

ORIGINAL

Decision 82 09 073 September 22, 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of E. MARK GOLD, dba)
ECONO-MOVE DELIVERS, for authority)
to deviate from the hourly rates)
set forth in Minimum Rate Tariff)
No. 4-B, for the transportation of)
used property, viz: household)
goods, personal effects and office,)
store and institution furniture,)
fixtures and equipment, within the)
State of California, hourly rate)
hauls of no more than 50 construc-)
tive miles.)

Application 82-03-92
(Filed March 25, 1982)

Gene Carmody, for E. Mark Gold, applicant.
Thomas J. Hays, for California Moving & Storage
Association, protestant.
Harry E. Cush, for the Commission staff.

O P I N I O N

Applicant holds a household goods carrier permit (T-136,424) issued on December 18, 1981. It authorizes "hourly and piece rate hauls of no more than 50 constructive miles."

Applicant seeks to deviate from the minimum rates set forth in Minimum Rate Tariff (MRT) 4-B, for the transportation of used household and office goods between points within applicant's operating authority. The application requests that the deviation

apply only on the transportation of articles which can be handled by personnel with no special equipment or experience, namely, articles which satisfy the following guidelines:

1. No materials handling equipment other than standard hand-powered two- and four-wheel hand trucks or dollies: No skid boards, or hoisting by pulleys.
2. No assembly or disassembly which requires more than common household tools, screw-driver, pliers, or hammer; or more than common household knowledge.
3. Limit of 150 pounds per man if carried by hand, 100 pounds if carried up or down stairs, 250 pounds per man if carried on a dolly or hand truck, 150 pounds if on a dolly or hand truck up or down stairs.
4. No pianos to be transported.

The current hourly rates for the transportation proposed apply for distances of 50 constructive miles or less, and are as follows:

| | |
|----------------------------------|---------|
| Truck with driver | \$31.00 |
| Truck with driver and one helper | \$57.30 |
| Additional helpers, per man | \$20.55 |

Applicant proposes to charge the following hourly rates:

| | |
|----------------------------------|---------|
| Truck with driver | \$21.00 |
| Truck with driver and one helper | \$34.30 |
| Additional helpers, per man | \$ 9.50 |

Applicant will add 40 minutes to the actual time charged the customer and will have a 40-minute minimum charge for service. Driving time will not be doubled, but 50 cents extra will be

charged for each mile in excess of 15. There will also be an extra charge of 75 cents per mile for the truck with driver and 25 cents a mile for each helper, for every mile in excess of 15 from applicant's place of business.

A protest was filed by the California Moving & Storage Association on April 9, 1982, and a hearing was held in San Francisco on May 21, 1982 before Administrative Law Judge Edward G. Fraser. Testimony was provided by the applicant who placed three exhibits in evidence. Applicant was then cross-examined by representatives from the Commission staff and the moving association. The other parties provided no testimony or documentary evidence.

Applicant is a college graduate with advanced degrees in physics and mathematics. He was in research and teaching for 20 years prior to 1980 when he terminated his academic career. He decided to start his own business in late 1980 or early 1981, becoming a household goods mover - at first without any authority, due to ignorance of the law. He obtained a household goods carrier permit on December 18, 1981 after a conference with a member of the Commission staff.

This application was filed due to his observation that the public will not employ movers who must charge the rates set forth in MRT 4-B. The charges are perceived to be too high by the

average householder, who will usually borrow or rent a truck and do the physical work with the help of friends, or have the job performed by an unlicensed mover for about half the tariff charges.

Applicant's experience indicates that most jobs can be handled with a 22-foot truck and two men for \$34.00 an hour, plus 40 minutes driving time. A four-hour move plus driving time will total \$159.00, compared to two men for four and a quarter hours under the tariff rate at \$242.00. Applicant will charge the same for weekend moves. His charges are two-thirds of the tariff rate on most hauls. Most of the anticipated moves will require only a driver and one other man, although he has one - through four-man job categories, including the driver. He drives on jobs and the men he hires are walkins, or hired through those who provide temporary employees. All of his men have been inexperienced and were trained while working on the job.

Applicant has an estimate of income and expense as a part of his application. The totals are authentic since applicant has been charging the rates he has applied to adopt. If the deviation is authorized, applicant will start advertising in newspapers and various telephone books. The business is now paying the bills, but extensive advertising should ensure increased patronage.

If the application is granted and the business develops as projected, applicant intends to hire employees on a steady basis. The application contains an exhibit detailing the labor wage rates to be paid his employees. The exhibit includes the payroll costs and worker's compensation insurance cost the firm will incur. The full cost of applicant's operation compared with the anticipated revenue shows a reasonable profit would be earned.

Applicant stipulated that his operating authority could be restricted to eliminate all office moves and to provide for a pickup zone limited by the following description based upon the mileage zones identified in Distance Table No. 8, Book of Maps, Part 2 of 2 parts, issued by the Commission:

1. That area in MZ 101 east of Stanyan Street and a North-South line through Twin Peaks.
2. MZ 110 in Oakland west of Grand Avenue and MZ 111 in Oakland, with MZ 113 in San Leandro.
3. MZ 108 in Richmond.

The restrictions above apply only to where applicant will be picking up the shipments. Applicant has requested an operating radius of 50 miles as set forth in his household goods carrier permit.

In closing arguments, the representative of the California Moving & Storage Association argued that the application should be denied. He stated that applicant's business has not been profitable and has not been in existence long enough to provide a base for future projections. The staff representative suggested that any authority granted be for a period of one year and subject to renewal as provided under the procedures set forth in Commission Resolution TS-284.

Findings of Fact

1. Applicant's transportation involves unique circumstances.
2. Applicant's costs for this transportation are less than those used to set the rates in MRT 4-B.
3. The proposed rates are reasonable.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. E. Mark Gold may depart from the rates in MRT 4-B by charging not less than the rates in Appendix A.

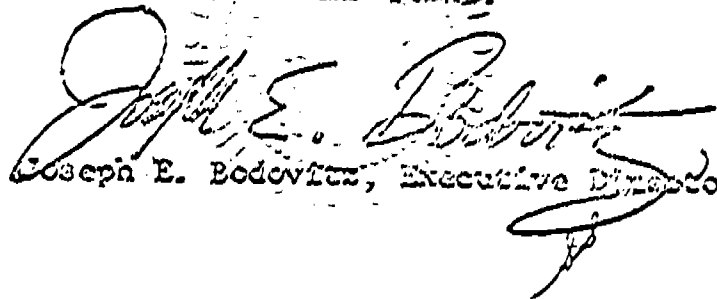
2. This authority shall expire one year after the effective date.

This order becomes effective 30 days from today.

Dated SEP 22 1982, at San Francisco, California.

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

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


Joseph E. Bodovitz, Executive Director

APPENDIX A
Page 1 of 2

E. Mark Gold, doing business as Econo-Move Delivers, is authorized to transport used household goods within 50 miles of the following origin areas:

1. MZ 101 east of Stanyan Street and a north-south line through Twin Peaks.
2. MZ 111 and MZ 110 in Oakland west of Grand Avenue.
3. MZ 113 in San Leandro.
4. MZ 108 in Richmond.

Rates to be assessed:

| | <u>Per Hour</u> |
|----------------------------------|-----------------|
| A. Truck with driver | \$21.00 |
| Truck with driver and one helper | 34.00 |
| Additional helpers, per man | 9.50 |

Minimum charge: 40 minutes

Computation of Time:

Time starts: Arrival at point of origin
Time finishes: Movement is completed

(NOTE: Driving Time is NOT doubled.)

B. Mileage Charge:

1. In addition to the hourly charge set forth in A, 50 cents per mile will be assessed for each loaded mile traveled in excess of 15 miles.
2. In addition to the charges set forth in A and B.1, the following charges will be assessed when the distance to the start or from the finish point of a move exceeds 15 miles from Econo-Move Delivers' main place of business:

| | |
|-------------------|--------------------------|
| Truck with driver | 75 cents per excess mile |
| Helpers, per man | 25 cents per excess mile |

APPENDIX A
Page 2 of 2

Conditions:

1. Rates will not apply for the transportation of office furniture, office equipment, pianos, or shipments requiring special equipment, such as hoists or lift trucks.
2. In performing the services authorized by this deviation E. Mark Gold, dba Econ-Move Delivers, shall observe the following restrictions:
 - a. Use no materials handling equipment other than standard hand-powered two- and four-wheel hand trucks or dollies: No skid boards, or hoisting by pulleys.
 - b. No assembly or disassembly which requires more than common tools, screwdriver, pliers, or hammer; or more than common household knowledge.
 - c. Limit of 150 pounds per man if carried by hand, 100 pounds if carried up or down stairs, 250 pounds per man if carried on a dolly or hand truck, 150 pounds if on a dolly or hand truck up or down stairs.
3. In all other respects, the rates and rules in Minimum Rate Tariff 4-B shall apply.

(END OF APPENDIX A)

JHP
9-22

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