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86404

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
for the purpose of considering 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
Petition for Modification
No. 898
(Filed June 4, 1976)

O P I N I O N

California Trucking Association (CTA) seeks amendment of Minimum Rate Tariff 2 (MRT 2) by inclusion therein of a new item containing provisions authorizing the exchange of pallets between shippers and carriers. The new item would apply in connection with a limited group of grocery items when transported in truckload lots of 40,000 pounds or more.^{1/}

In support of the request, the petition states that the new concept embodied in the proposed item will promote savings to shippers and carriers. The carrier will supply trucking equipment with the necessary number of pallets on which the shipper will load the merchandise. Unloading time at grocery warehouses and related facilities will be lessened because of the pallet exchange. Shippers will benefit materially because they will no longer have to maintain pallet inventories and will not need to concern themselves with accountability for returned pallets.

^{1/} The commodities are: Cleaning, washing and scouring compounds (including soap); cake and muffin mixes; cooking and salad oil; flour; peanut butter; textile softeners; vegetable oil shortening; potato chips in cans; and ground coffee.

The petition states that the principal known benefits and use of the proposed item are oriented to the grocery trade, and the proposal is experimental in nature. CTA requests that the proposed item expire in approximately one year so that interested parties may evaluate their experience. No specific rate increase or reduction will result from the adoption of the proposed item.

CTA believes that this is a matter which may be accorded ex parte handling. The petition shows that it was served on known interested shipper trade associations and competing carriers. Notice of the filing of the petition has also appeared on the Commission's Daily Calendar. The protest of the Highway Carriers Association has been withdrawn. No other protest or request for hearing has been received. The Procter & Gamble Company, by a letter dated July 2, 1976, supports the granting of the petition. The letter indicates that the proposed item provides an opportunity to improve handling and transportation efficiencies for those shippers, carriers, and receivers who are willing to enforce the disciplines inherent therein; it also provides a means of overcoming deficiencies in some current unitized programs such as the need to restack product from one pallet to another, and lost shipper and receiver pallets.

In the circumstances, the Commission finds that petitioner's proposal is reasonable and the resulting rates and charges will be just, reasonable, and nondiscriminatory minimum rates and charges for the transportation involved. A public hearing is not necessary. The Commission concludes that the petition should be granted.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein, to become effective October 23, 1976, Forty-seventh Revised Page 3, Original Page 27-E, and Original Page 27-F, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 31606, as amended, are hereby authorized to establish in their tariffs the amendments necessary to conform with the further adjustments ordered herein.

3. Tariff publications authorized 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 may be made effective not earlier than the tenth day after the effective date of this order and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

4. Common carriers, in establishing and maintaining the provisions authorized hereinabove, are hereby authorized to depart from the provisions of Section 461.5 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the provisions published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

5. In all other respects Decision No. 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
21st day of SEPTEMBER, 1976.

President
William Seymour Jr.
Leonard Sturgeon
Leonard Von
Robert Bateman
Commissioners

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

TABLE OF CONTENTS (Concluded)	ITEM (Inclusive)
RULES OF GENERAL APPLICATION (Section 1) Concluded:	
Application of Tariff-Territorial-----	30-31
Application of Governing Classification and Exception Ratings Tariff-----	50
Charges for Accessorial Services or Delays-----	145
Charges for Obtaining a Weighmaster's Certificate-----	148
Collection of Charges-----	250
Collect on Delivery (C.O.D.) Shipments-----	182
Combination Rates, Method of Computing-----	295
Computation of Distances-----	100
Delays to Equipment-----	142-143
Empty Packages or Carriers Second Hand-----	291
Empty Pallet Return-----	45
Escort Service, Charges for-----	124
Exceptions to Governing Classification and Exception Ratings Tariff-----	280-400
Failure to Accomplish Delivery-----	141
Forklift Service-----	260
Hazardous Materials-----	129
Intermediate Application (See Routing)-----	
Issuance of Documents-----	255
Loss or Damage, Handling of Claims For-----	75
Minimum Charge-----	150
Mixed Shipments-----	90-91
Multiple Service Shipment-----	188
Multiple Utilization of Equipment-----	293.3
*Pallet Exchange Provisions (on shipments of various grocery, hotel,----- restaurant, home or institutional products)-----	267
Parcel Deliveries (Metropolitan Los Angeles Area)-----	265
Permit Shipments, Charges for-----	128
Pool Shipments-----	176-179-2
Rail Carloading and Unloading Charges (Metropolitan Los Angeles Area)-----	262
References to Named Points or Communities-----	105
Shipments To Be Rated Separately-----	60
Shipments Transported in Multiple Lots-----	85
Small Shipment Service-----	149
Special Collect on Delivery (C.O.D.) Service-----	181-1
Split Delivery-----	170-173
Split Pickup-----	160-163
Stringing Services-----	174-175
Technical Terms, Definition of-----	10-12
Temperature Control Service-----	185-187-3
Territorial Descriptions-----	270-270-3
Units of Measurement To Be Observed-----	257
Volume Incentive Service-----	292
Weighmaster's Certificate-----	682
Weights-Gross Weights and Dunnage-----	70
✕ Change) * Addition) Decision No. 86404	
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;">PALLET EXCHANGE PROVISIONS (Subject to Notes 1 through 14)</p> <p><u>Commodities</u> - Cleaning, scouring, washing compounds, soap, soap products, etc. (48580, 48581) Coffee, roasted, ground, extract (72600, 72680) Flour, prepared, edible (cake and muffin mix) (73030, 73060, 73080, 73100, 73120, 73140) Oil, cooking or salad, NOI (144800) Peanut Butter or Peanut Spread (74220) Potato Chips in hermetically sealed cans (74480, Sub 1) Softeners, textile (176960) Vegetable Oil Shortening (134530)</p> <p>Truckload minimum weight 40,000 pounds per unit of carrier's equipment, but in no event less than the highest minimum weight applicable in connection with any rate used in computing charges.</p> <p>NOTE 1.--The provisions of this item apply only in connection with straight or mixed shipments of commodities named in this item.</p> <p>NOTE 2.--Rates applicable in connection with shipments transported under provisions hereof shall be those named in Section 2 or Items 730 or 731 of this tariff.</p> <p>NOTE 3.--Rates applicable in connection with shipments transported under provisions hereof include the services of a single carrier employee (driver) for each shipment. The carrier or his employee may not engage or pay for the services of helpers or other parties under any circumstances.</p> <p>NOTE 4.--Rates applicable in connection with shipments transported under provisions hereof may not be made in combination with any other rates.</p> <p>NOTE 5.--A maximum of two component parts shall be permitted in connection with split delivery or multiple service shipments. Charges named in Item 173 will apply for such service.</p> <p>NOTE 6.--The provisions of Item 430 of the Governing Classification and the following provisions of this tariff may not be applied in connection with shipments transported under provisions hereof:</p> <div style="margin-left: 40px;"> Item 85 - Multiple Lot Shipments Items 181-1 and 182 - Collect On Delivery (C.O.D.) Items 293 and 293-1 - Special Volume Incentive Service Item 293-2 - Premium Volume Incentive Service </div> <p style="text-align: center;">(Continued)</p>	<p style="text-align: center;">*6(E) 267</p>
<p>(E) Expires with October 30, 1977.</p> <p>* Addition) o Reduction) Decision No. 86404</p>	
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Correction

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">PALLET EXCHANGE PROVISIONS (Concluded) (Subject to Notes 1 through 14)</p> <p>NOTE 7.--Shipments must be prepaid by the shipper and must be tendered to and transported by the carrier on pallets. Such shipments must be loaded and unloaded with powered mechanical equipment furnished by consignor or consignee. Carrier driver will not stack, unstack, remove, place or transfer merchandise from one pallet to another during loading or unloading.</p> <p>NOTE 8.--An allowance of two hours free time for loading and two hours free time for unloading shall be made in connection with each unit of carrier's equipment used. Excess loading or unloading time shall be charged for at rates named in Item 145 of this tariff. Time shall be computed from actual or shipper-designated time of arrival of carrier's equipment at place of loading or unloading, whichever is later, until loading or unloading is completed and carrier's equipment is released. Excess unloading charges shall be billed to and collected from the consignee; provided however, that if charges are not paid by the consignee within the period provided by Paragraph (b) of Item 250, such charges shall be billed to the consignor (shipper) who will thereafter be liable for such payment as provided in Paragraph (c) of Item 250. For purposes of applying the provisions of this paragraph, "place of loading or unloading" means the particular street address or other designation of a factory, store, warehouse or place of business.</p> <p>NOTE 9.--Freight charges will be computed on the gross weight of the commodities transported, exclusive of pallets.</p> <p>NOTE 10.--When transporting shipments under the provisions of this item, carrier will acknowledge receipt of a specified number of pallet loads only. Upon delivery, the driver will note the number of pallets delivered to and received from the consignee on the carrier's delivery receipt.</p> <p>NOTE 11.--Consignee of the loaded palletized shipment shall provide the carrier with the same number of empty pallets of equal quality and condition when unloading is completed. Time waiting for such pallet exchange will be included in the total allowable free time for unloading as specified in Paragraph 8. When a like number of pallets are not furnished to the carrier before the carrier's equipment is released, a charge equal to the actual cost of such pallet(s), but not less than \$5.00 per pallet, shall be assessed.</p> <p>Charges accruing pursuant to this note shall be billed to and collected from the consignee; provided, however, that if charges are not paid by the consignee within the period provided by Paragraph (b) of Item 250, such charges shall be billed to the consignor (shipper) who will thereafter be liable for such payment as provided in Paragraph (c) of Item 250.</p> <p>NOTE 12.--When shipments are transported under provisions of this Item, the carrier will furnish the requested units of carrier's equipment, such units to be supplied with necessary four-way pallets, 48" x 40" and meeting GMA or GPC specifications for construction. Carrier will not furnish any pallets beyond the number which can be loaded when full in a single unit of carrier's equipment.</p> <p>NOTE 13.--Carrier shall not lease or rent pallets from shipper nor consignee.</p> <p>NOTE 14.--The provisions of this item apply only when the shipper annotates the bill of lading with the words "PALLET EXCHANGE PROVISIONS REQUESTED".</p>	<p style="text-align: center;">(E)</p> <p style="text-align: center;">267</p>
<p>(T) Expires with October 30, 1977.</p> <p>* Addition) o Reduction) Decision No.</p>	<p style="text-align: center;">86404</p>
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