

Decision No. 89367 SEP 6 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of A & B TRANSPORTATION SERVICES,)
INC., for authority to increase)
minimum per shipment charges in)
Los Angeles area.)

Shortened Procedure
Tariff Docket
Application No. 58196
(Filed July 3, 1978)

OPINION AND ORDER

By this application, A & B Transportation Services, Inc., a California corporation, seeks authority to amend Items 100 and 110 of its Local Freight Tariff No. 2, Cal. P.U.C. No. 1 (Series of Frank J. Brown, d.b.a., A & B Garment Delivery) by increasing the minimum charges and providing a charge when deliveries are made to terminals of connecting motor carriers within the Los Angeles Metropolitan Zone.

Applicant is a highway common carrier for the transportation of garments, clothing and wearing apparel on garment hangers between points in the Los Angeles Basin area.

Applicant states that in the first quarter of 1978, it suffered a loss of \$45,980 from operating revenues of \$2,614,637 for an operating ratio of over 101 percent. Also, it anticipates a loss of revenues of approximately \$290,000, based upon the 1977 operations through the diversion of traffic that had been transported by applicant over a long period of time from the Sears Roebuck and Co.'s distribution center in the Los Angeles area.

Applicant declares that an overall study of its operations has been undertaken to adjust rates to offset the losses being experienced, as well as the effect of the diversion of the Sears traffic. It has been determined therefrom that the minimum per shipment charges assessed for garments on hangers in the Los Angeles Basin are too low and the involved shipments are being supported by revenues from other operations.

Applicant desires to establish two new services which involve local pickups in the Los Angeles area for delivery to terminals of connecting motor carriers within the Los Angeles Metropolitan Zone. Substantially all of such traffic is delivered to applicant's Los Angeles terminal to be shipped to destinations outside the Los Angeles Basin Territory. It is a long-established industry policy for manufacturers or suppliers to pay the local charges to the Los Angeles terminal and for the consignee to pay the transportation charges from the terminal to storedoor destination.

Applicant estimates that in the event this application is granted, annual revenues would increase by approximately \$80,900 and in no event would the proposed publication increase its California intrastate gross revenue by as much as one percent.

The application was listed on the Commission's Daily Calendar of July 6, 1978. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that the proposed increases in applicant's charges are justified. A public hearing is not necessary. The Commission concludes that the application should be granted as set forth in the ensuing order.

IT IS ORDERED that:

1. A & B Transportation Services, Inc. is hereby authorized to publish increases in Items 100 and 110 of its Local Freight Tariff No. 2, Cal. P.U.C. No. 1 (Series of Frank J. Brown, d.b.a., A & B Garment Delivery) as specifically proposed in Application 58196.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

(SPT) A. 58196 - mh

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective thirty days after the date hereof.

Dated at San Francisco, California, this 6th
day of SEPTEMBER, 1978.

Robert Bataillon
President
William J. Green
Vernon L. Stanger
Richard D. Hoyle
Commissioners

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