

ORIGINAL

Decision No. 88414 JAN 24 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Coastal Transfer Company for)
authority to deviate from certain)
minimum rates pursuant to Section)
3666 of the California Public)
Utilities Code for transportation)
performed for automobile dis-)
tribution warehouses.)

Application No. 57703
(Filed November 23, 1977)

OPINION AND ORDER

By this application, Coastal Transfer Company, a corporation, requests authority to deviate from the provisions of Item 530 of Minimum Rate Tariff 2 in connection with the transportation of automobile parts in mixed shipments within the Los Angeles Metropolitan Area.

Applicant states it has experienced considerable difficulty in assessing proper charges because of the many varieties of automobile parts that are generally loaded into "master" containers. Therefore, it would not be possible to determine the individual weights and the number of articles shipped unless each order is separated and broken down for weighing. Each order may consist of 50 or more items.

Applicant contends that in order for service to be compensatory it must be performed by direct dispatch basis, eliminating the need for the drivers to return to the terminal for weighing and billing of said commodities.

Applicant declares that a large portion of this service is presently performed by the dealers on a proprietary basis. The sought deviation authority would allow applicant to increase the number of pickup and delivery services rendered to the shipper and the automotive industry.

The application was listed on the Commission's Daily Calendar of November 25, 1977. California Trucking Association (CTA) opposed

the ex parte handling of the application stating that the cost per trip in Exhibit 3 is understated, being based on an average of 65 MPH. Labor costs are also understated because provisions for workers' compensation and payroll taxes seem incorrect, moreover, applicant did not provide for State Unemployment Insurance. Applicant's request appears to be contradictory. It indicates in Paragraph V of the application that deliveries may be made to points as far as 140 miles while it requests for authority between all points within the scope of its radial permit. This permit was recently amended to apply statewide. Applicant proposes to assess charges set forth in Item 530 of Minimum Rate Tariff 2 with nonapplication of certain notes contained therein. It does not specify which notes are not applicable and it also does not indicate whether other tariff provisions, such as C.O.D. and surcharges will be applicable.

Applicant's attorney responded to CTA's allegations stating he agrees with CTA that the 2 hours driving time would produce an average of 65 MPH. However, he declares, this information is erroneous. The error was inadvertently made by applicant's staff. The correct driving time should be 3 hours, the unloading time 1 hour and the average speed 43.3 MPH. He does not agree with the implication that "labor costs are understated" because the costs shown in Schedule B reflect the actual expenditure incurred by applicant. He also contends that State Unemployment Insurance is included in the amount shown for State Disability Insurance. With respect to the dispute relating to delivery points of 140 miles and applicant's statewide radial permit, applicant will be confined to the Metropolitan Los Angeles Area pursuant to Section 530 of Minimum Rate Tariff 2. Reference made concerning deliveries to points "as far away as 140 miles" will have no bearing in this case. He further points out that applicant only requests to eliminate application of Note 4 (a), (b) and (c) of Item 530. Applicant does not make reference to C.O.D. or surcharges because he does not intend to request a deviation from any other provisions of the tariff, except Item 530.

Revenue and expense data submitted in the application are sufficient to determine that the transportation involved may reasonably be expected to be profitable under the proposed rates.

In the circumstances, the Commission finds that applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application 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. Coastal Transfer Company, a corporation, is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the rates set forth therein.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner cancelled, modified or extended by further order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 24th day of JANUARY, 1978.

I dissent.
William S. Quors Jr

Robert B. ...
President

Vernon L. ...
Robert D. ...
Clair T. ...
Commissioners

APPENDIX A

Coastal Transfer Company, a corporation, is authorized to transport automobile parts in mixed shipments, crated and uncrated, weighing less than 1000 pounds between points within the Metropolitan Los Angeles Area pursuant to Item 530 of Minimum Rate Tariff 2, subject to the following conditions:

1. Rates are not subject to Note 4 (a), (b) and (c) of Item 530 of Minimum Rate Tariff 2.
2. All surcharges as set forth in Minimum Rate Tariff 2 shall apply to these rates.
3. Not to exceed 12 deliveries per route.
4. Applicant has not indicated that subhaulers will be engaged nor have any costs of subhaulers been submitted. Therefore, if subhaulers are employed, they shall be paid no less than the rates authorized herein without any deduction for use of applicant's trailing equipment.
5. In all other respects the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)