

Decision No. 91156

DEC 18 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)	
of Fred Mayo Cares (Automotive)	
Delivery Service) to deviate)	Application No. 59103
from minimum rates of MRT 9-B)	(Filed August 27, 1979)
for transportation of automobile)	(Amended November 1, 1979)
parts and accessories in the)	
San Diego area.)	

OPINION AND ORDER

By this application, Fred Mayo Cares, an individual doing business as Automotive Delivery Service, seeks to deviate from the minimum rates in Minimum Rate Tariffs 2 and 9-B (MRTs 2 and 9-B). The transportation to be performed would be a scheduled special delivery service between automotive supply warehouses and auto parts supply stores within the San Diego Metropolitan Zone Group - Zones 301 through 314.

Applicant proposes to offer this service between 19 automotive supply warehouses and 32 auto parts supply stores. Routes will be established which will offer users of the service deliveries from supply warehouses 3 times daily, Monday through Friday and two deliveries on Saturday. Users of the service will be charged \$100 per week.

A special delivery service will be limited to a movement between one warehouse and one supply store and shall not exceed 100 pounds, nor five packages. (Packages exceeding five, in number, within the 100 pound maximum weight, will be allowed and shall be assessed an additional \$1.00 each.) Applicant anticipates, that on an average run of a route, each supply store will receive a service delivery not over 25 pounds consisting of one to three packages. Parts supply stores must make a specific request for pickups of heavier auto parts which would be rated in accordance with the rates provided in MRT 2 or 9-B.

Applicant has found that there is an immediate need for this service. Cost savings will result from: (1) scheduled deliveries negating the need for dispatching vehicles; (2) elimination of wasted time and unnecessary mileage; (3) itemizing of bills of lading supplemented with a manifest type of document which lists the number of packages delivered and consignee's signature; and (4) the tender of a freight bill prepared weekly based on the delivery service charge (plus a charge for packages in excess of five) in compliance with tariff requirements. Each of the above results in savings which will provide the parts supply stores with a fast and economical delivery service and the applicant a reasonable amount of net revenue.

Findings

1. The scope of operations to be performed will be within the defined San Diego Drayage Area and points beyond within the County of San Diego.
2. Authority is required to deviate from the Commission's Minimum Rate Tariffs 2 and 9-B.
3. Applicant will engage in an expedited service to auto parts stores that is new and innovative.
4. A deviation from minimum rates is necessary because the present minimum rates are not responsive to the transportation characteristics of the service to be performed.
5. Applicant has submitted 14 statements of potential users of the service endorsing and supporting the application.
6. Applicant has projected revenue and cost data indicating that the service will be compensatory and should reasonably be expected to be profitable under the proposed charges.
7. Applicant is not aware of a carrier offering a similar service.
8. The application and amendment were listed on the Commission's Daily Calendars of August 29 and November 2, 1979, respectively.

9. California Trucking Association protested by letter.
10. The amendment answered the points raised in the protest.
11. Sufficient material has been presented in the application and the amendment to determine the feasibility of the application.
12. A public hearing on this matter is not necessary.
13. No other protests have been received.

In the circumstances, the Commission further finds that applicant's proposal is reasonable. The Commission concludes that the application, as amended, should be granted as set forth in the ensuing order and the effective date of the order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. Fred Mayo Cares, an individual doing business as Automotive Delivery Service, is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the rates set forth therein.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner cancelled, modified or extended by further order of the Commission.

The effective date of this order is the date hereof.

Dated DEC 18 1979, at San Francisco, California.

John E. Bayne
President
Veronica L. Sturgeon
Richard D. Howell
Charles T. Friedrich
Samuel W. Smith
Commissioners

APPENDIX A

Carrier: Fred Mayo Cares, dba Automotive Delivery Service
Commodity: Automotive parts
Charge: \$100 per week for a contracted special delivery service between auto parts supply warehouses and auto parts supply stores.
Scope: Within the San Diego Metropolitan Zone Groups - Zones 301 through 314.

Conditions:

1. The application of the weekly charge shall be based upon the carrier maintaining a weekly minimum average of twenty (20) special delivery service contracts per year.
2. A special delivery service between auto supply warehouse and an auto parts store will be tendered to each contracting auto parts supply store three times daily, Monday through Friday and twice on Saturdays.
3. A special delivery service movement shall not exceed 100 pounds.
4. A special delivery service movement consisting of more than five packages shall be assessed an additional charge of \$1.00 per package in excess of five.
5. Payment for the special delivery service shall be made each Friday for the service provided during that week.
6. Except for surcharges and as otherwise provided herein, the rates, rules and regulations of Minimum Rate Tariffs 2 and 9-B shall apply.

(END OF APPENDIX A)