

Decision No. 84825

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Lane Drayage Inc.,  
for authority to deviate from MRT 2,  
in regards to shipments of pallets  
for the Coca-Cola Company under  
Section 3666 of the Public Utilities  
Code.

Application No. 55540  
(Filed March 5, 1975;  
amended May 16, 1975)

O P I N I O N

Lane Drayage Inc. operates as a radial highway common carrier and a highway contract carrier. It requests authority to deviate from the minimum rates in Minimum Rate Tariff 2 (MRT 2) in connection with the transportation of palletized shipments of beverages or beverage preparations as described in Item 360 of MRT 2 by returning empty pallets for The Coca-Cola Company without charge when such return transportation does not exceed 350 constructive miles regardless of the weight of the shipments of beverages or beverage preparations.

Item 45 of MRT 2 provides for the return of empty pallets without charge for distances not exceeding seventy-five miles when the outbound shipments of certain commodities are transported at rates subject to a minimum weight of 10,000 pounds or more when certain conditions are met.

Applicant alleges that The Coca-Cola Company has automated their production facilities so that all of their products are palletized. The pallets are owned and maintained by the shipper with no cost to the carrier. This transportation differs from that for which minimum rates were established in that the shipper loads carriers' equipment with power equipment and 97 percent of the total shipments are unloaded by consignee with power equipment, either by power lift at a dock or by the driver's moving the pallet by pallet jack

to the rear of the van where it is power lifted off. In regard to the 3 percent, the driver moves the pallet to the rear of the van by pallet jack and unloads by hand and stacks the product on the ground. If delays are encountered or special handling is requested, then accessorial charges described in MRT 2 will apply. Since all orders are palletized and made up for each customer on pallets by The Coca-Cola Company, there are times when a small order is palletized which weighs less than the minimum weight set forth in Item 45, but the methods of loading and unloading are the same.

By letter dated March 10, 1975 the California Trucking Association (CTA) advised it had no objection to interim relief but requested that a hearing be held to determine whether the operation at the requested deviation was compensatory after applicant had an opportunity to perform the transportation. On May 16, 1975 applicant amended its application and submitted cost figures which show a savings to applicant of \$87.38 per load (average weight 45,000 pounds) when loads are palletized. The cost figures are based on loading and unloading times taken from the last five years of loading and unloading experiences for deliveries made in the San Francisco Bay Area of both palletized and nonpalletized shipments that do not come under Item 45 of MRT 2.

The data contained in the amendment to the application filed May 16, 1975 indicates that the operation would be compensatory and apparently satisfies the concern of the CTA, since a copy of the amendment was mailed to it and no further correspondence has been received from CTA.

#### Findings

1. Shipments of beverages and beverage preparations transported by applicant for The Coca-Cola Company are palletized.
2. The pallets are owned by the shipper.
3. Shipments are power loaded and generally power unloaded by consignor and consignee, respectively.

4. There is a direct saving to applicant if shipments are palletized and power loaded and unloaded by consignor and consignee.
5. Applicant's proposal is reasonable and justified.
6. A public hearing is not necessary.

The Commission concludes that the application should be granted as set forth in the ensuing order.

Since conditions under which the service is performed may change at any time, the authority granted in the ensuing order will expire at the end of one year unless sooner canceled, modified, or extended by order of the Commission.

O R D E R

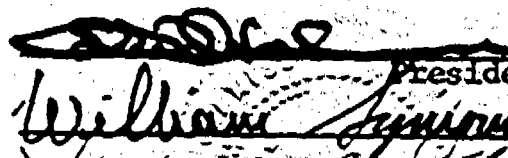
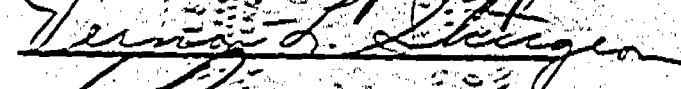
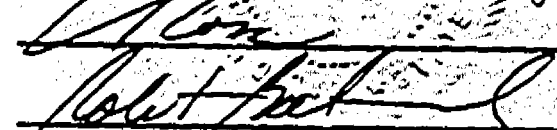
IT IS ORDERED that:

1. Lane Drayage Inc. is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging those rates set forth in Appendix A of this decision. This authority does not include any deviation from any rates, rules, or regulations except as specifically set forth in Appendix A.

2. The authority granted shall expire one year after the effective date of this order unless sooner canceled, modified, or extended by order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 26th  
day of AUGUST, 1975.

  
President  
  
  
Commissioners

APPENDIX A

Carrier: Lane Drayage Inc.

Shipper: The Coca-Cola Company.

Commodity: Empty pallets returning.

Between: The Coca-Cola Company, San Francisco, and points within 350 constructive miles of San Francisco.

Authority: When palletized shipments of beverages or beverage preparations are transported, the empty pallets may be transported without charge subject to the provisions of Item 45 of MRT 2, except that the minimum weight of 10,000 pounds set forth in Item 45 of MRT 2 need not be observed.