

ORIGINAL

Decision No. 86378

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investiga-)
tion for the purpose of consid-)
ering and determining minimum)
rates for transportation of any)
and all commodities statewide)
including, but not limited to)
those rates which are provided)
in Minimum Rate Tariff 2 and the)
revisions or reissues thereof.)

Case No. 5432

And Related Matters.)

Cases Nos. 5439 and 5441

SUPPLEMENTAL OPINION AND ORDER

Minimum Rate Tariff 2 (MRT 2) names minimum rates and rules for the statewide transportation of general commodities by highway carriers. The Commission has granted exemptions from the rates and rules of MRT 2 to approximately thirty carriers when engaged in courier transportation of checks, drafts, money orders, securities, transit items, sales audit items, business records, audit media, tabulation cards, data processing materials, legal documents, printed or reproduced documents or data and related items, video tapes, films and printed news stories (hereinafter collectively referred to as "business records"). A smaller, but increasing, number of carriers have exemptions from MRT 2 when engaged in courier transportation of human and animal specimens, contained in glass or plastic tubes or vials, of whole blood and blood serum for medical laboratory examination; individual units of whole blood; glass slides for microscopic tissue examination; urine and stool specimens; sputum, wound, and other similar cultures; tissue samples for pathological examination; X-ray photographs; medical transmittal documents, and documents reporting results of laboratory examination; and specimen envelopes, laboratory test forms, and transmittal containers furnished by medical laboratories

to their clients (hereinafter collectively referred to as "medical specimens".)¹

A courier service normally moves a container provided by the carrier which has been sealed by the customer. The movement of the container is performed on a daily scheduled basis, regardless of whether the container is full, half-full or empty (for return shipment). Most shipments are small in size and weight. It is not practical to classify shipments in terms of the National Motor Freight Classification, as to commodity and meet all requirements of a normal freight bill or provide for other requirements designed for normal freight operations when the transportation is by courier type services.

Courier service is door to door often requiring pickup and delivery during nighttime hours wherein a courier employee enters the customer's place of business using a key provided by the customer. Courier shipments often involve time deadlines. On some shipments the driver is required to effect delivery to a particular person located at a large facility, as contrasted with other situations where shipments are delivered to loading docks. The services involved may require special or unusual routing to effect expedited delivery of certain items. In determining a reasonable charge for these shipments, all of the various factors mentioned have to be considered. Weight, bulk, and distance are not of primary importance in determining a proper pricing formula for the services performed. The principal determinants for courier service rates are the service requirements of each particular customer.

The Commission has historically exempted commodities from minimum rates when it was of the opinion that the minimum rates and rules were not appropriate or practicable of application to the

¹ In most instances, the exemptions covering business records and/or medical specimens also applied to one or more of the following: Minimum Rate Tariffs 1-B, 9-B and 19.

transportation of the commodities involved. In Decision 65794, exempting from the minimum rate provisions the first group of carriers when performing courier service involving the transportation of "business records," the Commission stated the following:

"In view of these and other dissimilarities between petitioners' services and those which are subject to minimum rate provisions in issue herein, we find that said minimum rate provisions are not appropriate minimum rates, rules, and regulations for armored car and courier services which petitioners provide."

Regarding the courier transportation of "medical specimens" the Commission found in Decision 82140 as follows:

"The minimum rate provisions in Minimum Rate Tariff 2 from which petitioner seeks exemption are not appropriate minimum rates, rules and regulations for the type of service petitioner provides."

In the circumstances, the Commission finds that the present rates are not responsive to the transportation characteristics of courier transportation of "business records" and "medical specimens" and the public interest does not require the continuance of minimum rates for this service. Early individual carrier exemptions for courier service were restricted to the use of vehicles not exceeding a licensed weight of 4,000 pounds, while more recent exemptions have limited the licensed weight of vehicles to 4,500 pounds. For the purpose of enabling all existing individual exemptions of "business records" and "medical specimens" to be covered by the exemption in the minimum rate tariffs, the weight limitation will be 4,500 pounds. A public hearing is not necessary. The Commission concludes that Minimum Rate Tariff 2 should be amended accordingly by the order herein. Minimum Rate Tariffs 1-B, 9-B and 19 will be amended by separate orders to avoid duplication of tariff distribution.


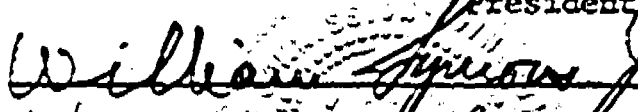
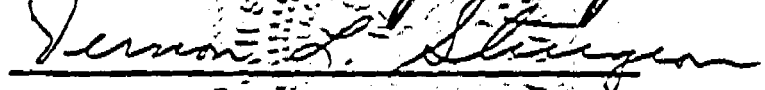


IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision 31606, as amended) is further amended by incorporating therein to become effective October 9, 1976, Sixty-sixth Revised Page 15 and Twenty-fifth Revised Page 15-A attached hereto and by this reference made a part hereof.

2. In all other respects, Decision 31606, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 15th day of September, 1976.


President




Commissioners

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES (Continued) (Items 40, 41 and 42)</p> <p>NOTE 1.--(a) Except as provided in paragraph (b), exemption applies only in connection with straight or mixed shipments of commodities making reference hereto and only when shipped in quantities of not less than 20,000 pounds.</p> <p>(b) The provisions of paragraph (a) of this note do not apply in connection with:</p> <p>(1) The transportation of eggs moving in straight shipments from point of production.</p> <p>(2) Shipments moving in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles or in milk shipping cans from point of production.</p> <p>NOTE 2.--Includes only used empty carriers which are returning from an outbound paying load of traffic for which rates are not provided in this tariff, or which are being forwarded for a return paying load of traffic for which rates are not provided in this tariff (subject to Item 80 of the Exception Ratings Tariff).</p> <p>NOTE 3.--Exemption applies only as to dried fruit in the natural state and which has not been cleaned, washed, stemmed or otherwise prepared or partially prepared for human consumption.</p> <p>NOTE 4.--Exemption applies only when the distance between point of origin and destination does not exceed 35 miles, computed in accordance with the provisions of Item 100.</p> <p>NOTE 5.--Exemption applies only when shipper certifies on the shipping document covering the transportation that the shells or shell marl are being shipped for use as a fertilizer.</p> <p>3. Rates in this tariff will not apply to the transportation of the following:</p> <p>Commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low bed trailers</p> <p>Commodities when transported in an armored car operated under permit from the Commissioner of the California Highway Patrol</p> <p>Commodities which consist of or contain materials essential to National Defense and which have been donated to and are transported for the United States Government, governmental agencies, or nonprofit organizations acting for or in behalf of said government in the collection, assembly or transportation of said commodities in connection with the recovery of said essential materials from the commodities transported</p> <p>Commodities which have been sold at retail by a retail merchant, and transported from a retail store or retail store warehouse to residences of retail customers, or transported from residences of retail customers to retail stores or retail store warehouses, and such transportation is performed in vehicles in the exclusive use of the retailer and providing no shipment exceeds 2,000 pounds in weight; further, that the merchandise is for the use or consumption of retail customers and is not for use in the furtherance of an industrial or commercial enterprise; and provided that the retailer shall certify on the shipping document for each delivery that the merchandise was sold at retail to a retail customer</p> <p style="text-align: center;">(Continued in Item 42)</p>	<p style="text-align: center;">41 (Continued)</p>
<p>(1) Certain provisions on this page transferred from Twenty-fourth Revised Page 15-A.</p> <p>Change, Decision No. 86378</p>	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	
Correction	

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES (Concluded) (Items 40, 41 and 42)</p> <p>Disaster Supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of disaster or state of extreme emergency</p> <p>Property of the United States, or property transported under an agreement whereby the United States contracted for the carrier's services</p> <p>Property shipped to or from producers of motion pictures or television shows when transported subject to the rates and rules provided in Decision No. 33226, in Cases Nos. 4246 and 4434, as amended</p> <p>Property transported for a displaced person when the cost thereof is borne by a public entity as provided in Section 7262 of the Government Code</p> <p>Property transported to a United States Post Office for mailing and United States mail transported from a post office to the addressee thereof (subject to Note 1)</p> <p>*Shipments of the following commodities, when transported in vehicles not exceeding a licensed weight of 4500 pounds: (1) Business Records, viz., checks, drafts, money orders, securities, transit items, sales audit media, tabulation cards, data processing materials, legal documents, printed or reproduced documents or data and related items, video tapes, films and printed news stories; (2) Medical specimens, viz., Human and animal specimens, contained in glass or plastic tubes or vials, or whole blood serum for medical laboratory examination; individual units of whole blood; glass slides for microscopic tissue examination; urine and stool specimens; sputum, wound and other similar cultures; tissue samples for pathological examination; X-ray photographs; medical transmittal documents, and documents reporting results of laboratory examination, and specimen envelopes, laboratory test forms and transmittal containers furnished by medical laboratories to their clients.</p> <p>Shipments weighing 100 pounds or less when delivered from retail stores or retail store warehouses where the property has been sold at retail by a retail merchant, or when returned to the original retail store shipper via the carrier which handled the outbound movement (subject to Note 2)</p> <p>Shipments weighing 10 pounds or less when transported by carriers which operate no vehicles exceeding a licensed weight of 4,000 pounds (subject to Note 3)</p> <p>NOTE 1.--Exemption applies only to transportation between points within a radius of 25 miles of the intersection of 1st and Main Streets, Los Angeles, said mileage to be computed in accordance with the provisions of Item 100.</p> <p>NOTE 2.--Exemption applies only when the distance between point of origin and destination does not exceed 35 miles, computed in accordance with the provisions of Item 100.</p> <p>NOTE 3.--Exemption applies only to transportation between points located within the Los Angeles Basin Territory as described in Item 270.</p>	<p style="text-align: center;">§42 (Con- cluded)</p>
<p>(1) Certain provisions of Item 42 transferred to Sixty-sixth Revised Page 15.</p> <p>§ Change } * Addition } Decision No. 86378</p>	
EFFECTIVE	
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Correction