

Decision No. 83236**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
ADAMS DELIVERY SERVICE, INC., a
California corporation, for authority
to deviate from the provisions of
Minimum Rate Tariff Number 2, pur-
suant to the provisions of Section
3666 of the Public Utilities Code.

Application No. 54970
(Filed June 17, 1974)

OPINION AND ORDER

Adams Delivery Service, Inc. operates as a radial highway common and highway contract carrier for the transportation of general commodities subject to the minimum rates and rules contained in Minimum Rate Tariff 2 (MRT 2). Applicant seeks authority exempting it from the otherwise governing provisions of MRT 2 when transporting packages weighing 100 pounds or less from points within a radius of 50 miles of Oakland to various specified delivery points.

Applicant has been granted authority (Decision No. 82949 in Application No. 54758) to depart from the provisions of MRT 2 with respect to the transportation of wholesale parcels of 100 pounds or less accorded "same-day" delivery service between points in Alameda and Contra Costa Counties. Applicant now desires to perform a "next-day" or overnight parcel delivery service. The sought exemption authority is intended to be competitive with the like authority requested by E.S.P. Delivery Service, Inc. in Application No. 54915. While applicant's principal transportation service now involves "same-day" wholesale parcel delivery service, it contends that a "next-day" parcel delivery service is required because the performance of "same-day" delivery is physically impossible in certain areas. Moreover, certain traffic will move only under the more economical rates contemplated for "next-day" service.

A schedule of rates and rules which applicant proposes to assess under the sought exemption is attached to the application (Exhibit A). Applicant requests that such minimum rates be authorized for application under the sought MRT 2 exemption for a temporary period ending December 31, 1974 to enable sufficient time to develop appropriate financial data and cost justification for the rates to be ultimately proposed. In further support of the sought relief applicant has presented its balance sheet and income statement for a five-month period ended May 31, 1974 to demonstrate that its existing operations are profitable. Applicant has also submitted an equipment list to show its capability of performing the service.

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 Adams Delivery Service, 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 several competing parcel delivery carriers previously granted the relief sought herein as well as the California Trucking Association. The application was listed on the Commission's Daily Calendar for June 19, 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 Adams Delivery Service, 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. 54970 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. Adams Delivery Service, 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 shall be the date hereof.

Dated at San Francisco, California, this 6th
day of AUGUST, 1974.

Vernon L. Spierman
President
William J. Quinn
[Signature]
[Signature]
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

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Minimum Parcel Delivery Rates
Adams Delivery Service, Inc.

Application

1. The rates set forth herein are applicable only to the transportation of packages weighing 100 pounds or less between points set forth herein.
2. The rate for the transportation of a package between points within the same zone, as described on the Zone Schedule attached hereto, shall be the rate provided in the attached Rate Schedule for that zone.
3. The rate for the transportation of a package between points in two zones shall be the rate applicable to the highest of the two zones, as prescribed in the attached Rate Schedule.

Rules

1. The rates herein apply only when the released value or declared value is 50 cents per pound or less, and the maximum value per package or article is \$100 or less.
2. Shipments transported under the rates herein are subject to all the provisions of Minimum Rate Tariff 2, except as provided herein.
3. The rates herein do not apply to same-day service.
4. An additional charge of 50 cents will be assessed for each C.O.D. shipment received for collection.
5. If the carrier is unable to deliver any shipment because of incorrect address, shipper will be assessed a charge of 65 cents for either the subsequent delivery or carrier's attempt to deliver to correct address.
6. All charges must be paid by the shipper.

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Rate Schedule
(Packages of 1 to 100 Pounds)

<u>Weight</u> <u>(Pounds)</u>	<u>Zone 1</u>	<u>Zone 2</u>	<u>Weight</u> <u>(Pounds)</u>	<u>Zone 1</u>	<u>Zone 2</u>
1-10	\$.82	\$.92			
11	.86	.97	56	\$2.68	\$3.24
12	.90	1.02	57	2.72	3.29
13	.94	1.07	58	2.76	3.34
14	.98	1.12	59	2.80	3.39
15	1.02	1.17	60	2.84	3.44
16	1.06	1.22	61	2.88	3.49
17	1.10	1.27	62	2.92	3.54
18	1.14	1.32	63	2.96	3.59
19	1.18	1.37	64	3.00	3.64
20	1.22	1.42	65	3.04	3.69
21	1.26	1.47	66	3.09	3.74
22	1.30	1.52	67	3.15	3.79
23	1.34	1.57	68	3.24	3.84
24	1.38	1.62	69	3.32	3.89
25	1.42	1.67	70	3.36	3.94
26	1.46	1.72	71	3.42	3.99
27	1.50	1.77	72	3.46	4.04
28	1.54	1.82	73	3.51	4.09
29	1.58	1.87	74	3.55	4.14
30	1.62	1.92	75	3.59	4.19
31	1.66	1.97	76	3.63	4.24
32	1.70	2.02	77	3.67	4.29
33	1.74	2.07	78	3.72	4.34
34	1.78	2.12	79	3.76	4.39
35	1.82	2.17	80	3.80	4.44
36	1.86	2.22	81	3.84	4.49
37	1.90	2.27	82	3.88	4.54
38	1.94	2.32	83	3.93	4.59
39	1.98	2.37	84	3.97	4.64
40	2.02	2.42	85	4.01	4.69
41	2.06	2.47	86	4.05	4.74
42	2.10	2.52	87	4.09	4.79
43	2.14	2.57	88	4.14	4.84
44	2.18	2.62	89	4.18	4.89
45	2.22	2.67	90	4.22	4.94
46	2.26	2.72	91	4.26	4.99
47	2.30	2.77	92	4.30	5.04
48	2.34	2.82	93	4.35	5.09
49	2.38	2.87	94	4.39	5.14
50	2.42	2.92	95	4.43	5.19
51	2.48	2.99	96	4.47	5.24
52	2.52	3.04	97	4.51	5.29
53	2.56	3.09	98	4.56	5.34
54	2.60	3.14	99	4.60	5.39
55	2.64	3.19	100	4.64	5.44

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The following zone designations shall be applicable to shipments originating at points within 50 miles of Oakland, California, and destined to the points hereinafter named:

<u>Zone</u>	<u>City</u>	<u>Zone</u>	<u>City</u>
2	Acampo	2	Broderick
2	Aerojet	2	Bryte
1	Agnew	1	Burlingame
2	Agua Caliente		
1	Alameda	2	Calistoga
2	Alamo	2	Califa
1	Albany	2	Calwa
2	Altaville	1	Cambrian Park
1	Alvarado	1	Campbell
1	Alviso	2	Camp Evers
2	Angels Camp	2	Camp Parks
2	Antioch	2	Capitola
2	Aptos	2	Carmel
2	Arbuckle	2	Carmichael
2	Aromona	2	Castle Air Force Base
1	Ashland	1	Castro Valley
2	Asilomar	2	Castroville
1	Atherton	1	Centerville (Alameda)
2	Athlone	2	Ceres
2	Atwater	2	Chico
2	Avon	2	Citrus Heights
		2	Clayton (Contra Costa)
1	Bayshore	2	Clements
2	Beale Air Force Base	2	Clovis
1	Belmont	1	Colma
2	Belvedere	2	Colusa
2	Benicia	2	Concord
2	Ben Lomond	2	Copperopolis
2	Berenda	2	Cordelia
1	Berkeley	2	Corning
2	Boyes Hot Springs	2	Corte Madera
2	Brentwood	2	Cotati
1	Brisbane	2	Cottonwood

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<u>Zone</u>	<u>City</u>	<u>Zone</u>	<u>City</u>
2	Courtland	2	Freedom
2	Coyote	1	Fremont
2	Crockett	2	French Camp
1	Cupertino	2	Fresno
2	Cunningham	2	Fulton
1	Daly City	2	Galt
2	Danville	2	Gilroy
2	Davis	2	Glen Allen
1	Decoto	2	Grass Valley
2	Del Paso Heights	2	Graton
2	Del Rey	2	Greenbrae
2	Diablo	2	Gridley
2	Dixon	2	Half Moon Bay
2	Dublin	2	Hamilton Field
1	El Cerrito	1	Hayward
2	El Dorado Hills	2	Healdsburg
2	Eldridge	2	Hercules
2	El Granada	2	Herndon
2	Elk Grove	2	Highway City
2	El Macero	1	Hillsborough
2	El Nido	1	Hillsdale (San Mateo)
2	El Sobrante	1	Hillsdale (Contra Costa)
2	El Verano	2	Hollister
2	Elverta	2	Ione
1	Emeryville	1	Irvington
2	Escalon	2	Isleton
1	Evergreen	2	Jackson
2	Exeter	2	Jamestown
2	Fairfax	1	Kensington
2	Fairfield	2	Kentfield
2	Fairmead	2	Kenwood
2	Fair Oaks	2	Keys
2	Farmersville	2	Kingsburg
2	Farmington	2	Knights Landing
2	Felton	2	Lafayette
2	Fettlers Hot Springs	2	Larkspur
2	Five Points	2	Lemoore
2	Florin	2	Lincoln
2	Folsom	1	Linda Vista (Santa Clara)
2	Folsom Prison	2	Lindsay
2	Fontana	2	Lingard
2	Foothill Farms	2	Livermore
2	Forestville	2	Livingston
2	Fort Ord		
1	Foster City		
2	Franklin		

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<u>Zone</u>	<u>City</u>	<u>Zone</u>	<u>City</u>
2	Lockeford	2	North Sacramento
2	Lodi	2	Novato
2	Loomis		
1	Los Altos	2	Oakdale
2	Los Gatos	1	Oakland
		2	Oakley
2	Madera	2	Olivehurst
2	Madera Air Force Base	2	Orangevale
2	Malaga	2	Orinda
2	Manteca	2	Orland
2	Mare Island	2	Oroville
2	Marina		
2	Marin City	2	Pacheco
2	Marinwood	2	Pacifica
2	Martinez	2	Pacific Grove
2	Marysville	1	Palo Alto
2	Mather Field	2	Paradise
2	McClelland Field	2	Parlier
1	Menlo Park	2	Parks Air Force Base
2	Midway City	2	Parkway Estates
1	Millbrae	2	Pebble Beach
2	Mill Valley	2	Penngrove
1	Milpitas	2	Petaluma
2	Minturn	1	Piedmont
2	Miramar (San Mateo)	2	Pinedale
1	Mission San Jose	2	Pinole
2	Modesto	2	Pittsburg
1	Moffett Field	2	Placerville
2	Montara	2	Pleasant Hill
2	Monterey	2	Pleasant Grove
1	Monte Sereno .	2	Pleasanton
2	Moraga	1	Point Richmond
2	Moss Beach	2	Port Chicago
2	Moss Landing	2	Porterville
1	Mountain View	1	Portola Valley
	(Santa Clara)	1	Presidio
2	Morgan Hill	2	Prunedale
2	Napa	2	Rancho Cordova
2	Naval Weapons Station	1	Redwood City
	(Concord)	2	Repressa
2	Nevada City	2	Rheem Valley
1	Newark	1	Richmond
2	Nicolaus	2	Rio Linda
2	Nichols	2	Rio Vista
1	Niles	2	Ripon
2	Nimbus	2	Riverbank
2	Norden	2	Rocklin
2	North Highlands	2	Rodeo

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<u>Zone</u>	<u>City</u>	<u>Zone</u>	<u>City</u>
2	Rohnert Park	2	Sloughhouse
2	Roseville	2	Sonoma
2	Ross	2	Sonora
		2	Soquel
2	Sacramento	1	South San Francisco
2	St. Marys College	1	Stanford University
2	Salida	2	Stockton
2	Salinas	2	Strathmore
2	San Andreas	2	Suisun City
2	San Anselmo	1	Sunnyvale
1	San Bruno	2	Sunol
1	San Carlos (San Mateo)	2	Sutter Creek
1	San Francisco		
1	San Francisco	2	Terra Linda
	International Airport	2	Tiburon
2	Sanger	2	Tracy
1	San Jose	2	Travis Air Force Base
2	San Juan Bautista	1	Treasure Island
1	San Leandro	2	Turlock
1	San Lorenzo		
2	San Martin	1	Union City
1	San Mateo		
2	San Pablo	2	Vacaville
2	San Quentin	2	Vallejo
2	San Rafael	2	Valley of the Moon
2	San Ramon		
2	San Ramon Village	2	Walnut Creek
1	Santa Clara	2	Walnut Grove
2	Santa Cruz	2	Watsonville
2	Santa Rita (Alameda)	2	West Sacramento
2	Santa Rosa	2	Wheatland
1	Saratoga	2	Williams
2	Sausalito	2	Willows
2	Scotts Valley	2	Windsor
2	Seaside	2	Winton
2	Sebastopol	2	Woodland
2	Selma	1	Woodside
2	Sheridan		
2	Shingle Springs	1	Yerba Buena Island
2	Silver Lake	2	Yuba City