

ORIGINALDecision No. 51165

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into)
 the rates, rules, regulations, charges,)
 allowances and practices of all common)
 carriers, highway carriers and city)
 carriers, relating to the transportation)
 of sand, rock, gravel and related items)
 (commodities for which rates are provided)
 in Minimum Rate Tariff No. 7).)

Case No. 5437

Warren P. Marsden, for the State Department
 of Public Works, Division of Highways;
E. O. Blackman, for California Dump Truck
 Owners Association; George M. Cox, for
 Associated General Contractors, Southern
 California Chapter, interested parties.

Mary Moran Pajalich, for the Commission
 staff.

O P I N I O N

Pursuant to the Interim Opinion of this Commission in Decision No. 50431, dated August 17, 1954, further hearing on the Order Setting Hearing, dated June 18, 1954, in the case herein, was held in Los Angeles on October 27, 1954, before Examiner Wilson E. Cline. The further hearing was held for the purpose of receiving further evidence in support of revising Item 60 series and related provisions in Minimum Rate Tariff No. 7 (formerly City Carriers' Tariff No. 6 and Highway Carriers' Tariff No. 7) to permit estimation of weight of material moved by dump truck equipment from measurement of material in its natural state in place.

In his opening statement counsel for the Associated General Contractors of America, Southern California Chapter, stated that he did not intend to present evidence concerning the detailed manner in which Item 60 series should be amended, or revised, or to

present cost studies in support of an alternative rate providing for the measurement of material in place. Instead of introducing such evidence he proposed to present testimony which would lead this Commission to direct its staff to undertake a study for the purpose of developing information and data in support of the issuance of a revised rule which would permit dump truck carriers transporting excavated material to be paid on the basis of the measurement of excavated earth by the cubic yard in its natural state.

At the previous hearing in Los Angeles on July 26, 1954, which resulted in the issuance of Decision No. 50431, Don Evans, State Highway Construction Engineer, testified that in the roadway excavation contracts let by the Division of State Highways the contractor is paid on the basis of cubic yards of earth measured in bank. Material which has been excavated and placed on a truck ordinarily occupies a greater space on the truck than in the bank. It is subject to a "swell factor" which varies with the type of material, the moisture content, and the manner in which it is loaded on the dump truck. He pointed out that because of the tariff provision a contractor who is paid on the basis of cubic yards of material in bank must pay his dump truck operators on the basis of cubic yards of loose material in the dump truck or on a time basis. These methods of payment require the contractor to develop and use an additional conversion factor in making his estimates of cost on which to base bids submitted to the Division of Highways. Witness Evans stated that it would be difficult to determine the quantities of material hauled from one cut by several different dump truck operators if the material was to be measured in place instead of on the dump truck. He further stated that when the Division of Highways engages dump trucks it makes payment on a time basis rather than on a quantity basis.

Witness Collins of the Division of Highways, who was called as a witness on behalf of the Associated General Contractors during the later hearing on October 27, 1954, testified that there was no feasible method of measuring the weight of earth that is still in place. He testified that quantity sheets showing the accumulated yardage of material removed from a particular cut is kept at the office of the engineers for the Division of Highways. However, he did not know how a determination of the quantity of material removed from a single cut by one of several truckers could be determined from such sheets. He stated he had no suggestion as to how the Commission in its enforcement of minimum rates could determine how much dirt was removed by one of several dump trucks from a particular cut if the quantity was determined from measurement of the material in place rather than on the dump truck.

Witness Harris, an engineer for Guy F. Atkinson Company, who was also called on behalf of the Associated General Contractors, testified that on jobs where his firm is to be paid on the basis of cubic yards of material in place but proposes to engage dump trucks on the basis of yardage in the dump truck that it uses a conservative conversion factor in making the estimates on which it bases its bids. This results in higher bids than otherwise might be submitted. He suggested a method of determining quantities hauled by particular dump trucks from measurement of material in place. The material would have to be measured both in place and also on each of the dump trucks. Then the dump truck measurements would be adjusted proportionately by relating the quantity of the total material in place to the quantity of the total material handled by the dump trucks.

The Associated General Contractors is requesting this Commission to direct its staff to undertake a study for the purpose of developing a conversion factor by which a quantity of material in place can be reduced to weight of material in dump trucks. There is

nothing in the record to show that such a conversion factor which might be developed by the Commission staff for general rate use could be as competent and accurate as a conversion factor developed by a contractor at the time of submission of his estimate for a particular job. As the suggested staff study appears to be wholly impractical, the request of the Associated General Contractors is denied.

The interim order set forth in Decision No. 50431 herein will be made the final order of this Commission.

O R D E R

Based upon the evidence of record and upon the conclusions and findings contained in the interim opinion in Decision No. 50431, dated August 17, 1954, and contained in the findings and conclusions in the preceding opinion,

IT IS HEREBY ORDERED that the Interim Order set forth in Decision No. 50431, dated August 17, 1954, be the final order of this Commission.

Dated at San Francisco, California, this 1st day of March, 1955.

John E. [Signature]
President
Justus J. [Signature]
Raulo [Signature]
[Signature]
Commissioners