521 dated June 4, 1963.

Decision No. 75995 dated August 5, 1969.

^{3/} The listings under the heading "Moving & Storage" in the yellow pages of any metropolitan telephone book provide examples of the services offered by the companies and their booking agent affiliations.

Minimum Rate Tariff 4-B defines local moving as transportation for distances not exceeding 50 miles, and long-distance moving as transportation for distances over 50 miles. From a functional standpoint household goods carriers operating within California may be classified into three general categories: (1) one that specializes in transporting shipments of all sizes between any points in California for distances over 75 miles which we shall term a van line; (2) one, which we shall call a moving and storage company, that operates a storage facility and specializes in transporting shipments within a radius of that facility, the radius depending upon the size of the shipment, and acts as agent for a van line with respect to shipments beyond that radius; and (3) one engaged primarily in local moving, and in some cases restricting operations to certain specialized types of movement, which we shall term a local mover. The functional classification exists even in connection with a single corporation. Bekins Moving and Storage Company, a corporation, conducts household goods carrier operations throughout California. Its headquarters office is in Los Angeles. Its Long-Distance Operations Division is headquartered at Montebello and its Moving and Storage Division is headquartered at Glendale. The Moving and Storage Division has some 20 branch offices in the State of California located in the population centers. Each branch office may have from one to seven moving and storage facilities it supervises in its immediate area. For operational purposes Bekins has divided the State into two zones, the dividing line being a line approximately through Santa Maria and Fresno. In each zone there is a dispatch coordinator. When a branch office books a shipment that is a local move within the area of responsibility of the branch office it handles the shipment itself. If the destination is within the branch's zone but within the

area of supervision of another branch, it is referred to the zone dispatch coordinator who determines which branch's equipment will transport the shipment or whether the shipment should be referred to the Long-Distance Operations Division for movement on its equipment. If it is an interzone shipment it becomes the responsibility of the Long-Distance Operations Division. From a functional standpoint the branches are moving and storage companies and the Long-Distance Operations Division is a van line.

Lyon Van and Storage Company is organized along somewhat similar lines. Its branch offices may transport shipments for distances up to 75 miles; shipments for greater distances are referred to its Long-Distance Division.

Most independent moving and storage companies are agents for van lines that operate interstate, intrastate in California, or both. For example, Allied Van Lines and United Van Lines operate both interstate and within California. Mayflower Transit Company and North American Van Lines operate interstate. Maycal, Inc. and Nacal, Inc. operate as van lines only within California.^{4/} The agencies of the moving and storage companies in some instances call for the agent to turn over to the van lines all shipments going beyond a specified distance. In the case of agents for Allied Van Lines the distance is 250 miles, for United Van Lines it is 200 miles, and for Nacal it is 150 miles. In some other instances the agencies do not require the moving and storage company to turn over particular

^{4/} From the evidence, and from public records maintained by the Commission, it appears that Maycal, Inc. is the California intrastate counterpart of Mayflower Transit Company, and Nacal, Inc. is the California intrastate counterpart of North American Van Lines.

types of shipments to the van line. That type of arrangement generally occurs in connection with agents for Bekins, Lyon, and Maycal. Moving and storage companies usually have household goods carrier permits authorizing statewide operations. Virtually every long-distance move in California is booked by a moving and storage company, and ordinarily the booking is made well in advance of the date the shipment is to be picked up. Those circumstances permit the moving and storage company to determine whether it will undertake to perform the transportation itself or will book the shipment for the van line for which it is agent. The business of transporting household goods has the unusual aspect of it being very common for an agent to be in direct competition with its principal. Considerations by the moving and storage company influencing a decision of whether it will undertake the transportation include: (1) Does it involve a "national account"?^{5/} (2) Does the moving and storage company have equipment idle for the day of the move? (3) How much gross revenue is involved in that moving job and what are the probabilities of backhauls? (4) What is the distance and time involved in the job?

^{5/} A national account is a corporation that arranges for the moving of household goods and personal effects of its employees as well as the moving of its office equipment and fixtures. National accounts are considered by household goods carriers to be very desirable, not only because of the volume and recurrence of bookings, but also because the shipments ordinarily involve more services and hence greater gross revenues than shipments tendered by individuals. Assertedly there is a propensity for a householder having his cost of moving being paid for by his employer to have the carrier pack and transport everything including books, potted plants, and the canned goods in the pantry cupboard. The individual paying his own cost of moving is likely to be more discerning respecting the services he wishes the carrier to perform.

The carrier ordinarily considers satisfying the needs of his national account to be of primary importance even though handling an individual shipment may result in an out-of-pocket loss. With respect to prospective moves to be tendered by other than national accounts, the moving and storage company estimates the revenues and out-of-pocket costs that would be incurred by handling the move, considers whether additional revenue traffic could be consolidated with the particular move, and compares the net revenue that would be generated with the commission revenue it would receive from booking the move with the van line for which it is agent. As may be expected from such considerations, moving and storage companies transport a substantial number of large shipments of heavy weights for long distances between metropolitan areas, and very few small shipments of light weights between points not located in the metropolitan areas. Indeed, the testimony discloses that many, if not most, of the moving and storage companies either refuse tender of small shipments or discourage tender by quoting charges substantially in excess of those provided under the minimum rates. The evidence shows that the preponderance of lighter weight shipments are transported by Bekins, Lyon, and the van line carriers. That division of traffic results from differences in the methods of operations of the van line carrier from the operations by the moving and storage company and the cost considerations involved in each type of operation. That division of traffic has been conspicuous for many years (see Inv. Minimum Rates on Used Household Goods (1950) 50 CPUC 232 at 233).

The operation of the moving and storage company is typically a radial type operation in which each shipment ordinarily is taken from origin to destination without consolidation with other shipments on the equipment. Shipments are handled and motor vehicle equipment is dispatched in the same way for shipments going beyond 50 miles (long-distance moving) as they are for shipments transported for less than 50 miles (local moving).^{6/} Backhauls are not typical for that type of operation, although the moving and storage company may shop around with other carriers to find one and may get lucky. That is one of the considerations involved in the moving and storage company's deciding whether to turn over a shipment to a van line principal or to haul it itself. The bulk of the moving and storage company's business being shipments that are transported one at a time and for relatively short hauls, typical equipment consists of van trucks and lightweight semitrailers less than 30 feet in length. That type of equipment is the more economical and efficient for that service.

The van line does not operate radially from a base. Its equipment operates between terminal points over a more or less general routing and picks up and delivers shipments along that general routing. The van line carrier contemplates having more than one shipment on the equipment at any given time. Operations along the routing are conducted in the same manner in both directions. Optimum efficiency

^{6/} It is to be noted that in the development of costs of a reasonably efficient carrier in conducting local moving for the purpose of determining reasonable minimum rates the carriers studied, in the main, have been moving and storage companies.

of operations in this case requires equipment that can carry the largest possible volume of household goods on the public highways. As may be seen, the successful operation of a van line requires a steady volume of shipments and efficiency in the dispatch and coordination of equipment to keep the vehicles loaded to capacity as much as possible over the general routing. Because of the larger equipment transporting heavier loads one can anticipate that the equipment costs and the running costs will be greater for the van line equipment than for the equipment used in the moving and storage operation. One can also expect that many indirect expenses, such as communication expense and sales expense, will be greater for the van line operation than for the moving and storage operation because of the necessity of coordinating the movement of shipments over routings involving long distances and because of the booking of shipments by agents.

From the standpoint of cost per vehicle mile the moving and storage company provides the more economical operation; however, because the moving and storage operation is characterized as having unladen equipment for better than half of the vehicle miles and the van line operation contemplates having loaded or partially loaded equipment over most of its route, the cost per ton-mile should be lower for the van line operation on the longer hauls.

It would seem that a reasonable approach to the establishment of reasonable minimum rates for the transportation of household goods would be to ascertain typical costs for a moving and storage company operation and for a van line operation for various sizes of shipments for various lengths of haul and to establish rates based upon the more economical operation. For purposes of illustration we will assume that a reasonably efficient van line carrier operating over a typical route from its base to a return thereto has an average

of 7,000 pounds on its equipment for each of the miles traversed and that its typical directly assigned line haul expenses amount to 38 cents per vehicle mile. We will also assume that the directly assignable costs for a 10,000-pound shipment regardless of length of haul (e.g., loading and unloading) amount to \$300; and that typical indirect or overhead expenses, including communications and sales, are 50 percent of the directly assignable expenses. We will also assume that a reasonably efficient moving and storage company typically has directly assignable line haul expenses amounting to 35 cents per mile, directly assignable costs of a 10,000-pound shipment regardless of length of haul of \$300, and a ratio of indirect expenses to directly assigned expenses of 40 percent.^{7/} Equating the assumed typical costs of moving a 10,000-pound shipment by a van line operation against those for a moving and storage operation shows that the latter is the more economical operation for distances of 181 miles or less and that the van line operation is more economical for distances over 181 miles.

^{7/} The assumed costs are arbitrary; however, they do have reasonable relationships to the cost estimates presented by the Commission staff and by petitioner. For example, staff and petitioner estimated the average load on equipment transporting shipments 600 miles is 7,300 pounds within Region 1 and 7,000 pounds when transported between Region 1 and Region 2.

Petitioner and the Commission staff did not take that approach in cost finding. An associate transportation engineer of the Commission's Transportation Division was furnished a list by his supervisors setting forth the names of 33 entities holding household goods carrier permits^{8/} and was directed to make a study of the cost of transporting used household goods and related items on a distance basis by motor vehicles within the State of California from the operations of the listed 33 carriers. The engineer found that two of the listed carriers, both van line operators, have headquarters outside of the State and, because the time for completion of the study was short, was unable to examine records of those carriers for data. Two listed carriers were local movers that did not perform any hauling under distance rates. One listed carrier was engaged primarily in the business of selling used furniture. Data utilized by the engineer were taken from the remaining 28 carriers of which three, and possibly one other, engage in van line operations. The engineer took such data that he could obtain from each of the carriers; in some instances the books and records of certain carriers did not readily provide the information that he was seeking. For example, he took performance data from 25 of the carriers, but his estimate of indirect expense ratio reflects data from only seven. In general, the engineer's estimates reflect averages. His estimate of driver labor

^{8/} While the record is not clear on this point, it would appear that at some time in the past the Transportation Division and California Trucking Association determined that a cross section of household goods carriers should be determined as a sample to be used for obtaining statistical data for the Commission's Data Bank. A recognized statistical method of random sampling was used to obtain a list of household goods carriers that would be representative of the carriers as a whole. The list of 33 carriers consists of the names of the carriers that were randomly selected and that were still in business at the time of the engineer's assignment, plus Bekins Moving and Storage which was not one of the carriers in the random sample.

cost per hour used in developing his estimated costs for both within Region 1 and between Region 1 and Region 2^{9/} consists of the average of the prevailing scales (in most instances the union scales) of driver's wages and benefits in each county in Region 1 weighted in accordance with the population of each such county. That approach assumes that household goods traffic between points is proportional to the population, which appears to be a reasonable assumption. It also assumes that the driver who transports the move will be paid the wages prevailing at the point of origin, or destination, of the shipment - which does not appear to be a reasonable assumption because it disregards the van line carrier operation where the driver is paid one scale of wages but may pick up and deliver shipments in virtually every county in the State on his route.

In making his estimates of performance (average loads per trip, average weights per shipment, etc.) the engineer took data from 25 carriers. The data that he utilized were taken on a selective basis. His aim was to obtain from each carrier, insofar as was possible, tours of a vehicle from its base to return that had shipments in various mileage brackets and in various weight brackets so

9/ Region 1 is described by metes and bounds in Item 220 of Minimum Rate Tariff 4-B. The area is generally that included by lines drawn from the Golden Gate Bridge to Novato; thence through Sacramento to the Sierra foothills; thence south to Tehachapi and along the highway to Tunnel Station north of Los Angeles; thence along the San Gabriel Mountains to Cajon Pass; thence on a line tangent to the easterly city limits of San Bernardino, Riverside, and San Diego to the Mexican Border; thence north along the coastline of the Pacific Ocean to the Golden Gate Bridge. Region 2 consists of all of the State of California not included in Region 1.

that his composite would contain shipments for each weight bracket and each mileage bracket included in his study. The number of months of freight bills examined for each carrier varied from one to eleven, depending upon the number of freight bills issued by the carrier and the ease with which the tours of the vehicles transporting shipments could be traced by means of tachometer cards, driver's logs, time cards, and other records. For example, performance data were taken from Bekins' Montebello office from one month's records, whereas performance data were taken from ten months' records at Bekins' San Francisco office. The engineer testified that the Montebello office had a large volume of long-distance transportation so that one month's operations were sufficient to provide data that he wanted for the various lengths of haul and weights of shipments. The San Francisco office records concerned mainly local moving, and a large volume of records had to be checked so that he could find a reasonable sample of performance with respect to the various categories of lengths of haul and weights of shipment in his study. Under the Bekins operations, described earlier herein, the San Francisco branch could not engage in any move over 50 miles (because of the nearness of other branch offices) unless it was authorized by the zone dispatch coordinator, in which case one would anticipate favorable circumstances such as backhaul. The manner in which the data were selected implies an inherent bias. Data were taken from 27 offices of 25 carriers from records totaling 149 months of operations of which only one month's operations of each of the only two van line type carriers were included. As was stated hereinbefore, the moving and storage company is selective of the shipments it will haul itself and will turn others over to the van line for which it is agent. Where it was necessary to examine records of six to eleven months of operations in order to find a reasonable sample of a carrier's performance in

handling various sizes of shipments for various lengths of haul, there is a reasonable inference that the carrier engaged mainly in certain types of moves (such as shipments weighing over 5,000 pounds for distances of less than 150 miles), and that other long-distance traffic was sporadic (such as when the carrier had opportunity to consolidate loads or obtain a backhaul). The manner in which the data were selected indicates that the sample taken from such carriers does not represent typical performance by those individual carriers.

The engineer attempted to obtain a sample of the performance of each carrier when that carrier transported shipments of particular weights for various distances without consideration of the composition of the traffic. The estimates in the cost study reflect the average of the sample performance of all 25 carriers in each of the various categories. In other words, the estimate of average loads for distances of 250 miles could reflect the same number of experiences for Bekins Long-Distance Division and for Nacal, Inc., as for each of the other carriers (which conduct moving and storage operations) even though the other carriers individually may handle such shipments only once or twice every two or three months and Bekins Long-Line Division and Nacal handle them daily.

For the purpose of establishing minimum rates we desire to consider the costs of a reasonably efficient carrier of the type best suited to provide efficient and economical service, with typical equipment and facilities necessary to provide that service, and under conditions typically encountered by carriers of that class in actually performing the service. Taken as a whole the estimates do not reflect those criteria.

This is corroborated by the end result of the cost study consisting of estimates of the costs in cents per 100 pounds of transporting shipments in various weight groups for several lengths of haul where a curve fitted to the estimated costs shows no logical progression. Because the van line carriers do participate in most of the traffic going over 400 miles, and particularly the lighter weight shipments, it is probable that the performance used by the engineer in connection with the longer distance moves would conform fairly closely to operations conducted by the van lines. It is to be noted that the engineer testified that most of the data in that category were taken from the records of Bekins Long-Distance Operations Division because of the dearth of information in those categories in the records of the other carriers. For reasons which will be stated hereinafter, a schedule of just, reasonable, and nondiscriminatory minimum rates for long-distance moving may be determined without the benefit of a current analysis of reasonable and typical costs of performing long-distance moving for distances less than 400 miles.

Petitioner's estimates of costs were developed by using the engineer's cost study and substituting values in the following categories of expense: driver and helper hourly labor cost, ratio of indirect expenses to direct expenses, service lives of vehicle equipment, historical cost of diesel tractor equipment, and expense for protection against liability for bodily injury and property damage.

The engineer's hourly labor cost estimates are based upon provisions of union contracts in the counties in Region 1, except that where provisions of such contracts entered into in 1973 reflected increases in wages and fringe benefits in excess of 6.2 percent over previous wages and benefits, only amounts reflecting a 6.2 percent increase were included. This was done because of guidelines established by the Price Commission under the Economic Stabilization Act of 1970. Petitioner's estimates considered provisions of union contracts in counties in Region 1 generally effective July 1, 1973. Regulation of wages and prices under the Economic Stabilization Act ceased April 30, 1974. In any event the Cost of Living Council had approved the increases in the July 1, 1973 contracts entered into by the Brotherhood of Teamsters. Petitioner's estimates reflect labor costs as of a later date than do the engineer's. For purposes here petitioner's estimates are more suitable.

The service lives of equipment utilized by petitioner are those last considered and approved by the Commission in the establishment of long-distance rates. The engineer increased those service lives by two years. He did not make a study of the service lives of equipment but adopted a standard that had been utilized by the staff in proceedings involving minimum rates for transportation of general commodities. He considered that standard to be reasonable for household goods carrier equipment because he had observed power equipment being utilized by household goods carriers that was well over eight years old and trailer equipment well over ten years old. As indicated above, our consideration of the costs presented herein will concern those for distances in the category of 400 miles and greater. The evidence herein shows that shipments for those distances are typically transported in van line operations.

There is nothing in this record concerning the service lives of equipment used in van line operations. It was shown that the average age of equipment operated by Bekins in both van line and moving and storage operations (472 units) is 5.5 years. By reason of the nature of the operations, equipment used in van line operations will be operated more miles per year than equipment used in moving and storage company operations. We are also cognizant that carriers often place into short-haul operations equipment that may be too worn for long-haul operations. In the circumstances, we consider that the service lives for such equipment heretofore adopted by the Commission and reflected in petitioner's estimates to be more suitable.

With respect to the estimates of indirect expense, the staff's estimate is based upon the accounts of seven carriers engaged primarily in moving and storage company operations. For distances of 400 miles or more the engineer's estimated indirect expense ratio is 39 percent. Petitioner's estimate for those distances is 49 percent. The indirect expense ratio of Bekins (van line and moving and storage company operations) is 49.74 percent and for Lyon is 50.8 percent. Petitioner's estimate appears to be more typical of the van line operations.

The respective estimates in the above three categories of costs are mainly responsible for the differences in the estimates of petitioner and the engineer in the costs of transporting household goods for distances of 400 miles or greater. For the purposes here we will utilize petitioner's estimates as a foundation in our consideration of the costs of transporting used household goods.

Petitioner's estimates of the cost of transporting shipments 400 miles or more are somewhat higher than would be indicated for van line operations. First of all, the method of developing estimates of driver labor cost by weighting the union rates of pay effective in each county in Region 1 does not appear to reflect the wages and benefits of line haul drivers engaged by van line operators. The estimated expense for insurance against liability is overstated. Petitioner's estimate of the historical cost of diesel tractors appears to be overstated. It used a figure consisting of an average historical cost of diesel tractors in all types of service assembled by the Commission's Data Bank. While we do not entirely accept the engineer's lower estimate because of the small number of units (11) that he considered, the data that he used included a number of units operated by Bekins. That evidence, together with the fact that the price of tractors ordinarily varies directly with the power of the unit, and the power required is directly related to the gross weight of line haul operations, and the fact that gross weights of equipment used in household goods carrier line haul operations are below the average gross weight hauled in truck transportation generally, indicates that an average historical cost of diesel tractors used in household goods carrier operations would be somewhat less than the trucking industry average. Additionally, it would appear that the estimated average load in line haul operations is somewhat less than can reasonably be expected for van line operations. The engineer's estimate for distances of 400 miles, adopted by petitioner, considers a number of nontypical moving and storage company operations. While those nontypical operations no doubt include traffic in both directions, nevertheless it is reasonable to deduce that the equipment utilized in many instances had capacities somewhat less than that typically

used in van line operations. The evidence does not permit us to determine with exactitude the precise amount of the overstatement of petitioner's estimates of the cost of transporting shipments 400 miles or more; however, it is readily apparent that reasonable estimates of that cost would be greater than those of the engineer.

We now consider other ratemaking factors. The minimum rate structure provides for assessing hourly rates for transportation of shipments not exceeding 50 miles. A minimum rate structure that does not provide for an orderly progression of charges paid by the shipper (for example, a reasonable comparison of the charges for identical shipments going 45, 49, 51, and 55 miles) would be unreasonable and discriminatory. In such circumstances in the development of a reasonable schedule of distance rates it is necessary to provide for a smooth and orderly progression of rates through all distances. It is a fact that in actual transportation of household goods many shipments have line haul movements for distances in excess of the direct mileage between origin and destination to which the rates apply. For example, a shipment transported by Bekins from the San Francisco Bay area to San Fernando would probably move from point of origin to San Francisco and thence to Montebello and then back to San Fernando. The actual cost to Bekins may be greater for transporting a shipment from a point in the Bay Area to San Fernando than it would for an identical shipment from the same point to Whittier; however, a reasonable distance rate structure, and the prohibitions in the Constitution and the statute regarding greater charges for shorter distances than for longer distances over the same line or route for the transportation of the same kind of property, indicates lower charges for the San Fernando shipment than for the Whittier shipment.

In determining whether the rates will return to a reasonably efficient carrier its cost of operations and a reasonable return, it is necessary to consider the rate structure as a whole and not merely compare an estimated cost of transporting a shipment a particular distance with the revenues that result from the application of rates for that distance.

The present minimum distance rates provide for two schedules of rates: one applicable to shipments transported within Region 1, and the other applicable to shipments transported within Region 2 or between Region 1 and Region 2. That structure of rates was established because of the high volume of household goods traffic within the corridor extending from San Francisco and Sacramento to San Diego along the coastal and central valley routes compared to traffic throughout the rest of the State. It was estimated that 91 percent of the population of California reside within Region 1. The Commission staff proposes eliminating the Region 2 rates and adopting the Region 1 rates for statewide application. Petitioner opposes that proposal.

The volume of traffic within Region 1 provides the van line carriers with greater load factors. We take note that Bekins Long-Distance Operations Division and Lyon Moving and Storage Van Line Division operate daily schedules between the San Francisco Bay area and the Los Angeles metropolitan area. The greater load factors resulting from the volume of traffic in the corridor result in lower costs per 100 pounds than would otherwise obtain. We do not accept the staff's proposal for the complete elimination of the Region 2 rates.

We have stated that a structure of reasonable minimum rates requires an orderly progression of charges on identical shipments for all distances. There are three scales of minimum hourly rates for distances not exceeding 50 miles. The Territory A hourly rates, which are the highest, apply within the San Francisco Bay area; the Territory B rates, which are lowest, apply in the counties in the central valley extending from Fresno in the south to Yolo in the north, and the northern coastal counties extending from Marin to the Oregon border; the Territory C rates apply within the balance of the State. Region 1 includes the principal portions, in terms of area and population, of Territories A and B as well as the area in Territory C wherein the majority of the population of the State resides (Los Angeles, Orange, and San Diego Counties). The differences in the hourly rates result from differences in the driver labor costs of moving and storage companies in each territory, and the minimum rates for the territory are based almost entirely upon the cost of performing transportation within the territory, of which the predominant cost factor is labor. On identical shipments the charges under the hourly minimum rates are the same for Petaluma as for San Rafael, the same for Eureka as for Sacramento and Fresno, and the same for Redding as for Bakersfield, Los Angeles, and San Diego. Petaluma, Eureka, and Redding are in Region 2 and the other cities are in Region 1. The vast preponderance of the traffic of heavy shipments for distances of 100 miles or less is moved in moving and storage company operations which are substantially the same as for local moving. That has been shown to be the more economical service. Where the justification for having two schedules of distance minimum rates consists solely upon load factors being more favorable in the corridor because of the volume of traffic, and load factors in moving and storage operations

are not affected by traffic volume because backhauls and consolidation of heavy shipments are not typical for those operations, there appears to be little or no justification for having different rates for Region 1 and Region 2 for those short distances. If the rates for the short distances are to be the same, and should progress in an orderly manner from the local moving rate, the question arises as to the level of those rates considering that there are three different scales of hourly rates. The Territory B rates are the lowest, the Territory C rates are slightly higher than the Territory B rates, and the Territory A rates are substantially higher than the Territory C rates. As hereinbefore mentioned, in the development of a reasonable minimum rate structure that will provide revenues sufficient to maintain adequate transportation service, it is necessary to consider the rate structure as a whole and not merely compare the cost of transporting a shipment a particular distance with the revenues that will result from the application of rates for that distance. The preponderance of local moving is subject to the hourly rates for Territory C. In the circumstances, we are of the opinion that the level of rates for long-distance moving for the shorter mileages should be maintained at a level equivalent to, or slightly higher than, the local moving rates for Territory C. We recognize that such level will not return the costs of local and short-distance moving and storage operations conducted by those carriers subject to union wage agreements in Territory A.^{10/} The alternative of establishing the short-mileage

^{10/} Pursuant to Decision No. 82849, the hourly local moving rates effective July 1, 1974 for a van and driver and helper are: Territory A, \$33.35; Territory B, \$27.15; and Territory C, \$27.60.

rates at the level of local moving rates for Territory A, however, would be disruptive of an orderly progression of minimum rates for most of the State and for the great majority of traffic.

The influence of the heavy traffic volume in the corridor is greatest for distances around 400 miles, which is the average distance between points in the San Francisco Bay area and the Los Angeles metropolitan area. As the distances become greater or less than that average, the influence of the traffic upon load factor diminishes. The distance for a shipment with origin and destination within Region 1 could not exceed 600 miles under any normal routing. A movement of household goods originating in Region 2 could not go beyond 400 miles under any normal routing without entering the territory of Region 1. In the circumstances, the load factors for van line operations for distances over 650 miles would be very similar, and there would be little or no difference in the costs per 100 pounds involved in that transportation regardless of origin and destination.

Petitioner presented a summary of earnings of the carriers studied by the engineer. That summary discloses that carriers engaged in van line operations have had less favorable operating results than have the carriers engaged mainly in moving and storage company operations.

In summary, the long-distance rates provided in Items 300 and 320 of Minimum Rate Tariff 4-B should be adjusted so that the Region 1 rates and the Region 2 rates be the same for the shorter distances, diverge to a maximum divergence at distances of between 300 and 400 miles, and converge together at distances of between 600 and 700 miles. The rates for the shorter distances should be equated to charges provided under the hourly rates, the rates for distances of 400 miles should reflect costs somewhat lower than petitioner's

estimates, in each weight bracket there should be a smooth progression of rates throughout the entire scale, and insofar as is possible relationships between the scales of rates for the various weight groups should be maintained so as to avoid extremes in the breakback of rates.

In connection with adjustments in the rates prescribed in Item 75 (pickup or delivery at other than ground floor), Item 170 (split pickup), and Item 175 (split delivery), petitioner's cost estimates are slightly overstated for reasons similar to those stated in connection with the estimates for transporting shipments 400 miles; however, the overstatement is not as great because the predominant cost in those services is labor of which almost half involves the labor cost of helpers which, even on the longest hauls, would be that prevailing at the origin or destination of the shipment where the services are performed. The evidence shows that the present rates, including the 15 percent surcharge, reasonably reflect the costs of providing those accessorial services. Neither petitioner nor the staff made specific proposals concerning the charges for other accessorial services performed in connection with long-distance moving, such as those in Item 90 (diverted shipments) and Item 360, paragraph 1 (deliveries of shipping containers). The evidence shows that the present rates, including the 15 percent surcharge, reasonably reflect the costs of providing those services. The rates and charges for the accessorial services will be adjusted to incorporate the surcharge and rounded to the nearest amount convenient for application.

At present the minimum rates do not apply to property of the United States, state, county, or municipal governments, or property transported under an agreement whereby the governments contracted for the carrier's services. Petitioner proposed to amend that exemption by the addition of the following notation to Item 20(b)(2) of Minimum Rate Tariff 4-B:

"NOTE: For other than the United States, the exemption applies (a) when the distance between the point of origin and point of destination does not exceed 50 miles computed in accordance with the provisions of Item 50; and (b) to the provisions of Item 190 relating to the collection of charges."

What the proposed amendment would attempt to do is to make long-distance moving performed for the state, county, and municipal governments subject to the minimum rates and rules except the rule pertaining to the payment of freight charges. The proposal was opposed by the State of California Department of General Services and by the county of Los Angeles. With very few exceptions, the protestants engage household goods carriers at rates no greater and no less than the minimum rates established by the Commission. Payment of freight charges, however, ordinarily is received by the carriers a considerable amount of time after seven days from the presentation of the bills. Originally, petitioner's greatest concern was the late payment of freight charges and had proposed that the shipments transported for the governmental agencies be subject to the provisions of Item 190 relating to the collection of charges. Following two days of hearing at which evidence was presented by petitioner and by protestants concerning the collection of charges from governmental agencies, petitioner amended its proposal to provide that transportation performed for the governmental agencies would continue to be exempt from the rule providing for the collection of charges.

The carrier witnesses who testified in this proceeding stated that under present circumstances where, with a few exceptions, the governmental agencies engage them at the minimum rates, they have no complaint other than the duration of time it takes to collect the charges. They stated that they support the amended proposal because with the exemption in force there is a danger of the possibility that the governmental agencies may change their policies.

The traffic manager for the State of California testified that it is departmental policy to pay household goods carriers the minimum rates established by the Commission with three primary exceptions: (a) where a shipment originates and terminates in California but is required to traverse an interstate route, the State pays charges calculated on the rates in Minimum Rate Tariff 4-B or the applicable rates in the carrier's interstate tariff, whichever is lower; (b) shipping containers and packing materials will be paid for at the regular charges of the carrier but in no event in excess of those specified in California Household Goods Carriers' Bureau Local and Joint Freight Tariff, R. A. Redmond, Agent; and (c) the State requires a 35 percent refund on packing materials returned to the carrier. The traffic manager stated that the only circumstances which he could conceive that might cause a change in that policy would be legislative action providing that the State shall pay transportation charges at less than minimum rates, or in the event of a national emergency.

The traffic manager for the county of Los Angeles testified that the county engages household goods carriers to relocate employees of the county, to transport art objects on loan to and from the Museum of Art and Museum of Natural History, to move property of estates under control of the Public Administrator and Public Guardian, and to

relocate indigents under a federally funded program administered by the Department of Public Social Services. It also acts as agent for the Flood Control District and Sanitation Districts in the movement of office machines and equipment. It also supervises the movement of property owned by the United States under programs of the U. S. Department of Health and Welfare. The county acts as coordinator of certain special programs that are financed by federal funds, state funds, and county funds. One such program concerns the furnishing of renal dialysis equipment (artificial kidney units) to most of the counties from Santa Barbara south. Some units are property of the federal government, some are property of the State, and others property of the county. The central location of the equipment is the U.S.C. Medical Center, and it is sent to patients in the area in household goods carrier equipment engaged by the county traffic manager. All of the units are similar and the traffic manager does not know, nor would the carrier know, whether the individual unit transported belongs to the federal government, the state, or the county. After the transportation is performed the county auditor-controller pays the freight charges and bills the appropriate agency.

The traffic manager testified that the county prepares specifications with respect to all of the traffic that it coordinates, including interstate and intrastate, requiring the use of services by household goods carriers. It then encourages household goods carriers to bid on a total package or any portion thereof. The total package ordinarily involves three shipments per day. He said that the traffic volume provides efficiency of operations in that advance notice is provided the carrier concerning the requirements for the following week. He stated that no difficulties have been encountered in obtaining bids. A carrier who was an unsuccessful bidder testified that he considered the county traffic to be desirable.

The testimony of the carriers is that they are satisfied with the present conditions, other than delayed payment of charges, pertaining to transportation of household goods and related articles for state, county and municipal governments and that the only reason they desire the proposed amendment is because they fear conditions may change in the future. The evidence shows that at present the State in some instances pays charges for shipping containers and packing material different from, and possibly in some cases less than, the minimum rates prescribed by the Commission. It also shows that at present the county of Los Angeles prepares specifications for bids from household goods carriers that provide a different basis of charges than the minimum rates and possibly in some instances may be less than the minimum rates. There was also testimony that the county of Sacramento engages in a similar practice. The petitioner's proposal would actually alter the present conditions, with which members of petitioner's rate committee have expressed satisfaction, pertaining to transportation of household goods and related articles for state, county, and municipal governments. The proposal would not affect in any way the condition with which they are dissatisfied, namely the delay in collection of freight charges. There is no evidence that the governmental agencies are going to change their policies which, according to the testimony, is the possibility feared by the carriers. No cause has been shown to justify petitioner's proposal. The only results apparent in this record from adoption of the proposal would be a minor change in the tenders by the State in connection with shipping containers and packing materials which might increase or reduce the charges that it pays the carriers by insignificant amounts; and to require the county of Los Angeles to split up its volume tender into segments, which would lessen cost savings of the carriers handling that traffic with very little, if any, increase in revenues.

We find that:

1. Minimum rates and rules governing the transportation of uncrated used household goods and related articles over the public highways in this State have heretofore been established by the Commission in Minimum Rate Tariff 4-B.

2. Minimum rates for the transportation of such commodities for 50 miles or less (local moving) were last adjusted pursuant to Decision No. 82849 dated May 7, 1974 in Case No. 5330, Petitions Nos. 79, 82, and 83; and minimum rates for transportation over 50 miles (long-distance moving) were adjusted generally pursuant to Decision No. 76735 dated February 3, 1970 in Case No. 5330, Petition No. 42, and were increased by interim surcharges pursuant to Decision No. 82316 dated January 8, 1974 in the instant proceeding.

3. By its petition filed July 29, 1970, California Moving and Storage Association, Inc. requested that the Commission institute an investigation into the rates, rules, and regulations pertaining to long-distance moving with the view of updating the long-distance rates.

4. Immediately following distribution by the staff of reports of studies it had made of long-distance moving minimum rates in response to the petition, public hearings were held to receive evidence in the matter and to afford all interested persons opportunity to be heard.

5. The predominant class of carrier engaged in the transportation of uncrated used household goods and related articles by motor vehicle over the public highways, and the class of carrier that provides the more economical service in connection therewith, is the household goods carrier as defined in Section 5109 of the Public Utilities Code.

6. Within the class defined as a household goods carrier there are three types or categories of carriers with significantly different operations: (1) a van line carrier that typically performs transportation over a routing extending over a long distance and picks up and delivers shipments along that route, which type of carrier prior to the enactment of the Household Goods Carriers Act in 1951 conducted such operations as a highway common carrier; (2) a moving and storage company that typically performs transportation within a radius of its business location and acts as agent for a van line carrier for transportation beyond such radius, which type prior to the enactment of the Household Goods Carriers Act conducted such operations as a city carrier and as a radial highway common carrier; and (3) a local mover that typically restricts its operations within the general area of the community it serves and may specialize in some aspect of transportation, such as piano moving, which type of carrier prior to 1951 conducted operations either under a city carrier's permit or a radial highway common carrier permit.

7. In the transportation of uncrated used household goods the public ordinarily and typically requires a service whereby the goods are picked up on a date certain within a reasonable time from booking with the carrier, and delivered on a certain date.

8. Moving and storage company operations provide the more economical service consistent with the needs of the public in the transportation of the heavier weighted shipments for distances of 50 miles or less and, proportionately with the weight of the shipment, for short distances beyond 50 miles.

9. Van line carrier operations provide the more economical service consistent with the service requirements of the public in the transportation of the lighter weight shipments for distances exceeding 50 miles and for the heavier weighted shipments for the longer distances.

10. As a conservative estimate, well over 85 percent of intrastate household goods transportation is between points in Region 1, of which the preponderant portion of traffic moving over 50 miles is between points in the San Francisco Bay area and the greater Los Angeles area, providing greater load factors for van line operations in Region 1 and resulting in a greater amount of traffic in that region than elsewhere in the State to share the transportation cost. Because of the large volume of traffic moving between the San Francisco Bay area and the greater Los Angeles area, the effect of the differences in load factors upon costs and revenues of the carriers is greatest for distances between 300 and 400 miles.

11. Because of the nature of typical moving and storage company operations, the more favorable load factors in Region 1 have little significant effect upon the costs or revenues of that type of carrier.

12. Under any normal routing the distance could not exceed 600 miles for any transportation wholly within Region 1, and a shipment originating in Region 2 could not go beyond 400 miles without entering the corridor in Region 1; accordingly, the impact of the high volume of traffic in the corridor upon transportation for distances over 650 miles would be substantially the same throughout the State.

13. The estimates presented by petitioner and by the staff engineer are not reasonable estimates of the costs per 100 pounds of transporting uncrated used household goods and related articles over the public highways.

14. Reasonable estimates of the costs per 100 pounds, as of July 1, 1973, of transporting uncrated used household goods and related articles for distances 400 miles or more are amounts somewhat lower than those estimated by petitioner but higher than those estimated by the staff engineer.

15. The hourly minimum rates set forth in Item 330 of Minimum Rate Tariff 4-B, promulgated by the Commission in its Decision No. 82849, have been determined by the Commission to be the just, reasonable, and nondiscriminatory minimum rates for the transportation by household goods carriers of uncrated used household goods and related articles for distances not exceeding 50 miles, and to reflect the cost of such transportation as of July 1, 1974.

16. The earnings and operating results of household goods carriers engaged in van line operations have been less favorable than those engaged in moving and storage company operations.

17. The minimum rates set forth in the revised pages to Minimum Rate Tariff 4-B attached hereto give due consideration to the current minimum rates applicable to the transportation of uncrated used household goods and related articles for distances up to and including 50 miles; to the costs, as of July 1, 1974, of household goods carriers engaged in reasonably efficient moving and storage company operations in the transportation of heavier weight shipments for the shorter distances in excess of 50 miles; to the costs, as of July 1, 1973, of household goods carriers engaged in reasonably efficient van line carrier operations in the transportation of the lighter weight shipments for distances in excess of 50 miles and in the transportation of the heavier shipments for the longer distances; to the lengths of haul; to the difference in the volume of traffic within Region 1 as compared to elsewhere in the State, and to the effect of that difference upon the costs and revenues of household goods carriers conducting van line operations within Region 1 as compared to Region 2; to a value of used household goods not in excess of 60 cents per pound per article; to the values of the facilities of household goods carriers reasonably necessary to perform transportation service typically

required by shippers of uncrated used household goods; to the accessorial services performed in connection with the transportation of uncrated used household goods; and to the additional revenues required by household goods carriers engaged in van line operations, as compared to moving and storage company operations, to assure the maintenance of adequate and dependable service in the transportation of uncrated used household goods and related articles.

18. The minimum rates which will be prescribed in the ensuing order, and which are set forth in the revised pages attached thereto, are the just, reasonable, and nondiscriminatory minimum rates for the transportation services and accessorial services to which they apply, and the increases in rates resulting from the establishment of such minimum rates are justified.

19. No good cause has been shown to remove the exemption of property of state, county, or municipal governments, or property transported under an agreement whereby the governments contract for the carrier's services, from the application of the minimum rates prescribed in Minimum Rate Tariff 4-B.

20. The increased revenue which the increase in rates is expected to provide carriers collectively is 10.7 percent or approximately \$3,600,000.

We conclude that Minimum Rate Tariff 4-B should be amended to incorporate the rates found herein to be reasonable and that in all other respects the petition, as amended, of California Moving and Storage Association, Inc. should be denied. We further conclude that concurrently with the effective date of the revised minimum rates the interim surcharge increases heretofore established in this proceeding applicable to rates for long-distance moving and charges for accessorial services relating thereto should be canceled.

Other minor changes not involved in this proceeding will be made by the order herein.^{11/}

^{11/} In order that Supplement 26 to Minimum Rate Tariff 4-B may be completely canceled, the rates or charges in paragraph 2 of Item 75, paragraph (c) of Item 180 and Item 340 of said tariff will be adjusted by incorporating the surcharge into such rates or charges.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 4-B (Appendix C of Decision No. 65521, as amended) is further amended by incorporating therein, to become effective August 25, 1974, the supplement and revised tariff pages attached hereto and listed in Appendix B, also attached hereto, which supplement, tariff pages, and appendix are made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 65521, as amended, are directed to establish in their tariffs the increases in rates necessary to conform with the further adjustments in minimum rates 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 shall be made effective not earlier than August 25, 1974 on not less than five days' notice to the Commission and to the public.

4. In all other respects said Decision No. 65521, as amended, shall remain in full force and effect.

5. Except as provided in the preceding paragraphs of this order, Petition for Modification No. 52, as amended, is denied.

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

Dated at San Francisco, California, this 30th day of JULY, 1974.

Vernon L. Stevens
President
William J. Lyons, Jr.
[Signature]
[Signature]
Commissioners

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

APPENDIX A

LIST OF APPEARANCES

Petitioner: Wyman C. Knapp, Warren R. Grossman and David Christianson,
Attorneys at Law, for California Moving and Storage Association, Inc.

Respondents: David Macaulay, for Lawrence Moving & Storage Company;
Gerald Evans, R. L. Reeves, Frank A. Payne, Jr., and Robert D. Ford,
for Lyon Moving & Storage Company; Ernest E. Gallego, Attorney at
Law, and Robert C. Johnson, for Bekins Moving & Storage Company;
Sam S. Blank, for Dependable Moving & Storage Company; Fred Nason,
Jr., for Beverly Hills Transfer & Storage Co.; Kenneth Barnes, for
West Coast Moving & Storage, Inc.; Alvin Glatt, for Nacal Inc.;
Jack Simmons, for Allied Van Lines, Inc.; Thomas F. Smith, for
San Diego Van & Storage Co.; and F. J. O'Reilly, for Mission Van &
Storage Co.

Protestants: John H. Larson, County Counsel, by Ronald Schneider,
Attorney at Law, Bill T. Farris, and Ralph J. Staunton, for County
of Los Angeles; and Emil J. Relat, Attorney at Law, for State of
California, Department of General Services.

Interested Parties: Carl Moyer, for IBM Corporation; Tad Muraoka,
for IBM Corporation and California Manufacturing Association;
Richard W. Smith and Arlo D. Poe, Attorneys at Law, and Herbert W.
Hughes, for California Trucking Association; M. A. Passman, for
University of California; LeRoy J. Edwards, Attorney at Law, and
Carl L. Myers, for State of California, Bureau of Weights and
Measures; and Mrs. Sylvia Siegel, for Consumer Action, et al.

Commission Staff: Robert E. Walker, Clyde Neary, and Frank O.
Raymond, Jr.

APPENDIX B

LIST OF SUPPLEMENT AND REVISED PAGES
TO MINIMUM RATE TARIFF 4-B

SUPPLEMENT 29

EIGHTH REVISED PAGE 9

ELEVENTH REVISED PAGE 10

NINTH REVISED PAGE 17

SEVENTH REVISED PAGE 18

SEVENTH REVISED PAGE 26

SEVENTH REVISED PAGE 27

TWENTY-THIRD REVISED PAGE 28

TWENTY-SECOND REVISED PAGE 29

(END OF APPENDIX B LIST)

SUPPLEMENT 29

Cancels

(Supplement 26)

(Supplements 28 and 29 and Interim Surcharge Supplement
and Order to this tariff in Decision No. 82453
insofar as it applies to the rates in Items 300,
320 and 340 and Paragraph 1 of Item 360
of the tariff Contain All Changes)

TO

MINIMUM RATE TARIFF 4-B

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF USED PROPERTY, VIZ.:

HOUSEHOLD GOODS, PERSONAL EFFECTS

AND

OFFICE, STORE AND INSTITUTION FURNITURE,

FIXTURES AND EQUIPMENT OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

HOUSEHOLD GOODS CARRIERS

Decision No.

83194

EFFECTIVE

SECTION I--RULES AND REGULATIONS (Continued)	ITEM
<p style="text-align: center;">MIXED SHIPMENTS</p> <p>(a) When one or more commodities for which rates are not provided in this tariff are included in the same shipment with commodities for which rates are herein provided, the rate or rates applicable to the entire shipment may be determined as though all of the commodities were ratable under the provisions of this tariff at the combined weight of the mixed shipment; or the commodities for which rates are provided in this tariff may be transported at the applicable rates provided herein, and the commodities for which rates are not provided herein, at the rates provided in other Commission tariffs or which might be otherwise applicable, provided separate weights or other authorized units of measurement are furnished or obtained. In the event that the latter basis is used, the minimum charges provided in this tariff shall apply to the entire shipment.</p> <p>(b) When any uncrated portion of a shipment of commodities for which rates are herein provided requires protection against damage after receipt thereof by the carrier and such protection is afforded by the carrier by packing such uncrated portion of the shipment in containers, such portion so packed shall be rated as uncrated property.</p>	65
<p style="text-align: center;">APPLICATION OF RATES</p> <p>(a) Rates provided in Items 300, 320, 330 and 340 are for the transportation of shipments from point of origin to point of destination, from point of origin to point of storage-in-transit, or from point of storage-in-transit to point of destination, and include pickup and delivery, subject to Item 75.</p> <p>(b) For transportation of shipments for distances of 50 miles or less, rates shall apply in cents per hour (See Note), in cents per piece, or in cents per 100 pounds (Items 300, 320, 330 and 340), subject to Items 145, 150 and 155.</p> <p>(c) For transportation in excess of 50 miles, rates in Items 300 and 320 shall apply, subject to Item 55.</p> <p>(d) Rate in Item 350 shall apply for the accessorial services of packing and un-packing in the territory in which the service is performed.</p> <p>(e) Item 360 provides rates for transportation of empty shipping containers and a basis of charges for the furnishing of shipping containers and packing materials by the carrier.</p> <p>NOTE.--The highest rated territory in or through which any service is performed shall determine the applicable hourly rate.</p>	70
<p style="text-align: center;">PICKUP AND/OR DELIVERY AT OTHER THAN GROUND FLOOR</p> <p>When shipments are picked up or delivered, or both, at other than ground floor, the following additional charges per pickup or delivery per flight and/or long carry shall be assessed:</p> <ol style="list-style-type: none"> 1. At hourly rates (Item 330) No additional charge. 2. At piece rate (Item 340) 110 cents per piece. 3. At distance rates (Items 300 and 320) 32 cents per 100 pounds. 	75
<p>◊ Increase, Decision No. 83194</p>	
<p>EFFECTIVE</p>	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

SECTION 1--RULES (Continued)	ITEM								
<p style="text-align: center;">VALUATION</p> <p>(a) Carriers shall secure and shippers are required to state specifically in writing the agreed or declared value of the property to be transported. The agreed or declared value shall be deemed to relate to all services undertaken by the carrier or its agents and to each article separately and not to a shipment as a whole, except as hereinafter provided. Except on shipments transported under hourly rates, shippers may declare on specific articles when the separate weights thereof are furnished or obtained, a valuation in excess of the value declared on the shipment as a whole, and each such article must be described and its excess declared value set forth.</p> <p>(b) Declaration of value shall be set forth in the following form: "The agreed or declared value of the property to be transported is hereby specifically stated by the shipper to be not in excess of ---¢ per pound, per article."</p> <p>(c) Property of agreed or declared value in excess of sixty cents per pound shall be subject to rates computed on the basis provided in Note 1. 80</p> <p>(d) Optional Carrier Obligation - Shipper may agree to and declare a lump sum value for an entire shipment, which responsibility shall be assumed by the carrier, and the charge therefor shall be the rates provided in this tariff, plus the following minimum applicable valuation charge for each \$100, or fraction thereof, of the agreed or declared value for the entire shipment (See Item 91):</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Length of Movement</u></th> <th style="text-align: center;"><u>Rate Per \$100</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0 - 50 miles</td> <td style="text-align: center;">\$ 0.20</td> </tr> <tr> <td style="text-align: center;">51 - 150 miles</td> <td style="text-align: center;">0.25</td> </tr> <tr> <td style="text-align: center;">Over 150 miles</td> <td style="text-align: center;">0.35</td> </tr> </tbody> </table> <p>NOTE 1.--When declared value exceeds 60 cents per pound per article, add 100% to rates provided in this tariff. This charge shall not apply if shippers obtain insurance or optional carrier obligation coverage for their shipments.</p>	<u>Length of Movement</u>	<u>Rate Per \$100</u>	0 - 50 miles	\$ 0.20	51 - 150 miles	0.25	Over 150 miles	0.35	
<u>Length of Movement</u>	<u>Rate Per \$100</u>								
0 - 50 miles	\$ 0.20								
51 - 150 miles	0.25								
Over 150 miles	0.35								
<p style="text-align: center;">DISPOSITION OF FRACTIONS</p> <p>In computing a rate based on a percentage of another rate, the following rule shall be observed in the disposition of fractions:</p> <p style="margin-left: 40px;">Fractions of less than $\frac{1}{4}$ or .50 of a cent, omit.</p> <p style="margin-left: 40px;">Fractions of $\frac{1}{4}$ or .50 of a cent or greater, increase to next whole figure.</p>	85								
<p style="text-align: center;">DIVERTED SHIPMENTS</p> <p>Charges upon a shipment transported under rates provided in Items 300 or 320 which has been diverted shall be computed at the applicable rate in effect on date of shipment from point of origin via each point where diversion occurs to final destination, plus an additional charge of \$8.70 for each diversion.</p>	090								
<p>◊ Increase, Decision No. 83194</p>									
<p>EFFECTIVE</p>									
<p>Correction</p>	<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>								

SECTION 1--RULES AND REGULATIONS (Continued)	ITEM
<p style="text-align: center;">DELAYS IN DELIVERY</p> <p>Whenever a carrier is unable to make delivery of a shipment of household goods on the date or during the period specified in the receipt or shipping order, the carrier shall notify the shipper, or person designated by the shipper, by telegram or telephone, at the carrier's expense, of the date on which delivery of the shipment will be made; such notification to be given not less than 24 hours prior to the date or during the period shown on the receipt of shipping order except when the circumstances causing the delay occur at a later time, in which case the notice shall be given as soon as possible but in no event more than 24 hours after the occurrence, provided, that the requirement of this paragraph shall not apply where the carrier is unable to obtain from the shipper an address or telephone number for such notification.</p>	162
<p style="text-align: center;">WAITING OR DELAY</p> <p>When vehicle is held for convenience of the shipper or consignee through no fault of the carrier in connection with shipments moving or to be moved under rates contained in Items 300 or 320, a charge at the hourly rates provided in Item 330 will be assessed for each hour or fraction thereof over one hour.</p>	165
<p style="text-align: center;">SPLIT PICKUP</p> <p>Split pickup service may be accorded subject to the following conditions:</p> <ol style="list-style-type: none"> (1) The charge for the composite shipment shall be paid by one consignor, consignee, or other interested party. (2) Split delivery service shall not be accorded. (3) In the event a lower aggregate charge results from treating one or more component parts as a separate shipment said charge may be applied. (4) Charges shall be computed as follows: <ol style="list-style-type: none"> (a) Under hourly rates (Item 330). Apply applicable rate for the total time consumed in loading at the point of origin of each component part, and unloading at point of destination, plus double the driving time between each such point. (Total time shall be converted into hours and/or fractions thereof in accordance with the provisions of Item 95.) (b) Under distance rates (Items 300 and 320). Apply the applicable rate to the total weight of the composite shipment for the distance from point of origin of any component part to point of destination via the points of origin of all other component parts, plus an additional charge of \$19.00 for each stop to load between first point of origin and point of destination. 	0170
<p>o Increase, Decision No. 83194</p>	
EFFECTIVE	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

SECTION 1--RULES AND REGULATIONS (Continued)	ITEM
<p style="text-align: center;">SPLIT DELIVERY</p> <p>Split delivery service may be accorded subject to the following conditions:</p> <p>(1) The charge for the composite shipment shall be paid by one consignor, consignee, or other interested party.</p> <p>(2) Split pickup service shall not be accorded.</p> <p>(3) In the event a lower aggregate charge results from treating one or more component parts as a separate shipment said charge may be applied.</p> <p>(4) Charges shall be computed as follows:</p> <p>(a) Under hourly rates (Item 330). Apply applicable rate for the total time consumed in loading at point of origin and unloading at point of destination of each component part, plus double the driving time between each such point. (Total time shall be converted into hours and/or fractions thereof in accordance with the provisions of Item 95.)</p> <p>(b) Under distance rates (Items 300 and 320). Apply the applicable rate to the total weight of the composite shipment for the distance from point of origin to point of destination of any component part via the points of destination of all other component parts, plus an additional charge of \$19.00 for each stop to unload between point of origin and final point of destination.</p>	0175
<p style="text-align: center;">STORAGE IN TRANSIT (See Note 1)</p> <p>Shipments may be stored once in transit for a period not to exceed 60 days from the date of unloading at storage point. (See Note 2)</p> <p>Charges shall be computed on the following basis:</p> <p>(a) The applicable transportation rate from initial point of origin to point of storage, plus</p> <p>(b) The applicable transportation rate from point of storage to point of destination, plus</p> <p>(c) Warehouse handling and storage charge of 90 cents per 100 pounds for each 30-day period or fraction thereof, subject to a minimum charge of \$4.50 for each 30-day period.</p> <p>NOTE 1.--On shipments subject to hourly rates both into and out of point of storage in transit the weight of the shipment for purposes of determining the storage-in-transit charge may be estimated by multiplying the total cubic feet of storage space occupied by the shipment on the warehouse platform or in the warehouse by 7 pounds per cubic foot.</p> <p>NOTE 2.--In the event a shipment remains in storage in excess of 60 days, the point of storage in transit shall be considered the point of destination and thereafter shall be subject to the rules, regulations and charges of the individual warehouseman. Charges for subsequent delivery shall be assessed on the basis of the charges applicable from point of storage to point of delivery.</p>	0180
<p>◊ Increase, Decision No. 83194</p>	
<p>EFFECTIVE</p>	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

MINIMUM RATE TARIFF 4-B

SECTION 3--RATES							ITEM
DISTANCE RATES IN CENTS PER 100 POUNDS (1) (2) (3) (4)							
Rates named in this item apply only to shipments transported between points located within Region 1. (See Note)							
Miles		Any Quantity	Minimum Weight				
Over	But Not Over		1,000 Pounds	2,000 Pounds	5,000 Pounds	8,000 Pounds	
0	10	1400	850	610	495	425	
10	20	1425	880	625	510	435	
20	30	1450	900	640	525	445	
30	40	1475	915	650	540	455	
40	50	1500	930	665	550	465	
50	60	1520	940	675	560	475	
60	70	1540	955	685	575	485	
70	80	1560	965	690	585	495	
80	90	1580	980	700	595	505	
90	100	1600	990	710	600	515	
100	120	1630	1010	720	615	530	
120	140	1670	1035	735	630	545	
140	160	1710	1060	750	645	560	
160	180	1755	1080	765	660	580	
180	200	1795	1100	780	680	595	
200	225	1830	1120	795	695	615	
225	250	1865	1145	815	715	635	
250	275	1900	1160	835	740	655	
275	300	1935	1185	855	760	675	
300	325	1965	1205	875	780	700	0300
325	350	1995	1225	895	800	720	
350	375	2020	1245	910	820	740	
375	400	2040	1265	930	840	760	
400	425	2065	1285	950	860	780	
425	450	2085	1305	970	880	800	
450	475	2105	1325	990	905	820	
475	500	2125	1345	1010	925	840	
500	550	2150	1380	1040	955	870	
550	600	2190	1420	1080	995	910	
600	650	2230	1460	1120	1035	950	
650	700	2270	1500	1155	1075	980	
700	750	2305	1540	1195	1120	1015	
750	800	2340	1580	1230	1155	1045	
800	850	2375	1615	1265	1190	1080	
850	---						

Add to rate for 850 miles 35 cents per 100 pounds for each 50 miles or fraction thereof in excess of 850 miles.

- (1) Minimum Charge--the charge for 100 pounds at the applicable rate.
- (2) See Item 70 for application of rates.
- (3) See Item 50 for computation of distances.
- (4) See Item 220 for Region descriptions.

NOTE.--Rates named in this item apply in connection with split pickup and split delivery shipments only when points of origin and points of destination of all component parts of such shipments are located within Region 1. Rates named in Item 320 shall apply to split pickup and split delivery shipments excluded from the provisions of this item.

o Increase, Decision No. **83194**

EFFECTIVE

Correction

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

SECTION 3--RATES (Continued)							ITEM	
DISTANCE RATES IN CENTS PER 100 POUNDS (1) (2) (3) (4)								
Rates named in this item apply only to shipments transported between points located within Region 2; and between points located in Region 1, on the one hand, and points located in Region 2, on the other hand.								
Miles		Any Quantity	Minimum Weight					
Over	But Not Over		1,000 Pounds	2,000 Pounds	5,000 Pounds	8,000 Pounds		
0	10	1400	850	610	495	425		
10	20	1425	880	625	510	435		
20	30	1450	900	640	525	445		
30	40	1475	915	650	540	455		
40	50	1500	930	665	550	465		
50	60	1525	950	680	560	475		
60	70	1550	970	690	575	485		
70	80	1575	985	700	585	495		
80	90	1600	1005	710	600	505		
90	100	1630	1020	725	610	515		
100	120	1665	1045	735	625	530		
120	140	1720	1080	755	645	550		
140	160	1770	1105	770	665	570		
160	180	1820	1135	790	685	590		
180	200	1860	1165	810	710	610		
200	225	1900	1190	830	730	635	0320	
225	250	1945	1220	855	755	660		
250	275	1990	1240	880	775	685		
275	300	2025	1265	900	795	710		
300	325	2055	1290	920	815	735		
325	350	2085	1310	935	835	760		
350	375	2110	1330	955	860	780		
375	400	2130	1345	970	880	795		
400	425	2145	1365	985	900	810		
425	450	2160	1380	1005	920	830		
450	475	2170	1395	1020	935	845		
475	500	2185	1410	1035	955	865		
500	550	2200	1430	1065	980	890		
550	600	2225	1460	1095	1015	925		
600	650	2250	1490	1125	1050	960		
650	700	2280	1515	1155	1085	985		
700	750	2310	1545	1195	1120	1015		
750	800	2340	1580	1230	1155	1045		
800	850	2375	1615	1265	1190	1080		
850	---	◊ Add to rate for 850 miles 35 cents per 100 pounds for each 50 miles or fraction thereof in excess of 850 miles.						
(1) Minimum Charge--the charge for 100 pounds at the applicable rate. (2) See Item 70 for application of rates. (3) See Item 50 for computation of distances. (4) See Item 220 for Region descriptions.								
◊ Increase, except as noted) ◊ Reduction) Decision No. 83194								
EFFECTIVE								
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.								
Correction								

MINIMUM RATE TARIFF 4-B

SECTION 3--RATES (Continued)				ITEM
RATES IN CENTS PER HOUR (1) (2) (Applies for Distances of 50 Constructive Miles or Less)				
Unit of Equipment: (a) with driver----- (b) with driver and 1 helper----- Additional helpers, per man----- Minimum charge--the charge for one hour.	TERRITORY (3)			(4) ø330
	A	B	C	
	1825 3335 1170	1570 2715 800	1575 2760 810	
(1) See Item 70 for application of rates. (2) See Item 95 for computation of time. (3) See Item 210 for territorial descriptions. (4) Modified by excluding rates that expired June 30, 1974.				
DISTANCE RATES IN CENTS PER PIECE (1) (2) (Applies to Shipments of Not More Than 5 Pieces for Distances of 50 Miles or Less)				
FIRST PIECE			Each Additional Piece	ø340
MILES (3)				
Not Over 10	Over 10 but Not Over 20	Over 20		
1180	2190	3065		
(1) See Item 70 for application of rates. (2) Rates in this item will not apply to split pickup or split delivery shipments, or storage in transit privileges. (3) See Item 50 for computation of distances.				
ø Change) ø Increase) Decision No. 83194				
EFFECTIVE				
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.				
Correction				

SECTION 3--RATES (Concluded)			ITEM						
<p>ACCESSORIAL RATES</p> <p>Rates in Cents per Man per Hour (1) (2) (3)</p>									
		TERRITORY (4)							
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:33%;">A</th> <th style="width:33%;">B</th> <th style="width:33%;">C</th> </tr> <tr> <td style="text-align: center;">1490</td> <td style="text-align: center;">1240</td> <td style="text-align: center;">1270</td> </tr> </table>	A	B	C	1490	1240	1270	(5) 8350
A	B	C							
1490	1240	1270							
<p>Packing)</p> <p>Unpacking)</p> <p>Minimum Charge--the charge for one hour.</p>									
<p>(1) See Item 70 for application of rates.</p> <p>(2) See Item 95 for computation of time.</p> <p>(3) Rates do not include cost of materials. (See Item 360)</p> <p>(4) See Item 210 for description of territories.</p> <p>(5) Modified by excluding rates that expired June 30, 1974.</p>									
<p>RATES AND CHARGES FOR PICKING UP OR DELIVERING SHIPPING CONTAINERS AND PACKING MATERIALS</p>									
<p>1. In the event new or used shipping containers, including wardrobes, are delivered by the carrier, its agent, or employees, prior to the time shipment is tendered for transportation, or such containers are picked up by the carrier, its agents or employees subsequent to the time delivery is accomplished, the following transportation charges shall be assessed: (See Note 1)</p> <p style="margin-left: 40px;">Each container, set up----- 195 cents</p> <p style="margin-left: 40px;">Each bundle of containers, folded flat-- 195 cents</p> <p style="margin-left: 40px;">Minimum charge, per delivery----- 910 cents</p>				0360					
<p>2. (a) Shipping containers, including wardrobes (See Note 2) and packing materials which are furnished by the carrier at the request of the shipper will be charged for at not less than the actual original cost to the carrier of such materials, F.O.B. carrier's place of business.</p> <p>(b) In the event such packing materials and shipping containers are returned to any carrier, participating in the transportation thereof when loaded, an allowance may be made to the consignee or his agent of not to exceed 75 percent of the charges assessed under the provisions of paragraph 2(a).</p>									
<p>NOTE 1.--If the hourly rates named in Item 330 provide a lower charge than the charge in paragraph 1 of this item, such lower charge shall apply.</p> <p>NOTE 2.--No charge will be assessed for wardrobes on shipments transported at the rates provided in Item 330.</p>									
<p>Change)</p> <p>Increase)</p>		<p>Decision No. 83194</p>							
EFFECTIVE									
Correction		<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>							