

Decision 89 10 010 OCT. 12 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Service Air Cargo, Inc., for )  
authority to deviate from Distance )  
Table 8 issued by the California )  
Public Utilities Commission and to )  
implement therewith rate changes )  
pursuant to Sections 452 and 454 of )  
the California Public Utilities Code.)

ORIGINAL

Application 89-08-004  
(Filed August 1, 1989)

O P I N I O N

By this application Service Air Cargo, Inc. (Service), a highway common and contract carrier, seeks authority to deviate from the Commission's Distance Table 8 (DT 8) and to implement rate reductions pursuant to Public Utilities (PU) Code § 452 and rate increases pursuant to PU Code § 454. Specifically, authority is sought to publish and use Service's Distance Table 2 (DT 2).

By publishing DT 2 Service seeks to implement a U.S. Postal Service zip code based mileage system that represents an approximation of the Commission's current DT 8 mileages, and is almost identical to current zip code mileages set forth in Viking Freight Systems, Inc., DT 2. The use of zip code mileages results in certain slight increases and reductions in rates. The systemwide revenue impact and the impact on individual shipments of these changes are minimal, as exhibited by the revenue comparisons attached to the application as Exhibit A.

Service has performed extensive computer rerates of shipments to calculate the revenue impact of implementing the proposed zip code system, as shown in Exhibit A. A one-day rerate study using this zip code system generated revenues of \$6,415.03, compared to billed revenues under DT 8 of \$6,425.18. This resulted

in an overall revenue impact of 0.158%. In a one-day rerate sample performed during the same week, the total miles derived from this system, compared with those calculated under DT 8, resulted in a difference of 0.05%.

Service asserts that the request, if granted, will be beneficial because efficiencies may be made in the computer rating of freight bills which translate into an improvement in rate accuracy. Furthermore, Service maintains, simplification of the constructive mileage determination for rating purposes will reduce labor costs associated with the rating process, and will increase accuracy in constructive mileage determination.

A decision of the Commission in favor of the requested deviation from DT 8 contained in this application would be consistent with previous Commission action as described in Decisions (D.) 86-05-032, 86-02-018, and 86-12-073. Further, D.88-12-047 in Case 7024, OSH 40, authorized the Commission's Transportation Division staff to solicit bids for the purpose of selecting a contractor to develop and maintain an actual mileage zip code-oriented distance table.

Exhibit C to the application, the Zip Code Tariff, is over 1,128 pages long; each loose-leaf page is double-sided, 8-1/2 by 11 inches. Any errors can be easily corrected since this is a loose-leaf tariff. Zip codes are somewhat universal; thus there is no need to explain basing points or territory boundaries, unlike DT 8. There is PC-compatible software available for use with this zip code tariff which will calculate miles between and up to twenty points over the most direct route in California, thus making it highly desirable for use in master billing for shippers as well as carriers.

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar. No protest to granting the application has been received. In the circumstances, the application should be granted.

Findings of Fact

1. Service requests that it be authorized to depart from the provision of DT 8 by implementing its own DT 2 in lieu thereof, and to implement rate reductions and increases pursuant to PU Code §§ 452 and 454.

2. Granting Service's request will allow the carrier to assess reasonable rates and charges in connection with distance rated shipments.

Conclusions of Law

1. The application should be granted. A public hearing is not necessary.

2. Since this matter is uncontested, the effective date of this decision should be today.

ORDER

IT IS ORDERED that Service Air Cargo, Inc. is authorized to file and apply its Distance Table 2, Cal P.U.C. No. 3, and reissues thereof, in lieu of the Commission's Distance Table 8, and reissues thereof, and to implement rate reductions and increases pursuant to Public Utilities Code §§ 452 and 454 to the extent necessary in connection with this authority.

This order is effective today.

Dated OCT. 12 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

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*Wesley Franklin*  
WESLEY FRANKLIN, Acting Executive Director  
JB