

ORIGINAL

Decision 82 04 034

APR 6 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application
of GREYHOUND LINES, INC. for
authority to provide Pickup and
Delivery Service within the
Commercial Zones in the State of
California as defined by the
Interstate Commerce Commission.

Application 61038
(Filed November 5, 1981)

O P I N I O N

Applicant Greyhound Lines, Inc., a California corporation, requests a certificate of public convenience and necessity to operate as a highway common carrier as follows:

"To provide pickup and delivery service of express within the incorporated limits of cities or towns served and within their commercial zones as defined by the Interstate Commerce Commission [ICC] in Title 49--Transportation, Code of Federal Regulations, Part 1048--Commercial Zones, or reissues thereof, limited to express shipments having a prior or subsequent movement in line-haul scheduled Intercity Passenger Bus Service."

A copy of the application was served on California Trucking Association, Consolidated Freightways, Di Salvo, System 99, and Delta California Industries. Notice of filing of the application was published in the Commission's Daily Calendar of November 9, 1981. A single protest--that of Bus Express Services, Inc.--was filed to the application.

Applicant operates as a passenger stage corporation over an extensive network of routes in intrastate and interstate commerce throughout a considerable portion of the United States, including California. It transports on its buses intrastate and interstate

express traffic incidental to the transportation of its passengers. Traditionally, applicant's express service, as with other bus companies, has been limited to transporting on its buses express traffic which has been delivered to and/or will be picked up at its bus stations. Shippers had to deliver, or have delivered, the traffic to the origin bus station. Consignees had to pick up, or have picked up, traffic at the destination bus station. Some shippers and consignees used local for-hire truckers to transport express traffic to or from the bus stations.

The ICC in Ex Parte MC-37 (Sub-29), decided September 22, 1977, modified 49 CFR 1048 to provide that the operating rights of passenger carriers be interpreted to include authority for them to perform pickup and delivery (PUD) service of express traffic at any point in a city, including the commercial zone of that city. The bus company was authorized to serve as a local PUD carrier as long as the express traffic had a prior or subsequent movement by passenger carrier. The purpose of this application is to secure for applicant authority to perform PUD by truck or van of its intrastate express traffic at points it is authorized to serve in the State coextensive with the limits of the ICC commercial zones of those points.

The commercial zone of any municipality authorized to be served by a carrier is described in 49 CFR 1048 to consist of the municipality and an area surrounding the municipality based on the population of the municipality as follows:

<u>Population of Municipality</u>	<u>Outer Limits of Commercial Zone Measured from Municipal Boundary</u>
0 - 2,499	3 miles
2,500 - 24,999	4 miles
25,000 - 99,999	6 miles
100,000 - 199,999	8 miles
200,000 - 499,999	10 miles
500,000 - 999,999	15 miles
1,000,000 and over	20 miles

No provision is made for commercial zones at unincorporated areas.

The proposed PUD service will use small commercial delivery vans or vehicles similar in size and function. When requests for regular pickup service are received before noon Monday through Friday, shipments will be picked up the same day. When requests for regular pickup service are received after noon Monday through Thursday, shipments will be picked up the following day. Requests for regular pickup service made after noon on Friday will be picked up the following Monday. Shipments for delivery which arrive at the bus terminal by 8:00 a.m. Monday through Friday will be delivered the same day. Special PUD service will be provided at a specific time designated by the consignor or consignee. PUD rates will be assessed separately from linehaul rates. Applicant intends to set up its PUD rates as follows:

Number of Shipments Per Pickup or (*) Delivery	Per Shipment Charge			
	Regular Service		Special Service	
	City Limits	Commercial Zone	City Limits	Commercial Zone
1	\$ 4.00	\$ 5.00	\$10.00	\$15.00
2	2.75	3.50	7.00	8.00
3	2.25	3.00	5.00	6.00
4	2.00	2.50	4.00	5.00
5	1.75	2.25	3.50	4.50
6	1.50	2.00	3.00	4.00
7	1.35	1.80	2.75	3.75
8	1.20	1.70	2.45	3.50
9	1.10	1.60	2.20	3.25
10 or over	1.00	1.50	2.00	3.00

(*) - Multiple Shipment Delivery Charges will be applicable only when the shipments are made from one consignor (shipper) to one consignee at the same time.

As of June 30, 1981 applicant had a net worth of \$326,573,000 and for the six months ending June 30, 1981 had operating revenues from all sources of \$399,007,000 and a net income after taxes of \$9,602,000.

Applicant contends that since it performs both an intra-state and interstate express service in the State, it is important that the territory served in intrastate service, insofar as possible, be coextensive with that served in interstate service to eliminate any confusion on the part of shippers or receivers using applicant's express service. The coextensive authority, applicant contends, would allow applicant to offer a more complete and beneficial service to the community.

Protestant Bus Express Services, Inc., a highway common carrier, alleges that applicant's proposed PUD operation will be performed within the same areas that are now served by protestant and other small local carriers who handle the PUD of bus express shipments. Protestant asserts that its profit margin is represented

by the type of PUD traffic that applicant seeks to haul. Protestant believes that the granting of the requested authority would be in conflict with the Public Utilities (PU) Code and the subhaul provisions of Commission's General Order Series 102 (GO 102). Applicant's proposed rates are assailed by protestant as being predatory in one sense and in another sense as being too high to move the traffic. Protestant did not request a hearing.

Discussion

In order to obtain door-to-door small package express service between two California cities a shipper must now sometimes depend on as many as three different, unrelated carriers. Granting this application will allow applicant, rather than the shipper or consignee, to perform or arrange for the PUD of express shipments. This single carrier responsibility should eliminate delays in transit and place the shipper of small packages on an equal service footing with the shipper of large shipments who uses for-hire trucks with their single line door-to-door service. Single line express service between cities and their ICC commercial zones should result in a more efficient operation and reduce congestion at city bus terminals. Local motor carriers should benefit from increased revenues derived from subhauling for applicant. We see no reason to keep applicant relegated to the performance of only terminal-to-terminal service. Allowing applicant to offer full door-to-door service between cities and their commercial zones will allow it to become more responsive to the public need for the transportation of small shipments and eliminate confusion on the part of shippers who use applicant's interstate and intrastate service.

We fail to understand protestant's allegation that granting applicant authority to operate as a highway common carrier in the PUD of freight is in conflict with the PU Code. Protestant, itself,

handles traffic which has a prior or subsequent movement by bus. We see no reason applicant cannot do the same. Likewise, we fail to understand protestant's allegation that applicant's proposed operations would be in conflict with the subhaul provisions of GO 102. As long as applicant abides by those provisions it may act as an overlying carrier as it will have appropriate highway carrier authority to do so. Protestant's objections to applicant's proposed PUD rates are premature. Since protestant did not request a hearing to demonstrate the unreasonableness of applicant's proposed initial rates, we will not prevent applicant from filing the rates when operations start. In granting this application for operating authority we are not passing on the reasonableness of those rates. The time for protestant to object to those rates is when they are officially filed with us.

Findings of Fact

1. Applicant provides both interstate and intrastate express service by bus in California.
2. Applicant's California intrastate express service is currently limited to terminal-to-terminal operations.
3. In its interstate express service applicant is authorized to provide PUD service by truck within the ICC commercial zones of all cities at which it has ICC authority to serve, including those in California.
4. Applicant requests a highway common carrier certificate to perform PUD service by truck coextensive with the ICC commercial zones of cities it is authorized to serve on an intrastate basis in this State.
5. Applicant will use small commercial delivery vans or vehicles of similar size in the proposed PUD service.
6. Applicant is financially able to conduct the proposed PUD service.
7. The proposed service will allow applicant, rather than the shipper or consignee, to perform or arrange for PUD of express shipments.
8. The proposed service should eliminate delays in transit.

9. The proposed service will place shippers of small packages on an equal service footing with shippers of large shipments who use for-hire trucks with their single door-to-door service.

10. The proposed service will be more responsive to the public need for the transportation of small shipments.

11. Public convenience and necessity require the granting of the application.

12. Protestant's objections to the granting of the application afford no basis for denying the application.

13. A public hearing is not necessary.

14. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

15. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion of Law

The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Greyhound Lines, Inc., a corporation, authorizing it to operate as a highway common carrier, as defined in PU Code § 213, between the points listed in Appendix A.

2. Applicant shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs within 120 days after this order is effective.

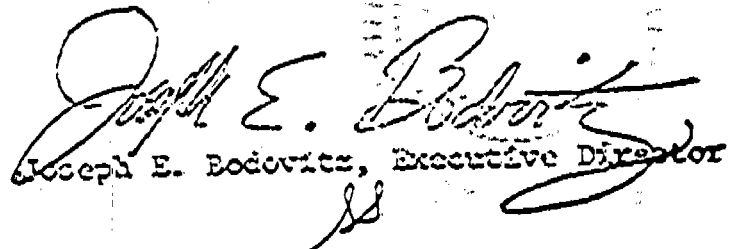
- c. State in its tariffs when service will start; allow at least 10 days' notice to the Commission; and make tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series, 80, 100, 104, and 147, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Comply with General Order Series 84 (collect-on-delivery shipments). If applicant elects not to transport collect-on-delivery shipments, it shall file the tariff provisions required by that General Order.
- g. Comply with General Order Series 102 if applicant elects to engage subhaulers to perform pickup and delivery service within prescribed terminal zones.

This order becomes effective 30 days from today.

Dated APR 6 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director

Greyhound Lines, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Public Utilities Code Section 213 for the following transportation:

To provide pickup and delivery service of express shipments to, from, and within the commercial zones of cities and towns, as defined by the Interstate Commerce Commission in Title 49 - Transportation, Code of Federal Regulation Section 1048.101 issued December 29, 1976, limited to shipments having a prior or a subsequent movement in line-haul scheduled intercity passenger bus service.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.
Decision 82 04 034, Application 61038.