

(SPT) A. 59837 - T/PNK/FS

Decision No. 92275 OCT 8 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Application of Western Motor Tariff)  
Bureau, Inc., under Shortened Pro- )  
cedure Tariff Docket for and on )  
behalf of System 99 to amend Bureau )  
Tariff No. 111 which results in )  
increases. )

Shortened Procedure  
Tariff Docket  
Application No. 59837  
(Filed July 28, 1980)

OPINION AND ORDER

By this application, Western Motor Tariff Bureau, Inc., Agent (WMTB), seeks authority on behalf of System 99 to add an item regarding released valuations in WMTB Local, Joint and Proportional Freight and Express Tariff No. 111, Cal. P.U.C. No. 15.

The proposed item provides that a shipment released to a value exceeding \$25 per pound per package shall be subject to an excess valuation charge of 60 cents per \$100 or fraction thereof by which the released value exceeds that for which the applicable rate or charge applies.

Applicant declares that the majority of the rates and provisions contained in WMTB Tariff 111 are derived from Transition Tariff 2 and under normal operating conditions System 99 encounters no difficulties in transporting shipments under said provisions. Occasionally, however, a shipment is tendered to System 99 which results in a claim for loss or damage.

Applicant states that with the volume of traffic handled by System 99 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 inexpensive goods; in case of loss or damage System 99 must pay claims based upon the value of the goods. It is this extraordinary risk to which this application is addressed.

System 99 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-G 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 plaguing System 99.

Item 780 in the governing classification exempts carriers from common carrier liability of "articles of extraordinary value", unfortunately no definition of extraordinary value is offered in the classification. System 99 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 System 99 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 System 99 since no additional charges are applicable. System 99 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 System 99 that granting of the proposal herein will increase its gross California intrastate revenues by approximately \$6,000 annually. This amount would not increase System 99's California intrastate revenue by as much as one percent. The increase is within the President's wage-price guidelines.

The application was listed on the Commission's Daily Calendar of July 30, 1980. No objection to the granting of the application has been received.

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In the circumstances, the Commission finds that the proposed rule is 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. Western Motor Tariff Bureau, Inc., Agent, is hereby authorized, on behalf of System 99, to publish in its Local, Joint and Proportional Freight and Express Tariff No. 111, Cal. P.U.C. No. 15, the provision as specifically set forth in its 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.

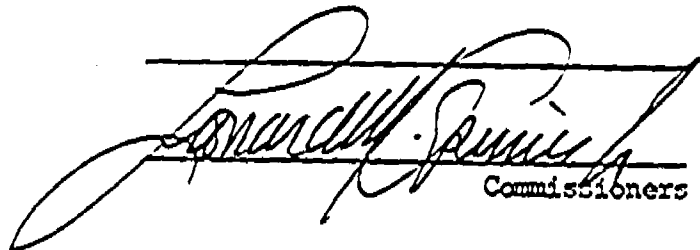
3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

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

Dated OCT 8 1980, at San Francisco, California.

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

  
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President  
  
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Commissioners