

ORIGINAL

Decision No. 52620

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Investigation into the)
 rates, rules, regulations, charges,)
 allowances and practices of all common)
 carriers, highway carriers and city)
 carriers, relating to the transportation)
 of property in the City and County of)
 San Francisco and the Counties of)
 Alameda, Contra Costa, Marin, Monterey,)
 Napa, Santa Clara, Santa Cruz, San)
 Benito, San Mateo, Solano and Sonoma.)

Case No. 5441
 (Petition for Modification
 No. 17)

Marvin Handler and Maurice H. Owens, for petitioner.
 E. L. Carley, Robert E. Crane, Edward S. Waldie,
 Phillip A. Winter and Bernard S. Morris, for
 various respondent carriers.
 J. C. Kaspar, R. D. Boynton and Russell Bevans, for
 various carrier associations, interested parties.
 Jack P. Sanders, W. M. Cheatham, Calvin J. Jacober,
 Norman Elliott, Patrick W. Pollock, Herman H.
 Parsons and William E. Shuholm, for various
 shippers, interested parties.
 Grant L. Malquist and J. W. Mallory, for the
 Commission's staff.

O P I N I O N

By petition filed June 27, 1955, as amended, the Draymen's Association of Alameda County seeks increases ranging from 4 per cent to 11 per cent in the level of the minimum rates heretofore established for the transportation of property by city carriers and highway carriers within and between certain incorporated cities in Alameda County.

Public hearing was held before Examiner J. E. Thompson at San Francisco, August 1, 1955.

The last general adjustment of the rates and charges contained in City Carriers' Tariff No. 2A, Highway Carriers' Tariff No. 1A, often referred to as the East Bay Drayage Tariff, was effective October 19, 1953 pursuant to Decision No. 49167, dated

September 29, 1953. Petitioner alleges that since that date the cost of transporting property by motor vehicle within the East Bay drayage area has increased and that an immediate increase in the level of rates and charges is necessary in order to restore such rates and charges to a reasonable level.

Exhibit No. 17-1 is a copy of an agreement between petitioner, the California Trucking Associations, Inc., and the Brotherhood of Teamsters and Auto Truck Drivers, Local No. 70 of Alameda County. The agreement is effective from June 10, 1955, to June 9, 1958, inclusive. Comparison of the terms of this agreement with the wage scales in effect in September 1953 shows that the increase in wages, including welfare provisions and a new pension plan, amounts to 12.34 per cent. Petitioner's secretary-manager testified that the wage agreement is binding upon members of the petitioning association and set the pattern for wages paid by all carriers operating within the area. He stated that since September 1953, as a result of collective bargaining agreements, there have been increases in rates of pay for mechanics, machinists and clerical employees of carriers. He also testified that the salaries of supervisory employees have closely followed the increases in wages.

Exhibits 17-2 to 17-7 inclusive constitute a revenue study prepared by an accountant engaged by petitioner from financial statements and books of accounts of 14 carriers engaged in the transportation of property subject to the provisions of the minimum rate tariff herein involved. The test period is the twelve months ended March 31, 1955. The exhibits show that for operations conducted during the test period the individual carriers had operating ratios before income taxes ranging from 89.25 per cent to 102.45 per cent and that the operating ratio for the combined operations of the 14 carriers was 97.78 per cent. Projections of

the test period operating results giving effect to revenue increases resulting from the 5 per cent interim increase in the rates contained in Minimum Rate Tariff No. 2¹ and increased expenses under the recently negotiated labor agreements reveal operating ratios ranging from 91.06 per cent to 109.88 per cent with a combined operating ratio of 98.87 per cent.

Exhibit 17-8 is a study offered by the Commission's staff of the cost of transporting property by motor vehicle within the East Bay drayage area. The study is essentially a revision of a cost study introduced by the staff in Case No. 5441 in September 1953,² to reflect increases in wage expense since that date. The Commission engineer according to the study, estimates that the cost of transporting property has increased by varying amounts depending upon the weight bracket ranging from 5.0 per cent to 10.8 per cent. The over-all increase would appear to center about 9 per cent. The range of increase in cost of transporting certain goods for which commodity rates are established is from 4 per cent to 7.4 per cent. He explained that increased labor expense would not have as great an influence upon the over-all cost of transporting some commodities as compared to property generally because the volume movements of such commodities usually involve mechanized loading and unloading.

Exhibit 17-9 comprises a statement offered by a rate expert of the Commission's staff showing rates and charges adjusted to reflect the percentage increases in costs set forth in Exhibit No. 17-8. The witness stated that the statement is not to be construed as a recommendation of the staff because no consideration was given to rate making factors other than the percentage increase

¹ Effective August 1, 1955 by Decision No. 51668, dated July 18, 1955, in Case No. 5432, Petition for Modification No. 62.

² Exhibit No. 5-2 in Case No. 5441, Petition for Modification No. 5.

in cost reflected in the engineer's study. He recommended that, if possible, any increase in rates that might be warranted be incorporated directly into the rate structure rather than be prescribed in the form of a surcharge.

A member of petitioner's rate committee proposed that the pool car rates be adjusted so as to reasonably compare with the minimum pool car rates established for the City of San Francisco. He pointed out that the East Bay rates are lower than those prescribed in City Carriers' Tariff No. 1A despite the fact that labor expense is greater in the East Bay than in San Francisco. He testified that the predominant cost in pool car distribution constitutes wages paid to helper or platform employees.

A representative of a shipper of canned goods opposed the granting of the increases sought by petitioner. He suggested that minimum rates be established at a level no higher than to pay out-of-pocket costs to the carriers.

Conclusions

The record does not disclose an emergency condition which would justify granting interim relief in the form of an increase in the general level of rates. The evidence shows that the cost of transporting property has increased to such extent that certain rates appear to be below the cost of performing the service. The cost data of record is sufficient to permit a definitive adjustment of such rates. The adjustment of class rates suggested in Exhibit No. 17-9 which results in an approximate increase of 5 per cent on shipments over 20,000 pounds and increases ranging between 8.6 per cent and 10.8 per cent on shipments under 20,000 pounds appears reasonable and will be adopted.

Monthly vehicle rates and hourly vehicle rates are below cost and will be adjusted to provide for a margin of profit. The adjustment will result in an increase of $1\frac{1}{2}$ per cent in monthly rates and in hourly rates for vehicles over 20,000 pound capacity. The increase in hourly rates for smaller vehicles will be approximately $4\frac{1}{2}$ per cent.

Minimum charges should be increased to conform with the adjustments in class rates. The cost data shows that an increase of 10 per cent in minimum charges is reasonable.

Charges for delays to equipment and for performing accessorial services are intended to primarily reflect labor cost. The increase in labor expense can be measured; therefore, the rates will be increased by the amount of the additional expense.

The record does not contain data respecting economic considerations which would justify a definitive adjustment of other minimum rates contained in the tariff.

A carrier witness urged that pool car rates be adjusted to conform with the minimum pool car rates prescribed in City Carriers' Tariff No. 1A. The Commission has stated in its Decisions Nos. 47910, 48187 and 49167 that adjustments of the rates and charges for handling pool car shipments is not a matter of local concern but should be pursued on a San Francisco bay area basis. The evidence in this proceeding affirms our previous conclusions in this respect. The evidence herein does not permit a revision of such rates on an area wide basis; therefore, they will not be disturbed.

In view of the above conclusions it appears appropriate at this point to discuss the argument and suggestions offered by

the shipper opposing the increase. He stated that minimum rates need not be the going rates and should not be higher than to pay out-of-pocket costs of the carriers performing the service. The Commission has repeatedly pointed out, the latest decision in that respect being Decision No. 51582, dated June 10, 1955, in Case No. 5603, that the Commission's minimum rate making power is limited by statute. The statute does not contemplate the establishment of "going rates" by the Commission nor does Section 3502 of the Public Utilities Code contemplate establishment of minimum rates, the general level of which would not provide for expenses above out-of-pocket costs.

Upon careful consideration of the facts and circumstances of record we are of the opinion and find that the proposed modifications of the rates, rules and regulations have been justified to the extent provided in the order which follows. The adjustments will be made effective November 1, 1955, the earliest date which will permit printing and service upon respondents of the order herein.

O R D E R

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

IT IS HEREBY ORDERED:

1. That City Carriers' Tariff No. 2A, Highway Carriers' Tariff No. 1A (Appendix "A" of Decision No. 41362 as amended) be and it is hereby further amended by incorporating therein, to be effective November 1, 1955, the revised pages attached hereto and by this reference made a part hereof, which pages are numbered as follows:

Fifth Revised Page 16 Cancels Fourth Revised Page 16
Fifth Revised Page 17 Cancels Fourth Revised Page 17
Fifth Revised Page 18 Cancels Fifth Revised Page 18
Fourth Revised Page 28 Cancels Third Revised Page 28
Fourth Revised Page 47 Cancels Third Revised Page 47
Fifth Revised Page 48 Cancels Fourth Revised Page 48

2. That tariff publications required or authorized to be made by common carriers as a result of the order herein may be made effective not earlier than the effective date hereof on not less than five days' notice to the Commission and to the public, and that such required tariff publications shall be made effective not later than November 1, 1955.
3. That in all other respects the aforesaid Decision No. 41362, as amended, shall remain in full force and effect.
4. That except as otherwise provided herein, Petition for Modification No. 17 of the Draymen's Association of Alameda County be and it is hereby denied.

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

Dated at San Francisco, California, this 4th day of October, 1955.

Arthur E. Mitchell
President

Justina J. Calmes

Paul W. Winterer

Walter D. Shaly

H. Hardy

Commissioners

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)
70-A Cancels 70	<p style="text-align: center;">APPLICATION OF RATES</p> <p>Rates provided in this tariff are for the transportation of shipments, as defined in Item No. 11 series, from point of origin to point of destination and include tailgate loading into and tailgate unloading from the carrier's equipment. (See Item No. 90 series.)</p>
80-B Cancels 80-A	<p style="text-align: center;">APPLICATION OF CURRENT CLASSIFICATION</p> <p>(a) Except as otherwise provided, class rates in this tariff are subject to the ratings shown in the Current Classification. Rules, regulations and other provisions and conditions of the Current Classification, other than those specified in the item naming the rating, do not apply.</p> <p>(b) Where the ratings are in conflict with those provided in this tariff, the provisions of this tariff will apply.</p> <p>(c) Commodity rates named in this tariff are governed by the Current Classification to the extent that commodity rate items make specific reference thereto.</p>
*90-D Cancels 90-C	<p style="text-align: center;">ACCESSORIAL CHARGES</p> <p>(a) For pickup or delivery or for stacking, sorting or other accessorial service which is not authorized to be performed under the rates named in this tariff and for which a charge is not otherwise provided, an additional charge of \diamond \$3.75 per man per hour, minimum charge \diamond \$3.75; shall be made.</p> <p>(b) When carrier is required to provide additional labor, at point of origin or point of destination, for the handling of articles or packages which, because of their weight or bulk, cannot be handled by one man, an additional charge of \diamond \$3.65 per man per hour, minimum charge \diamond \$3.65, shall be made.</p>
100	<p style="text-align: center;">ADVANCE CHARGES</p> <p>All charges on shipments advanced by a carrier for the account of a shipper or consignee will be payable on demand of the carrier making the advance.</p>
110-A Cancels 110	<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>Common carrier rates may be applied in lieu of the rates provided in this tariff when such common carrier rates produce a lower aggregate charge for the same transportation between the same points of origin and destination, and for the same accessorial services, than results from the application of the rates herein provided.</p>

CHARGES FOR SERVICE AT OTHER THAN REGULAR WORKING HOURS

120

Rates named in this tariff apply for service performed during regular working hours of 8:00 A.M. to 5:00 P.M. except Saturdays, Sundays and the following holidays: New Year's Day, Washington's Birthday, Decoration Day, Fourth of July, Labor Day, Admission Day, Thanksgiving Day, and Christmas Day. When such holidays fall on Sunday the following Monday shall be considered a holiday. For services performed at the request of the shipper or consignee at other than those hours and on Saturdays, Sundays or the holidays shown, an additional charge equal to the additional cost of overtime will be made.

* Change)
◇ Increase) Decision No. 52020

EFFECTIVE NOVEMBER 1, 1955

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 155

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)
140-D Cancels 140-C	<p style="text-align: center;">FAILURE TO ACCOMPLISH DELIVERY</p> <p>If the carrier, through no fault of its own, is unable to effect delivery of any shipment within 48 hours, excluding Saturdays, Sundays and holidays, after receipt of the shipment, notice will be sent or given to consignor or consignee that the shipment is being placed in storage. Thereafter the shipment will be stored at carrier's terminal subject to the rates and charges set forth below, or at carrier's option may be placed in public warehouse.</p> <p>For each of the first five days, 3½ cents per 100 pounds.</p> <p>For the sixth and each succeeding day, 6½ cents per 100 pounds.</p> <p>Minimum storage charge per shipment on freight held beyond 48 hours, 5 days or less 53 cents; 6 days or more \$1.07.</p> <p>In computing time, any fractional part of 24 hours will be counted as one day.</p> <p>In computing charges, any fractional part of 100 pounds will be computed as 100 pounds.</p> <p>Shipments unloaded from vehicle and reloaded on vehicle will be subject to a charge of \$1.40 per ton in addition to all other charges.</p> <p>Subsequent delivery from point of storage will be charged as a new shipment.</p>
150-D Cancels 150-C	<p style="text-align: center;">DELAYS TO EQUIPMENT</p> <p>Delays at place of pickup and/or delivery, exclusive of the time actually consumed in loading or unloading, resulting from any cause not the fault of and beyond the control of carrier which exceed one-half hour will be charged for at the rate of ◊\$5.75 per hour for all time over one-half hour, minimum charge ◊\$2.90.</p>
160	<p style="text-align: center;">DISPOSITION OF FRACTIONS</p> <p>In computing a rate based on a multiple of another rate, such as one and one-half times first class rate (1½t) the following will govern in the disposition of fractions:</p> <p>Fractions of less than 1/4 or .25 of a cent omit.</p> <p>Fractions of 1/4 or .25 of a cent or greater but less than 3/4 or .75 of a cent will be stated as 1/2 or .50 of a cent.</p> <p>Fractions of 3/4 or .75 of a cent or greater, increase to next whole figure.</p>
170-C Cancels 170-B	<p style="text-align: center;">EXPORT FREIGHT CLEARANCES</p> <p>When the service of clearing export freight is performed by the carrier, a charge of \$2.79 per clearance will be made.</p>

GROSS WEIGHT

175

Charges shall be assessed on gross weight of the shipment. No allowance shall be made for the weight of the containers.

GUARANTEE OF MINIMUM TONNAGE

180

Rates based on weekly, monthly, yearly or per job minimum tonnage requirements will apply only when hauled by one carrier for one shipper or consignee and when carrier is furnished with a satisfactory guarantee that the minimum tonnage requirement will be shipped, or when the required tonnage has been transported.

The term "monthly" as used above means a calendar month or a period of 30 consecutive days.

The term "per job" as used above means a lot delivered to one or more locations on a single project within a period of not to exceed one year.

* Change)
◇ Increase) Decision No. 52020

EFFECTIVE NOVEMBER 1, 1955

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 156

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)
<p>195-A Cancels 195</p>	<p style="text-align: center;">ISSUANCE OF SHIPPING DOCUMENT</p> <p>A shipping document (either in individual or manifest form) shall be issued by the carrier to the shipper for each shipment received for transportation. The shipping document shall show the following information:</p> <ul style="list-style-type: none"> (a) Name of shipper. (b) Name of consignee. (c) Point of origin. (d) Point of destination. (e) Description of the shipment (in terms of the Current Classification or as provided in this tariff). (f) Weight of the shipment. (g) Rate and charge assessed. (h) Such other information as may be necessary to an accurate determination of the applicable minimum rate and charge. <p>The form of shipping document in Item 1120 series will be suitable and proper.</p> <p>A copy of each shipping document shall be retained and preserved by the issuing carrier, subject to the Commission's inspection, for a period of not less than three years from the date of issuance.</p>
<p>200-B Cancels 200-A</p>	<p style="text-align: center;">LOSS AND/OR DAMAGE CLAIMS</p> <p>A minimum charge of \$1.75 shall be made for the handling and collection of loss and/or damage claims against another carrier when the amount involved exceeds \$100.00. When the amount involved is \$100.00 or less, not less than 1 per cent of the amount involved shall be charged subject to a minimum of 45 cents. This accessorial service shall not be rendered except upon the shipper's or consignee's request.</p>
<p>210-B Cancels 210-A</p>	<p style="text-align: center;">MARKING OR TAGGING OF PACKAGES</p> <p>For the service of marking packages, when incidental to transportation by the carrier, a charge of 2 cents per package, minimum charge 75 cents, shall be made. When more than one stencil is used, the minimum charge shall apply to each stencil used.</p>

MINIMUM CHARGE

◇215-B
Cancels
215-A

Except as otherwise provided, on shipments moving under class rates the minimum charge per shipment shall be as follows:

Weight of Shipment (In Pounds)		Minimum Charge (In Cents)
<u>Over</u>	<u>Not Over</u>	
0	14	78
14	29	98
29	49	118
49	-	138

◇ Increase, Decision No. 52020

EFFECTIVE NOVEMBER 1, 1955

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 157

Cancel's

Item No.	SECTION NO. 2-CLASS RATES (Continued)											
	In Cents per 100 Pounds											
	(1) Rate Basis	Any Quantity				Minimum Weight 500 Pounds				Minimum Weight 1,000 Pounds		
	1	2	3	4	1	2	3	4	1	2	3	4
A	125	113	100	89	60	61	54	48	56	50	45	39
B	137	124	110	96	75	68	60	53	61	56	49	43
(1) Rate Basis	Minimum Weight 2,000 Pounds				Minimum Weight 4,000 Pounds				Minimum Weight 10,000 Pounds except as provided in Note 1			
	1	2	3	4	1	2	3	4	1	2	3	4
A	50	44	40	34	36	33	30	25	28	26	22	20
B	54	49	43	38	39	36	32	27	30	27	24	21
(1) Rate Basis	Minimum Weight 20,000 Pounds except as provided in Notes 2 & 3				Minimum Weight as provided in the Current Classification except as provided in Note 3							
	1	2	3	4	5				A			
A	22	20	18	16	14				15			
B	25	22	20	17	15				16			

Note 1 - When applied in connection with carload ratings, minimum weight will be as provided in the Current Classification, but in no event less than 10,000 pounds.

Note 2 - When applied in connection with carload ratings, minimum weight will be as provided in the Current Classification, but in no event less than 20,000 pounds.

Note 3 - When the carload minimum weight provided in the Current Classification exceeds 36,000 pounds, the minimum weight shall be 36,000 pounds. Fifth class rates provided herein apply in connection with Class B, C, D and E carload ratings provided in the Current Classification.

(1) See Items Nos. 530 to 550 series, inclusive.

555-B
Cancel's
555-A

◇ Increase, Decision No. 52020

EFFECTIVE NOVEMBER 1, 1955

Issued by the Public Utilities Commission of the State of California,
Correction No. 158 San Francisco, California.

Item No.	SECTION 5 - HOURLY AND MONTHLY TRUCK RATES	Rate in Cents Per Hour
*1090-B Cancels 1090-C	HOURLY VEHICLE UNIT RATES, including Driver and All other Operating Expenses:	
	Vehicles, N.O.S. (Subject to Notes 1 and 2)	
	Capacity	
	10,500 pounds or less	^ 570
	Over 10,500 " and not over 20,000 pounds	o 680
	" 20,000 "	o 790
	NOTE 1--Rates named herein apply during regular working hours. See Item No. 120 Series for additional charges for service at other than regular working hours. Subject to paragraph (b) of Item No.90 Series when labor in addition to Driver is required.	
	NOTE 2--Rates subject to this note apply only on shipments not reasonably susceptible to handling on a weight basis at rates set forth in other sections of this Tariff. Such shipments include those where no actual or accurate weight can be secured where there is neither a definite point of origin and/or destination nor specific time for loading or unloading and/or releasing the vehicle. Rates subject to this note must not be applied alternately with rates named in other sections of this Tariff.	
	Derrick trucks. A derrick truck with an automotive powered derrick and having a boom with a lateral swinging radius of not more than 180 degrees.	834
	Low bed steam shovel trailer with one towing unit. A low bed steam shovel trailer is a trailer with bed not more than 36 inches from the road level and capable of transporting a load of 20 tons or more.	
- Capacity		
20 tons or less	1297	
Over 20 tons to and incl. 30 tons	1482	
Over 30 tons	1574	
Minimum charge 1 hour.		
Computation of Time for hourly rates shown above: Time shall be computed from time vehicle leaves carriers' stand (place of business) until it arrives back at said stand.		

* Change
◇ Increase

)
)

Decision No.

52020

EFFECTIVE NOVEMBER 1, 1955

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 159

Item No.	SECTION 5 - HOURLY AND MONTHLY TRUCK RATES			
*1100-D Cancels 1100-C	MONTHLY VEHICLE UNIT RATES, including driver and All Other Operating Expenses. (Subject to Note 1.)	Column ◊ 1	Column ◊ 2	Column 3
	10,500 pounds or less	730	900	16
	Over 10,500 pounds and not over 20,000 pounds	850	1050	21
	Over 20,000 pounds	970	1170	◊ 28
	Column 1 - Rates per month in dollars per unit of carrier's equipment for service exclusive of service on Saturdays, Sundays and Holidays. When equipment is operated in excess of 1,050 miles per month, add rates shown in Column 3.			
	Column 2 - Rates per month in dollars per unit of carrier's equipment for service including service on Saturdays, Sundays and Holidays. When equipment is operated in excess of 1,250 miles per month, add rates shown in Column 3.			
	Column 3 - Rates in cents per mile to be added to the Columns 1 and 2 rates when unit of carrier's equipment is operated in excess of the maximum mileage allowed thereunder.			
	NOTE 1--Rates named herein apply during regular working hours. See Item No. 120 Series for additional charges for service at other than regular working hours. Subject to paragraph (b) of Item No. 90 Series when labor in addition to Driver is required.			
	* Change } ◊ Increase } Decision No. 52620			
EFFECTIVE NOVEMBER 1, 1955				
Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 160				