

Decision No. 39753

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment  
of maximum or minimum, or maximum  
and minimum rates, rules and regu-  
lations of all common carriers as  
defined in the Public Utilities Act  
of the State of California, as amend-  
ed, and all highway carriers as de-  
fined in Chapter 223, Statutes of  
1935, as amended, for the transporta-  
tion, for compensation or hire, of any  
and all commodities.

**ORIGINAL**

Case No. 4246

In the Matter of the Establishment  
of maximum or minimum, or maximum and  
minimum rates, rules and regulations  
of all carriers as defined in the City  
Carriers' Act of the State of California  
(Statutes 1935, Chapter 312, as amended)  
for the transportation over the public  
highways within any city or city and  
county in the State of California, for  
compensation or hire, of any and all  
commodities.

Case Nos. 4434

Appearances

Herbert Cameron and E. O. Blackman for Cali-  
fornia Dump Truck Owners' Association,  
petitioner.  
Austin H. Peck, Jr. and E. G. Feraud for  
Southern California Rock Products Associa-  
tion, protestant.  
Frank Hagan for Graham Bros. Corp., interested  
party.  
Robert E. Moore, Jr., for Pacific Rock and  
Gravel Company, interested party.  
Cecil D. Dillon, for El Rey Products Co.,  
interested party.  
Benjamin Chapman for Office of Price Adminis-  
tration, interested party.

SUPPLEMENTAL OPINION.

California Dump Truck Owners Association requests increases  
in existing minimum rates and certain revisions of rules and regula-  
tions applicable thereto in connection with the transportation of  
gravel, rock, sand and other materials in dump trucks within.

Southern California.

Hearings on these matters were initially had on May 14 and 15, 1946 before Examiner Mulgrew, after which an Examiner's Proposed Report recommending denial of the petition was issued. Thereafter, petitioner requested further hearing. It was had on September 19, 1946. This decision is based upon the full record thus made.

Hourly vehicle unit rates and tonnage rates have been established. The former are determined by combining stated amounts per vehicle hour with the prevailing wages for drivers and helpers. Thus, under the hourly rates, any change in wage scales is automatically reflected in the over-all rate. However, this is not so in connection with the tonnage rates because wages are not a separately stated rate factor. Aside from adjustments in the hourly wage rate factor, there has been no increase in intracity rates since January, 1940. The intercity rates were increased 6 per cent, effective April 24, 1942. Petitioner's secretary-manager contended that the existing rates fall short of meeting costs by 30 per cent and that an increase of not less than that percentage is necessary.

The evidence was confined to operations in Los Angeles and Orange counties. The record shows that wages paid drivers of dump truck equipment are lower for hauling rock, sand and gravel than for hauling other materials, including asphaltic concrete, cold road oil mixture, cement clinker, and earth. It also shows that the majority of the hauling is performed with 5 and 8-yard dump trucks. Drivers' wage expense, which represents approximately one half of the total expense, has increased approximately 10 per cent for hauling rock, sand and gravel and approximately 30 per cent for hauling other materials.

The record also shows that expenses other than drivers' and helpers' wages have increased substantially. For example,

parts and tires have increased 15 and 11 per cent, respectively, since June, 1946. The secretary-manager introduced an exhibit showing the operating experience of 15 carriers, which he said are representative of the dump truck operators in the area studied for the first 6 months of 1946. The exhibit shows that these carriers experienced revenues and expenses from 5-yard dump truck operations of \$26,666 and \$30,502, respectively, and an operating ratio of 114. For 8-yard truck operations, revenues were \$56,390, and expenses \$71,558. The resulting operating ratio is 127.

Originally, as a part of the rate increase proposal, petitioner urged subdivision of existing delivery zones in connection with established rates from specified production areas to delivery zones. At the further hearing, petitioner stated that its need was for rate adjustments which would take care of its immediate revenue needs and that "if additional studies are necessary to determine what should be done with reference to zones, that is a matter that should be considered later."

The Rock Products Association strenuously opposed any changes in existing zones on the evidence so far of record and opposed increases which would fail to recognize that lower wages are paid for hauling rock, sand and gravel than for hauling other materials. With respect to increases generally, the Association opposed them on the grounds that its prices were subject to OPA ceilings and that rate adjustments should be made only after further study and then on a permanent rather than interim relief basis.

It is clear that dump truck operations within Los Angeles and Orange counties are presently being conducted at an out-of-pocket loss and that rate increases should be granted. The revenues of the

15 carriers whose operating figures are of record are not segregated between the various classes of traffic. Applying a 20 per cent increase to their revenue would, on an over-all basis, do no more than permit them to recapture their operating expenses. It, therefore, appears that an increase of that amount in intracity tonnage rates is warranted. However, because the wages for rock, sand and gravel hauling are differentially lower than wages paid for hauling other material, the rate increases on these commodities will be limited to 10 per cent. The rates for intercity hauling, which are now 6 per cent higher than the intracity rates, should be increased to the level of the intracity rates herein authorized. Similarly, intracity hourly rates, exclusive of wages, should be increased 6 per cent to equalize intra and intercity hourly rates.

The foregoing increases are all that are justified on the record. Should further increases be deemed necessary, petitioner may ask for further consideration when it is prepared to make a complete showing.

Other changes sought by petitioner remain for consideration. According to the record certain so-called "overlying" carriers are exacting excessive commissions in some instances from carriers generally known as "underlying" carriers. Petitioner desires that payments be limited to 5 per cent of the transportation charge. The evidence of record is not sufficiently comprehensive to permit our so restricting these payments.

No evidence of probative value was offered in support of the request for establishment of added charges for delivery delays and spreading services, neither was a rate proposal offered with respect thereto. This request must accordingly be denied.

In support of petitioner's request for authority to use a manifest form of freight bill in connection with shipments from production areas to delivery zones, its witness testified that individual trucks will haul as many as 10 loads per day, and that under existing requirements individual shipping documents for each separate load must be prepared. He stated that this requirement results in a great deal of paper work which could be dispensed with if a manifest form of shipping document were used. The Commission has in other outstanding minimum rate orders permitted the use of manifest forms of shipping documents to meet particular situations upon a proper showing. It appears appropriate that it do so here.

Upon consideration of all of the evidence of record we are of the opinion and find that increases as hereinbefore outlined should be granted and that a manifest form of shipping document should be provided for. In all other respects the relief sought by petitioner has not been justified and the petition in so far as it relates thereto will be denied.

O R D E R

Based upon evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Decision No. 32566, as amended, in Cases Nos. 4246 and 4434 be and it is hereby further amended by adding to City Carriers' Tariff No. 6 - Highway Carriers' Tariff No. 7 (Appendix "A" to said Decision No. 32566, as amended) Supplement No. 4, to become effective January 15, 1947, which supplement is attached hereto and by this reference made Appendix "A" hereof.

IT IS HEREBY FURTHER ORDERED that all carriers subject to the Highway and City Carriers' Acts may issue shipping documents in

manifest form subject in other respects to the same requirements provided in connection with shipping documents issued in individual shipment form in the seventh ordering paragraph of Decision No: 32566 in these proceedings.

IT IS HEREBY FURTHER ORDERED that all carriers who may be deemed to be transportation companies, as that term is employed in Article XII, Section 21 of the Constitution of California, be and they are hereby authorized to charge less for longer than for shorter distances, to the extent necessary to observe the minimum rates established herein.

IT IS HEREBY FURTHER ORDERED that in all other respects Decision No. 32566, as amended, shall remain in full force and effect.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of December, 1946.

Harold T. Kils  
Justin J. Garner  
Francis J. Davis  
Harold K. Powell  
A. J. [Signature]  
 Commissioners

APPENDIX "A".

of  
DECISION NO. 39753

Consisting of  
SUPPLEMENT NO. 4.

to

CITY CARRIERS' TARIFF NO. 6  
HIGHWAY CARRIERS' TARIFF NO. 7

Is Attached

SPECIAL SUPPLEMENT CONTAINING INCREASED RATES AND CHARGES

Supplement No. 4  
(Cancels Supplements Nos. 2 and 3)  
(Supplements Nos. 1 and 4 contain all changes)

SUPPLEMENT NO. 4

To

CITY CARRIERS' TARIFF NO. 6  
HIGHWAY CARRIERS' TARIFF NO. 7

Naming

MINIMUM RATES, RULES AND REGULATIONS

For The

Transportation of Property in Dump Truck  
Equipment Between Points  
in California

By

RADIAL HIGHWAY COMMON CARRIERS  
HIGHWAY CONTRACT CARRIERS

And

CITY CARRIERS

Authorized by C.P.U.C. Decision No. **39753** in Cases Nos. 4246 and 4434

EFFECTIVE JANUARY 15, 1946.

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
State Building, Civic Center  
San Francisco, 2, California



ITEM NO. 1 - GENERAL APPLICATION

(a) The increases provided for in this supplement shall be applied only to transportation performed between points in Los Angeles or Orange Counties or between points in Los Angeles County on the one hand and points in Orange County on the other hand.

ITEM NO. 2 - APPLICATION OF TABLES I AND II

(a) Find the applicable rate or charge named in the tariff under Column "A". The increased rate or charge to be applied will be found opposite thereto in Table I or II as the case may be.

(b) TABLE I. The increased rates or charges shown in Table I apply only in connection with rates and charges named in Sections 1, 2 and 3 of the tariff and only on decomposed granite, gravel, sand and stone.

(c) TABLE II. The increased rates or charges shown in Table II apply only in connection with rates and charges named in Sections 1, 2 and 3 of the tariff and on commodities not covered by paragraph (b) hereof.

ITEM NO. 3 - HOURLY RATES

The hourly rates named in Item No. 360 series will be increased in accordance with the provisions of Supplement No. 1.

ITEM NO. 4 - COMBINATION RATES

When the through rate is made by combining separately stated rates, each of such rates shall be increased before combining.

ITEM NO. 4 - TABLE OF INCREASED RATES IN CENTS  
 (For Application See Items Nos. 1, 2 and 3.)

When the tariff rate is as shown in Column "A" apply the increased rate shown opposite the tariff rate, in the column headed by the applicable Table No.

Col. A	Tables		Col. A	Tables		Col. A	Tables		Col. A	Tables	
	I	II		I	II		I	II		I	II
5	5 <sup>1</sup> / <sub>2</sub>	6	72	79	86	126	139	151	240	254	288
10	11	12	73	80	88	127	140	152	243	267	292
12	13	14	74	81	89	128	141	154	248	273	298
18	20	22	75	83	90	129	142	155	253	278	304
19	21	23	76	84	91	130	143	156	255	281	306
20	22	24	77	85	92	131	144	157	258	284	310
22	24	26	78	86	94	132	145	158	263	289	316
25	28	30	79	87	95	133	146	160	265	292	318
26	29	31	80	88	96	134	147	161	268	295	322
27	30	32	81	89	97	135	149	162	270	297	324
28	31	34	82	90	98	138	152	166	273	300	328
29	32	35	83	91	100	139	153	167	278	306	334
30	33	36	84	92	101	140	154	168	288	317	346
31	34	37	85	94	102	141	155	169	293	322	352
32	35	38	86	95	103	142	156	170	303	333	364
33	36	40	87	96	104	143	157	172	308	339	370
34	37	41	88	97	106	145	160	174	318	350	382
35	39	42	89	98	107	147	162	176	323	355	388
36	40	43	90	99	108	150	165	180			
37	41	44	91	100	109	151	166	181			
38	42	46	92	101	110	153	168	184			
39	43	47	93	102	112	154	169	185			
40	44	48	94	103	113	155	171	186			
41	45	49	95	105	114	156	172	187			
42	46	50	96	106	115	158	174	190			
43	47	52	97	107	116	160	176	192			
44	48	53	98	108	118	164	180	197			
45	50	54	99	109	119	165	182	198			
46	51	55	100	110	120	167	184	200			
47	52	56	101	111	121	168	185	202			
48	53	58	102	112	122	170	187	204			
49	54	59	103	113	124	173	190	208			
50	55	60	104	114	125	177	195	212			
51	56	61	105	116	126	179	197	215			
52	57	62	106	117	127	183	201	220			
53	58	64	107	118	128	185	204	222			
54	59	65	108	119	130	188	207	226			
55	61	66	109	120	131	189	208	227			
56	62	67	110	121	132	192	211	230			
57	63	68	111	122	133	195	215	234			
58	64	70	112	123	134	198	218	238			
59	65	71	113	124	136	200	220	240			
60	66	72	114	125	137	202	222	242			
61	67	73	115	127	138	203	223	244			
62	68	74	116	128	139	205	226	246			
63	69	76	117	129	140	213	234	256			
64	70	77	118	130	142	215	237	258			
65	72	78	119	131	143	217	239	260			
66	73	79	120	132	144	218	240	262			
67	74	80	121	133	145	225	248	270			
68	75	82	122	134	146	227	250	272			
69	76	83	123	135	148	228	251	274			
70	77	84	124	136	149	230	253	276			
71	78	85	125	138	150	233	256	280			

◊ Increase, Decision No. 39753

THE END