

Decision No. 91089

NOV 30 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Western Motor)	
Tariff Bureau, Inc., under)	Shortened Procedure
Shortened Procedure Tariff)	Tariff Docket
Docket for and on behalf of)	Application No. 59221
Viking Freight System, Inc. to)	(Filed October 19, 1979)
amend Bureau Tariff No. 111)	
which results in increases.)	

OPINION AND ORDER

By this application, Western Motor Tariff Bureau, Inc., Agent (WMTB) seeks authority, on behalf of Viking Freight System, Inc. (Viking), to publish a rule regarding released valuations in WMTB Local, Joint and Proportional Freight and Express Tariff No. 111, Cal. P.U.C. No. 15 (WMTB 111).

Applicant declares that with the volume of traffic handled by Viking on a day-to-day basis, a small percentage of claims are anticipated and figured as a cost of doing business. Ordinary risk is an element that is considered in making rates. There is greater risk in carrying expensive goods than in carrying cheap goods; in case of loss or damage Viking must pay claims based upon the value of the goods. It is this extraordinary risk to which this application is addressed.

According to applicant, Viking has been informed by various shippers of high value merchandise that often they are unable to obtain transportation due to the extraordinary value of the merchandise shipped. Item 780 of the National Motor Freight Classification NMF 100-F prohibits carriers from accepting shipments containing articles of extraordinary value. There is a definite need for a transportation service involving high value shipments. Because there is a need for such service and a shortage of common carriers

who are able to transport the shipment when the value is declared, some shippers are failing to annotate the bill of lading with a valuation. This is the problem that is presently confronting Viking. For example, recently Viking was tendered a shipment in Sacramento consigned for delivery in San Francisco. The bill of lading called for one suitcase of electronic instruments weighing 24 pounds. This suitcase was lost, recovered and delivered, but in a damaged condition. A claim was filed for \$48,000. This claim indicates a value of \$2,000 per pound; no value was indicated on the bill of lading.

Applicant asserts that Item 780 in the governing classification exempts carriers from common carrier liability on "articles of extraordinary value", unfortunately no definition of extraordinary value is offered in the classification. Viking is of the opinion that the reasonable man premise will govern as to value, but finds it nearly impossible to convince a disgruntled shipper that its lost or damaged shipment exceeded the liability limits of Item 780. Conversely, when the shippers do notify Viking of a high value the notification invariably entails special arrangements with carrier's drivers, helpers and other employees, leading to increased expenses which are presently being absorbed by Viking since no additional charges are applicable. Viking is of the opinion that the higher level of charges as proposed herein, and which are similar to those being assessed by air carriers and household goods movers, more readily reflect their actual cost of performing the service of transporting high value merchandise.

Applicant has been advised by Viking that the proposed rule would increase its yearly revenue by approximately \$13,000 and that if the application is granted it would not increase Viking's gross revenue on intrastate traffic by as much as one percent. The amount of increase is within the President's wage-price guidelines.

The application was listed on the Commission's Daily Calendar of October 22, 1979. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that increases resulting from the proposal herein are justified. A public hearing is not necessary. The Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Western Motor Tariff Bureau, Inc., Agent, is hereby authorized, on behalf of Viking Freight Systems, Inc., to publish a rule in its Local, Joint and Proportional Freight and Express Tariff No. 111, Cal. P.U.C. No. 15, as specifically proposed in the application.

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.

3. The authority granted herein 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 NOV 30 1979, at San Francisco, California.

I cannot but find it most curious that Viking knew enough about its costs to seek this relief after having testified before the legislature on two recent occasions that they did not know how to compute costs.

John E. Cuyler
President
Richard D. Howells
Charles T. ...
James W. ...
Commissioner's

Richard D. Howells