

Decision No. 88952 JUN 13 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Western Motor)
Tariff Bureau, Inc., under the)
Shortened Procedure Tariff Docket)
to publish for and on behalf of)
K.K.W. Trucking, Inc., a rule on)
"single shipment charges" which)
result in increases. Publication)
to be made in Section 9 of WMTB)
Tariff No. 111)

Shortened Procedure
Tariff Docket
Application No. 57878
(Filed February 21, 1978
Amended April 17, 1978)

ORDER OF DENIAL

By this application, as amended, Western Motor Tariff Bureau, Inc., Agent, (WMTB) seeks authority, on behalf of K.K.W. Trucking Inc., (K.K.W.) to assess an additional charge per shipment when picking up a single shipment of uncrated new furniture weighing less than 500 pounds.¹

Applicant states that a shipment picked up regardless of size/weight requires great care because of the susceptibility to damage. The services of more than one man is usually required to load a shipment of blanket wrap furniture, not necessarily due to the heaviness of an article but due to its bulkiness.

K.K.W. has indicated that shipments subject to the sought increase approximate 2,500 per year. No evidence has been submitted to justify the reasonableness of the increase being sought. The staff, seeking to establish the impact of the increase on a shipper, prepared the following table:

¹ The provisions governing this service are set forth in detail in Item No. 7110 of WMTB Local, Joint and Proportional Freight and Express Tariff No. 111, Cal. P.U.C. No. 15.

ITEM 7110 (WMTB 111) PICKUP CHARGE

<u>Shipment Weight</u>	<u>Present Charge</u>	<u>Proposed Charge</u>	<u>Percent Increase</u>
100 Pounds	\$2.60	\$ 6.85	163.5%
150 "	3.90	8.15	109.0%
200 "	5.20	9.45	81.7%
250 "	6.50	10.75	65.4%
300 "	7.80	12.05	54.5%

The assessment of an added charge on a single shipment weighing less than 500 pounds puts a burden on the small shipper which is not shared by shippers of two or more shipments each weighing less than 500 pounds. The higher charge for the small shipment produces results which are unreasonable, discriminatory and in violation of the Public Utilities Code, Section 453(a). The Commission, in *Sacramento Box & Lumber Co. v. The Southern Pacific Co.*, states, "A shipper is entitled to just, reasonable, nondiscriminatory and non-prejudicial rates regardless of the amount of business transacted." 30 Cal. R.R.C. 338 (1927).

The Commission concludes that the application should be denied.

IT IS ORDERED that Application 57878 is denied.

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

Dated at San Francisco, California, this 15th day of JUNE, 1978.

I concur:
see attached
Robert D. Gove

Robert Robinson
President
William Sproull Jr.
Yernon L. Sturgeon
Richard D. Gove
Walter J. DeWitt
Commissioners

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RICHARD D. GRAVELLE, Commissioner, Concurring:

Based on the evidentiary record described in the Order, I concur. However, if a common carrier can demonstrate that costs are indeed higher for small shipments, rates should reasonably reflect those higher costs. It may be that labor costs are a larger proportion of cost for handling small shipments (500 lbs. or less). Also, a higher pickup charge for small shipments may be an incentive to shippers to hold freight and consolidate shipments, ultimately saving expenses to shippers and carriers. WMTB should take this decision not as a rejection of the concept of a graduated pickup charge, but rather as an indication that the graduated charge should be shown to be reasonably cost related.


RICHARD D. GRAVELLE, Commissioner

San Francisco, California
June 13, 1978