

Decision No. 83750

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
AERO SPEED MAIL SERVICE, INC., for
an order authorizing departure from
the rates, rules and regulations of
Minimum Rate Tariff 2, pursuant to
the provisions of Section 3666 of
the Public Utilities Code.

Application No. 54845
(Filed May 2, 1974;
amended August 1, 1974)

O P I N I O N

Aero Speed Mail Service, Inc., a California corporation, operates as a radial highway common and highway contract carrier throughout the State of California. Applicant here seeks a deviation from the minimum rates set forth in Minimum Rate Tariff 2 for the transportation of shipments weighing 100 pounds or less between points within a 60 air mile radius of Sacramento.

The application as originally filed was protested by two of applicant's competitors. Thereafter applicant filed its amendment to its application on August 1, 1974. Subsequent to the amendment being filed, one of the competitors protesting the application withdrew its protest. The other competitor protestant and the California Trucking Association advised the Commission that they would have no objection to a grant of the application as amended, provided the authority granted be subject to the same terms and conditions set forth in Decision No. 83276 dated August 6, 1974 in Application No. 54915 (Application of E.S.P. Delivery Service, Inc.). By letter dated October 3, 1974 applicant advised it was agreeable to the terms and conditions set forth in Decision No. 83276.

The relief sought herein 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 sought by applicant 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 Commission finds that:

1. The rates, rules, and charges named in MRT 2 are not appropriate, reasonable, or otherwise proper for the parcel delivery service performed by Aero Speed Mail Service, Inc.
2. The sought exemption from the otherwise governing provisions of MRT 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 Aaronson, supra.

The Commission concludes that Application No. 54845 should be granted to the extent set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. Aero Speed Mail 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, canceled, or extended by order of the Commission.

3. To the extent not granted herein Application No. 54845 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 26th day of NOVEMBER, 1974.

Vernon L. Sturgeon
President
William A. Aaronson, Jr.
[Signature]
[Signature]
Robert E. McLaughlin
Commissioners

APPENDIX A
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Minimum Parcel Delivery Rates
Aero Speed Mail Service, Inc.

Application

The rates set forth herein are applicable only to the transportation of packages weighing 100 pounds or less between points located within a 60 air mile radius of the city of Sacramento.

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 \$1.00 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.

APPENDIX A.
Page 2 of 2Rates (In Dollars and Cents per Package)

<u>Weight</u> (Lbs.)	<u>Rate</u>	<u>Weight</u> (Lbs.)	<u>Rate</u>
1	\$.44	26	\$1.69
2	.49	27	1.74
3	.54	28	1.79
4	.59	29	1.84
5	.64	30	1.89
6	.69	31	1.94
7	.74	32	1.99
8	.79	33	2.04
9	.84	34	2.09
10	.89	35	2.14
11	.94	36	2.19
12	.99	37	2.24
13	1.04	38	2.29
14	1.09	39	2.34
15	1.14	40	2.39
16	1.19	41	2.44
17	1.24	42	2.49
18	1.29	43	2.54
19	1.34	44	2.59
20	1.39	45	2.64
21	1.44	46	2.69
22	1.49	47	2.74
23	1.54	48	2.79
24	1.59	49	2.84
25	1.64	50	2.89

Packages weighing 51-100 pounds:

44 cents per package plus 5 cents per pound.