

JUN 19 1979

Decision No. 90469

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investiga-)
tion for the purpose of consid-)
ering and determining minimum)
rates for transportation of used)
household goods and related)
property statewide as provided)
in Minimum Rate Tariff 4-B and)
the revisions or reissues)
thereof.)

Case No. 5330

SUPPLEMENTAL OPINION AND ORDER

On March 15, 1979, there was sent to interested parties for comments or suggestions a report prepared by the Commission's Transportation Division, Compliance and Enforcement Branch staff concerning a proposed revision to Item 33.7 of Minimum Rate Tariff 4-B pertaining to the requirement for filing of semi-annual report Form HG-2 by all household goods carriers. The parties were informed that, in the absence of substantial objections but subject to possible modifications suggested by them, consideration might be given to the issuance of an ex parte order revising the tariff in accordance with the staff recommendations.

Paragraph 5 of the aforementioned item presently requires that every carrier subject to the tariff file a semi-annual report of underestimates and penalties. The information submitted by carriers is then tabulated by the Commission staff which results in the preparation of the semi-annual Summary of Household Goods Carrier Reports of Underestimates and Penalties for each six-month period.

According to the report, both carrier and public interest in this summary has been minimal or nonexistent. The information contained therein was originally deemed to be of value from the standpoint of consumer protection. However, the information can be misconstrued by the average consumer and can be discriminatory against certain carriers. A large carrier may report a considerable number of underestimates and penalties during a period while a small carrier may incur far fewer merely due to a lower volume of business.

The uninformed consumer might conclude on the basis of the reported data that the smaller carrier is "better." Carriers who report no estimates do not appear on the summary and therefore remain unknown to the potential consumer unless he consults other sources of information. The Commission staff contends, from the standpoint of enforcement, the HG-2 report has not proved to be a useful tool and proposes to eliminate the requirement that the report be filed.

No substantial objections were made by those parties responding. Only one party, Ethan Margolith, President, Starving Students, Inc., stated he thought the HG-2 program had value. Written comments supporting the Commission staff proposal were received from Bekins Moving and Storage Co., California Moving and Storage Association, Conova Moving & Storage, Mission Van & Storage, and Pacific Gas and Electric Company. The staff proposal will be adopted.

The staff's report and written replies thereto are respectively received in evidence as Ex Parte Exhibits 2-21 and 2-22 in Case 5330.

Upon consideration of the evidence in this proceeding, the Commission finds that the proposed staff amendment to Minimum Rate Tariff 4-B is reasonable and the resulting rules and regulations will be just, reasonable and nondiscriminatory rules and regulations for the transportation involved. A public hearing is not necessary. The Commission concludes that Minimum Rate Tariff 4-B should be amended accordingly by the orders herein.

IT IS ORDERED that:

1. Minimum Rate Tariff 4-B (Appendix C to Decision 65521, as amended) is further amended by incorporating therein to become effective thirty-nine days after the date hereof Second Revised Page 7-BBBB attached hereto and by this reference made a part hereof.
2. Tariff publications of common carriers shall be made effective not earlier than thirty-nine days after the date hereof on one day's notice to the Commission and to the public.

3. In all other respects, Decision 65521, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 19~~7~~
day of NINE, 1979.

John E. Guyon
President
Vernon L. Sturgeon
Charles D. Howell
Clarence T. DeBryck
Edward W. Givens
Commissioners

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">PENALTIES AND REPORTING OF UNDERESTIMATES (See Exception in Item 31)</p> <p>1. An underestimate occurs when the charge assessed by the carrier exceeds the original estimate by more than (a) 2 1/2 percent or \$15.00, whichever is greater, on distance moves involving rates in Items 300 and 320, plus the charge on the Addendum Order for Service, or (b) 10 percent or \$15.00, whichever is greater, on hourly moves, plus the charge on the Addendum Order for Service.</p> <p>2. The penalty for underestimating is the difference between the charge under the applicable minimum rates, on the one hand, and the charge based on the estimate plus (F) 10 percent or (E) \$60.00, whichever is greater, on distance moves involving rates in Items 300 and 320 plus the charge on the Addendum Order for Service, or 10 percent or \$15.00, whichever is greater, on hourly moves involving rates in Item 330, plus the charge on the Addendum Order for Service, on the other hand.</p> <p>3. Penalties for underestimates shall be paid to the Commission for deposit in the General Fund of the State of California. Each underestimate subject to a penalty shall be reported within thirty days after completion of the transportation service. The report shall be accompanied by a check or money order made payable to the Commission for the amount of the penalty imposed, whether or not the carrier has received full payment for its services.</p> <p>4. The Commission shall furnish to each carrier subject to this tariff a sample form for the information of the carrier to be used for reporting underestimates, and penalties. It is the carrier's responsibility to reproduce necessary copies of the form for its own use.</p> <p style="text-align: center;">**</p> <p>45. Every Household Goods Carrier and officer, director, agent or employee of any Household Goods Carrier who deliberately underestimates charges applicable to the carriage of goods under Minimum Rate Tariff 4-B, in order to encourage a shipper to engage its transportation services is subject to the penalties and restrictions provided in Article 7 and 8 of the Household Goods Carriers Act. For the purposes of this rule, a deliberate underestimate shall mean the tendering of a willful and intentional quotation of probable cost of services less than that required by application of unit costs prescribed in Minimum Rate Tariff 4-B, with knowledge that the actual charges required by the tariff will be more than the amount of the quotation or estimate.</p>	<p>633.7</p>
<p>(E) Expires December 31, 1979. * Change) Δ Change, neither Increase) not reduction.) Decision No. 90469 ** Eliminated)</p>	
EFFECTIVE	7/28/74
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	

Correction