

ORIGINAL

Decision No. 88888 MAY 31 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation) for the purpose of considering and determining minimum rates for transportation of any and all commodities statewide including, but not limited to, those rates which are provided in Minimum Rate Tariff 2 and the revisions or reissues thereof.

Case No. 5432
Petition for Modification
No. 1002
(Filed December 2, 1977)

Robert F. Schafer, for Duracell Products Company, petitioner.

William R. Haerle, Attorney at Law, for California Trucking Association, protestant.

Jerald J. Kerschman, for the Commission staff.

O P I N I O N

Minimum Rate Tariff 2 (MRT 2) names minimum rates and rules for the transportation of general commodities by highway carriers. By this petition Duracell Products Company seeks to increase the release value set forth in Item 149 from 50 cents per pound to 100 cents per pound.

Public hearing was held before Administrative Law Judge O'Leary at San Francisco on March 13, 1978 at which time the matter was submitted.

Item 149 applies to prepaid shipments originating from or destined to points within the San Francisco Territory moving for distances not exceeding 150 constructive miles released to a value of 50 cents per pound or less, and weighing not over 500 pounds. The item only applies when the shipping document is annotated by the shipper with the words "Small Shipment Service Requested".

The record discloses that Item 149 was added to MRT 2 effective September 23, 1960, pursuant to Decision No. 60621 in Case No. 5432 Petition 178. Said item contained charges for shipments weighing not over 250 pounds and moving not over 150 miles. Said item bore no expiration date. The application of the item was substantially broadened effective January 18, 1964, pursuant to Decision No. 66453 in Case No. 5432 Petition 223 (62 Cal PUC 14). Said decision expanded the provisions of Item 149 to apply to shipments weighing not over 500 pounds and transported for distances not exceeding 400 miles. Said item was subjected to an expiration date of one year, which subsequently was extended by periodic orders to April 30, 1971 at which time the item expired. By Decision No. 79491 in Case No. 5432 Petition 610 (72 Cal PUC 759), Item 149 was reestablished effective February 15, 1972 with respect to shipments originating from or destined to points in the San Francisco Territory, moving for distances of 150 constructive miles or less and weighing 500 pounds or less. The current provisions of Item 149 are identical to the provisions contained therein when it was reestablished in 1972 except that the rates per shipment have been increased an average of 43.8 percent.

Exhibit 1 is a summary on a monthly basis of the wholesale price index for the years 1970 through 1977 as published by the U.S. Department of Labor, Bureau of Labor Statistics. The exhibit discloses that when Item 149 was reestablished in February 1972 the wholesale price index was 117.3 and in December 1977 it was 198.2.

The representative of petitioner testified that his company utilizes Item 149 for all shipments which meet the requirements therein.

A witness for protestant testified that Item 149 is not cost justified and a grant of the sought relief could increase carriers' cargo insurance premiums. Protestant in Exhibit 3 states:

"In the case of Item 149, Released Value is but one factor that was used as a basis for the establishment of a reduced level of rates, and no alteration or adjustment can be made in the carrier incentive provision without a complete restructuring of the entire item. The effect of extending a carrier's liability without consideration to all other factors of the Small Shipments Service (SSS) item would be disastrous. Additionally, the Commission cannot allow itself to be placed in the position of justifying the maintenance of the various Released Value items throughout their tariffs based on nothing more than a hypothetical theory. California Trucking Association opposes this or any other piecemeal alteration of the carrier incentive factors in Small Shipments Service, Item 149."

The staff recommends that the petition be granted.

The evidence in this proceeding discloses that since the reestablishment of Item 149 in MRT 2, while charges for shipments moving under Item 149 have increased an average of 43.8 percent and the wholesale price index has increased approximately 70 percent, the release value set forth in Item 149 has remained constant. During this period it is obvious that the value of commodities has also increased.

Findings

1. Item 149 was added to MRT 2 effective September 23, 1960.
2. Item 149 was substantially broadened effective January 18, 1964 and expired on April 30, 1971.
3. Item 149 was reestablished effective February 15, 1972 with respect to shipments originating from or destined to points in the San Francisco Territory, moving for distances not exceeding 150 constructive miles and weighing 500 pounds or less.
4. The current provisions of Item 149 are identical to those set forth in Finding 3.
5. The rates in Item 149 have increased an average of 43.8 percent since February 15, 1972.

6. Since February 1972 the wholesale price index as published by the U.S. Department of Labor, Bureau of Labor Statistics, has increased approximately 70 percent.

7. Since February 15, 1972 the release value provision of Item 149, MRT 2, has remained constant (50 cents per pound or less).

The Commission concludes that the petition should be granted to the extent set forth in the ensuing order; to the extent not granted herein the petition should be denied.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein, to become effective thirty-nine days after the date hereof, Thirtieth Revised Page 19-C, 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 No. 31606, as amended, are hereby authorized to establish in their tariffs the amendments necessary to conform with the further adjustments ordered herein.

3. Tariff publications authorized to be made by common carriers as a result of this order may be made effective not earlier than thirty-nine days after the date hereof, 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 page incorporated in this order.

4. Common carriers, in establishing and maintaining the amendments authorized hereinabove, are hereby 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 No. 31606, as amended, shall remain in full force and effect.

6. To the extent not granted herein, Petition 1002 in Case No. 5432 is denied.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 31st day of MAY, 1978.

Ralph Butwinick
President
William S. Quinn Jr.
Vernon L. Sturgeon
Richard D. Cavalle
Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

MINIMUM RATE TARIFF 2

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM																																			
<p>SMALL SHIPMENT SERVICE (Not subject to the provisions of Item 150)</p> <p>Rates provided in this item shall apply only when the shipping document is annotated by shipper with the words: "Small Shipment Service Requested." By such request, the shipper agrees to the requirements set forth in this item as prerequisite to application of the charges provided herein. Rates in this item will apply only to prepaid shipments, released to a value of 675 cents per pound or less per article, weighing not over 500 pounds and moving for distances not in excess of 150 constructive miles.</p> <p>Rates in this item will not apply to:</p> <ol style="list-style-type: none"> 1. Shipments including any commodity rated above Class 100; nor 2. Shipments weighing less than 100 pounds which contain more than five pieces, or any shipment which contains more than five pieces per 100 pounds, or fraction thereof, of total shipment weight; nor 3. Shipments which require temperature control service, C.O.D. or order notify service, or which have origin or destination on steamship docks or oil-well sites; nor 4. Shipments picked up or delivered at private residences of retail customers; nor 5. Shipments containing personal effects, baggage or used household goods; nor 6. Shipments moving on government bill of lading. <p>Rates provided in this item do not alternate with other rates and charges in this tariff, and rates provided in this item may not be used in combination with any other rates.</p> <p>The charge per shipment for Small Shipment Service shall be as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Weight of Shipment</u></th> <th rowspan="2" style="text-align: center;"><u>(1) Charge in Cents</u></th> </tr> <tr> <th style="text-align: center;"><u>Over</u></th> <th style="text-align: center;"><u>But Not Over</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">25</td> <td style="text-align: center;">470</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">50</td> <td style="text-align: center;">570</td> </tr> <tr> <td style="text-align: center;">50</td> <td style="text-align: center;">75</td> <td style="text-align: center;">650</td> </tr> <tr> <td style="text-align: center;">75</td> <td style="text-align: center;">100</td> <td style="text-align: center;">725</td> </tr> <tr> <td style="text-align: center;">100</td> <td style="text-align: center;">150</td> <td style="text-align: center;">880</td> </tr> <tr> <td style="text-align: center;">150</td> <td style="text-align: center;">200</td> <td style="text-align: center;">1020</td> </tr> <tr> <td style="text-align: center;">200</td> <td style="text-align: center;">250</td> <td style="text-align: center;">1165</td> </tr> <tr> <td style="text-align: center;">250</td> <td style="text-align: center;">300</td> <td style="text-align: center;">1315</td> </tr> <tr> <td style="text-align: center;">300</td> <td style="text-align: center;">400</td> <td style="text-align: center;">1580</td> </tr> <tr> <td style="text-align: center;">400</td> <td style="text-align: center;">500</td> <td style="text-align: center;">1830</td> </tr> </tbody> </table> <p>(1) Applies only on shipments having point of origin or point of destination within San Francisco Territory and moving distances not exceeding 150 constructive miles.</p>	<u>Weight of Shipment</u>		<u>(1) Charge in Cents</u>	<u>Over</u>	<u>But Not Over</u>	0	25	470	25	50	570	50	75	650	75	100	725	100	150	880	150	200	1020	200	250	1165	250	300	1315	300	400	1580	400	500	1830	6149
<u>Weight of Shipment</u>		<u>(1) Charge in Cents</u>																																		
<u>Over</u>	<u>But Not Over</u>																																			
0	25	470																																		
25	50	570																																		
50	75	650																																		
75	100	725																																		
100	150	880																																		
150	200	1020																																		
200	250	1165																																		
250	300	1315																																		
300	400	1580																																		
400	500	1830																																		
<p>of Change) of Reduction) Decision No. 88888</p>																																				
EFFECTIVE																																				
Correction	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.																																			