

ORIGINAL

Decision No. 87572 JUL 12 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investiga-)	
tion for the purpose of consid-)	Case No. 5432
ering and determining minimum)	Petition for Modification
rates for transportation of any)	No. 956
and all commodities statewide)	(Filed April 11, 1977)
including, but not limited to,)	Petition for Modification
those rates which are provided)	No. 972
in Minimum Rate Tariff 2 and the)	(Filed May 24, 1977)
revisions or reissues thereof.)	(Amended July 6, 1977)

OPINION AND ORDER

Minimum Rate Tariff 2 (MRT 2) names minimum rates and rules for the statewide transportation of general commodities by highway carriers. By Petition 956, California Trucking Association (CTA) seeks to amend MRT 2 by establishing rate reductions of 5, 7 and 12 cents per 100 pounds on shipments which are respectively transported "70 constructive miles or less", "over 70 but not over 260 constructive miles" and "over 260 constructive miles" under the pallet exchange provisions of the tariff. Petitioner also proposes that the pallet exchange provisions apply only in connection with shipments that are released to one-half of actual value or 50 cents per pound per article, whichever is less.

By Petition 972, CTA requests that the free pallet return provisions of MRT 2 be broadened by eliminating the distance restriction (75 miles from point of origin) and broadening the potential application of said provisions from selective commodities to virtually all commodities.¹

Petitioner states that the proposed rate reductions will encourage use of the pallet exchange provisions and enhance the potential for lower carrier costs of insurance and claims. Petitioner declares that the benefits of free pallet return would be extended, under its proposal, to elements of the shipping public who cooperate to hold down carrier costs and minimize subsidization of inefficient operations through modern and efficient methods.

¹ Petitioner's proposals are set forth in detail in Exhibits A attached to the involved petitions.

Petitioner avers that the aforementioned amendments will enable for-hire carriers to operate under conditions which more nearly approximate those which shippers experience in proprietary carriage.

Copies of the petitions and amendment were mailed to various chambers of commerce, shipper organizations and carrier representatives on or about April 7, 1977, May 24, 1977 and July 6, 1977. The petitions and amendment were listed on the Commission's Daily Calendars of April 13, 1977, May 26, 1977 and July 7, 1977. No objection to the granting of the petitions and amendment has been received.

In the circumstances, the Commission finds that petitioner's proposals are reasonable to the extent hereinafter indicated; the resulting minimum rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved; and, to the extent said rates may result in increases, such increases are justified. The involved tariff provisions will be made permanent as procedures are available to petitioner and other interested parties in the event that they may desire to modify or cancel said provisions in the future. A public hearing is not necessary. The Commission concludes that the petitions should be granted as set forth in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this rate relief.

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 July 23, 1977, the revised pages contained in Appendix A, 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 also to Decision 31606, as amended, are authorized to establish in their tariffs the amendments necessary to conform with the further adjustments ordered by this decision.
3. Tariff publications authorized to be made by common carriers as a result of this order may be made effective not earlier than July 23, 1977, and may be made effective on not less than

five 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 amendments authorized by this order, are 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 amendments 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 31606, as amended, shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th
day of JULY, 1977.

Commissioner CLAIRE T. DEDRICK did not participate in the disposition of this proceeding.

Robert Bateman

President

William Lyons, Jr.

George L. Sturgeon

Richard D. Howell

Commissioners

C. 5432 (Pets. 956 and 972)

APPENDIX A

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MINIMUM RATE TARIFF 2

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(1) Fiftieth Revised Page 3 was suspended by Supplement 131.	
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;">EMPTY PALLET RETURN</p> <p style="text-align: center;">SECTION 1</p> <p>Empty pallets may be transported without charge when being returned from the point of destination of a palletized shipment to the point of origin of the same palletized shipment or when being transported to the point of origin of a palletized shipment from the point of destination of the same palletized shipment (Subject to Notes 1 through 10):</p> <p>NOTE 1.--The provisions of Section 1 of this item apply only when the palletized shipment is transported at rates named in Sections 2 or 3 of this tariff.</p> <p>NOTE 2.--The provisions of Section 1 of this item are not applicable in connection with pallets subject to provisions of Items 330.4 or 330.6 of this tariff.</p> <p>NOTE 3.--For purposes of applying the provisions of this section, the term "pallets" or "empty pallets" means wooden pallets, six inches or less in height, as described in Item 150390, Sub 4 of the Governing Classification.</p> <p>NOTE 4.--The palletized shipment shall be subject to a minimum weight of not less than 20,000 pounds and the entire palletized shipment must move on one unit of carrier's equipment at one time.</p> <p>NOTE 5.--Palletized shipments must be loaded by consignor and unloaded by consignee with power equipment, furnished and used without expense to the carrier. Physical assistance of the carrier's employee is restricted to work within or on carrier's equipment and does not include stacking, unstacking, removal or placement of merchandise on pallets or any assistance in the actual loading and unloading.</p> <p>NOTE 6.--Shipper must certify on the bill of lading that palletized shipments were loaded onto carrier's equipment with power equipment operated by personnel furnished by the shipper. Consignee must certify on carrier's delivery receipt that the palletized shipments were removed from carrier's equipment with power equipment operated by personnel furnished by the consignee.</p> <p>NOTE 7.--The bill of lading covering the shipment of empty pallets shall be prepared by the shipper of such empty pallets and must make reference to the palletized shipment by number or other individual identity.</p> <p>NOTE 8.--An allowance of one hour free time for loading and one hour free time for unloading the palletized shipment shall be made for each unit of carrier's equipment used. Time shall be computed from the time of arrival of carrier's equipment at place of loading or unloading until loading or unloading is completed and the carrier's equipment is released. Excess loading or unloading time shall be charged for at the rates named in Item 145. 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.--</p> <p>(a) Immediately upon receipt of a palletized shipment, the consignee shall tender to the carrier delivering such palletized shipment, up to a like number of empty pallets, or</p> <p>(b) Immediately upon receipt of a shipment of empty pallets, the consignee shall tender to the carrier delivering such empty pallets, a palletized shipment containing up to a like number of loaded pallets.</p> <p>NOTE 10.--The carrier shall be responsible only for the number of empty pallets tendered to it and not for the kind, type or condition of such empty pallets.</p> <p style="text-align: center;">SECTION 2</p> <p>Subject to the provisions of Item 291 of this tariff, shipments of empty pallets as described below, when not subject to the provisions of Section 1 of this item and when returning to the point of origin of an outbound palletized shipment or when transported for a return palletized shipment, as subject to the following exception to the Governing Classification:</p> <p>Wooden pallets as described in Item 150390, Sub 4 of the Governing Classification, without bodies, enclosures, ends, sides, stakes, standards or stacking posts:</p> <p style="padding-left: 40px;">Less truckload-----Apply provisions of Item 330.6</p>	*044
<p>* Addition) o Reduction) Decision No. 87572</p>	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	
Correction	

MINIMUM RATE TARIFF 2

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">EMPTY PALLET RETURN-CANNED GOODS</p> <p>*Except as otherwise provided in this tariff the provisions of this item apply only in connection with shipments of canned goods transported under the provisions of Items 320 or 320-1.</p> <p style="text-align: center;">SECTION 1</p> <p>(a) When palletized shipments are transported at rates subject to minimum weights of 10,000 pounds or more, empty pallets may be transported without charge for distances not exceeding 75 constructive miles when returning to the point of origin of an outbound palletized shipment or when transported for a returning palletized shipment subject to the provisions of Notes 1, 2, 3 and 4, below:</p> <p>NOTE 1.--Palletized shipments must be loaded by consignor and unloaded by consignee with power equipment, furnished and used without expense to the carrier.</p> <p>NOTE 2.--Shipper must indicate on the bill of lading that palletized shipments were loaded onto carrier's equipment with power equipment operated by personnel furnished by the shipper. Consignee must indicate on carrier's delivery receipt that the palletized shipments were removed from carrier's equipment with power equipment operated by personnel furnished by the consignee.</p> <p>NOTE 3.--Bills of lading covering the shipments of returning empty pallets shall identify the palletized shipments. Bills of lading covering returning palletized loads shall identify the shipments of empty pallets.</p> <p>NOTE 4.--For purposes of applying the provisions of this section, the terms "pallets" or "empty pallets" means wooden pallets as described in Item 150390, Sub 4, of the Governing Classification, without bodies, enclosures, ends, sides, stakes, standards or stacking posts.</p> <p>(b) Carriers must assess provision of Section 2 of this item or other provisions of this tariff, as applicable, under conditions set forth in Notes 1, 2 and 3, below:</p> <p>NOTE 1.--If immediately upon receipt of a palletized shipment consignee fails to provide carrier with up to a like number of empty pallets for return to point of origin of the palletized shipment.</p> <p>NOTE 2.--When empty pallets are furnished by consignee and forwarded to point of origin of a palletized shipment, if consignor immediately upon receipt of the empty pallets fails to provide carrier with a palletized shipment containing up to a like number of pallets loaded for shipment to consignee at point of origin of the empty pallets.</p> <p>NOTE 3.--For transportation of all empty pallets exceeding the number authorized under provisions of Notes 1 or 2 of paragraph (b).</p> <p style="text-align: center;">**</p> <p style="text-align: center;">SECTION 2</p> <p>Subject to the provisions of Item 291 of this tariff, shipments of empty pallets as described below, when not subject to the provisions of Section 1 of this item and when returning to the point of origin of an outbound palletized shipment or when transported for a return palletized shipment, are subject to the following exception to the Governing Classification:</p> <p>Wooden pallets as described in Item 150390, Sub 4, of the Governing Classification, without bodies, enclosures, ends, sides, stakes, standards or stacking posts:</p> <p>Less truckload-----Apply provisions of Item 330.6</p>	645
<p>* Addition) Δ Change, neither) increase nor) Decision No. 87572 reduction) ** Eliminated)</p>	
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Correction

SECTION 1--RULES OF GENERAL APPLICATION (Continued)

ITEM

PALLET EXCHANGE PROVISIONS
 (Subject to Notes 1 through 14)

Commodities - 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)

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.

NOTE 1.--The provisions of this item apply only in connection with straight or mixed shipments of commodities named in this item.

NOTE 2.--Rates applicable in connection with shipments transported under provisions hereof shall be those named in *0 Items 508.1, 508.2, 730 or 731 of this tariff, less the amounts indicated by the following table:

Constructive Miles		Reduction in Cents per 100 Pounds
Over	NOT OVER	
0	70	5
70	260	7
260	-	12

In determining the rate in Items 508.1, 508.2, 730 or 731, the provisions of Item 292, 293, 293.1 and 293.2 are not applicable.

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.

NOTE 4.--Rates applicable in connection with shipments transported under provisions hereof may not be made in combination with any other rates.

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.

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:

- 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

(Continued)

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o Change)
 * Addition) Decision No. **87572**
 o Reduction)

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SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">PALLET EXCHANGE PROVISIONS (Concluded) (Subject to Notes 1 through 15)</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's 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 in connection with shipments released to one-half of actual value or 50 cents per pound, per article, whichever is less.</p> <p>ANOTE 15.--The provisions of this item apply only when the shipper annotates the bill of lading with the words "PALLET EXCHANGE PROVISIONS REQUESTED." By such request the shipper agrees to the requirements of this item as a prerequisite to application of the provisions hereof.</p>	<p>6 267</p>
<p> ✓ Change) Decision No. 87572 * Addition) </p>	
<p>EFFECTIVE</p>	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	