

Decision No. 52748**ORIGINAL**

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
 Petition No. 15,
 as amended

E. O. Blackman, Leonard F. Schempp, Don D. Tobey,
 and Clair V. Logue, for California Dump Truck
 Owners Association, petitioner.

J. C. Kaspar and Arlo D. Poe, for California
 Trucking Associations, Inc., interested party.

H. G. Feraud and Austin H. Peck, Jr., for Southern
 California Rock Products Association, interested
 party.

Frank B. Hagan, for Southern California Asphalt Plant
 Association, interested party.

James Quintrall, for Western Motor Tariff Bureau,
 interested party.

E. J. Woodward, Jr., for Sully-Miller Contracting
 Company, interested party.

Francis W. Walker, in propria persona, interested
 party.

H. F. Wiggins, for the staff of the Public Utilities
 Commission of the State of California.

O P I N I O N

By petition filed August 19, 1955, and by amendment thereto filed November 22, 1955, the California Dump Truck Owners Association, a nonprofit California corporation representing approximately 500 dump truck carriers, seeks (1) an increase in the minimum hourly rates heretofore established by this Commission for the transportation of specified materials in dump truck equipment between points in southern California territory and (2) the

establishment of additional charges to apply for transportation service performed in southern California territory after regular working hours and on Saturdays, Sundays and certain holidays.

Public hearings in the petition were held before Examiner C. S. Abernathy at Los Angeles on November 4 and on December 6 and 7, 1955, at which times evidence was presented by petitioner through its officers and member carriers, by a representative of the California Trucking Associations, Inc., (a nonprofit corporation composed of associations of highway carriers), and by a transportation engineer and by a transportation rate expert of the Commission's staff.

The minimum rates, rules and regulations which govern transportation by dump truck equipment are set forth in Minimum Rate Tariff No. 7 (Appendix "A" of Decision No. 32566, as amended). The tariff names rates on distance, zone, and hourly bases. The most recent adjustment in the hourly rates became effective January 15, 1955, pursuant to Decision No. 50854 in this numbered proceeding. Petitioner alleges that since the close of the record upon which Decision No. 50854 was based, the carriers have experienced substantial increases in their operating costs, particularly in those for labor.

According to testimony of petitioner's manager, drivers' wage rates have increased $17\frac{1}{2}$ cents an hour; welfare fund provisions of $7\frac{1}{2}$ cents an hour have been established; social security, unemployment insurance and compensation insurance costs have increased with the increases in wage rates; and there have been increases in mechanics' wages, costs of repair parts and in some other expenses. The total increases assertedly approximate 30 cents an hour. The manager said that these increased costs apply to virtually all of

the transportation which is performed at the hourly rates. Corroborating testimony in this last named respect was submitted by the carrier witnesses who presented evidence in petitioner's behalf.

The evidence which was submitted by the Commission engineer was designed to show the effect of the increased wages and welfare payments upon the carriers' total operating costs. Applying present wage and related rates to data which he had developed in connection with an extensive study of dump truck transportation in 1953 and 1954, and upon which data Decision No. 50854 was founded, the engineer calculated that in the interval since, the carriers' operating costs which are incurred in connection with the transportation of the bulk of the materials that move at the hourly rates have increased by amounts ranging from 25.5 to 29.02 cents per hour.

Petitioner's request for the establishment of additional charges to apply for transportation performed after regular working hours and on Saturdays, Sundays and holidays was advanced on the grounds that the applicable labor agreements require premium payments for work performed during the times specified. Petitioner's manager stated that inclusion of a general allowance for overtime in the hourly rates, as at present, does not equitably distribute the applicable costs among the shippers. He said that many of the shippers do not require overtime, weekend or holiday service. He said, furthermore, that from the carriers' standpoint the performance of overtime, weekend or holiday service involves out-of-pocket costs which are unfairly distributed amongst the carriers in the absence of specific provisions to cover such service.

The representative of the California Trucking Associations, Inc., also urged the establishment of specific charges for overtime, weekend and holiday service and he submitted a recommended tariff rule to accomplish this purpose. He said that the lack of such charges for this service is a serious threat to the stability of dump truck carriers who operate fleets of equipment, inasmuch as those carriers are more subject to the requirements of premium pay for overtime or holiday work than are individual owner operators and in the absence of overtime provisions to govern all of the carriers uniformly they are at a competitive disadvantage with the individual operators.

No one appeared in opposition to the proposed increase in the hourly rates or to the sought overtime rules.

The record is clear that the cost of the transportation service that is performed under the hourly rates has increased substantially since the closing of the record upon which the most recent adjustments of the minimum hourly rates were made. The increased costs, the evidence shows, have applied to virtually all of the transportation involved. Such transportation as has not been affected by the full amount of the increases is quite small in relation to the whole and does not justify separate consideration on this record. In the light of the showings of petitioner and of the Commission engineer the proposed increase of 30 cents an hour in the hourly rates for all commodities subject thereto is deemed to be reasonable and substantiated.

It appears that additional charges for overtime, weekend and holiday service should be established along the lines recommended by petitioner and by the representative of the California Trucking Associations, Inc., in order to allocate equitably the

charges to the shippers requiring the service and to compensate the carriers properly for the work done. With the establishment of these charges as a separate rate factor, the hourly rates should be modified to exclude allowances contained therein for services performed at premium labor rates. With this modification, additional charges which were recommended by the representative of the California Trucking Associations, Inc., appear reasonable and will be adopted.¹ A proposal of the Association's representative to include Veterans' Day as one of the designated holidays when the additional charges would apply will not be adopted for the reason that it goes beyond the scope of the petition herein.

Upon careful consideration of all of the facts and circumstances on record, it is concluded and found as a fact that the existing minimum rates, rules and regulations for the transportation of property by dump truck equipment as set forth in Minimum Rate Tariff No. 7 should be revised to the extent provided in the order which follows.

O R D E R

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

IT IS HEREBY ORDERED that Minimum Rate Tariff No. 7 (Appendix "A" of Decision No. 32566, as amended) be and it is hereby

¹ The proposals of petitioner and of the California Trucking Associations, Inc., both contemplate that the additional charges would be added to the present rates. Petitioner proposed additional charges of \$2.00 an hour for Sunday and holiday service and \$1.00 an hour for overtime service otherwise. The representative of California Trucking Associations, Inc., recommended corresponding charges of \$2.50 and \$1.25 per hour. It appears that with modification of the hourly rates as indicated, the higher charges should be adopted in order to cover sufficiently the costs of the service provided.

further amended by incorporating therein, to become effective April 15, 1956, First Revised Page 42-A Cancels Original Page 42-A; which page is attached hereto and by this reference made a part hereof.

In all other respects said Decision No. 32566, as amended, shall remain in full force and effect.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 13th day of March, 1956.

John E. B. [Signature]
President

Stanley F. [Signature]

Paul [Signature]

[Signature]

[Signature]

Commissioners

Item No.	SECTION NO. 4		HOURLY RATES (Concluded)			
	<p>MATERIAL, as described in Item No. 320.</p> <p>COLUMN "A" rates apply where the loading is performed by power loading device, excepting processed sand, gravel or crushed stone in stock piles at a commercial producing plant, at point of consumption or at intermediate point of transfer. A hepper chute or bunker shall not be deemed to be a power loading device.</p> <p>COLUMN "B" rates apply where the loading is performed by hand and where the average mileage of the vehicle does not exceed eight miles per hour for the period of time the vehicle is in use each day.</p> <p>COLUMN "C" rates apply where transportation or loading is under conditions other than described under application of Column "A" or Column "B" rates.</p>					
	Level Capacity of Dump Truck Body in Cubic Yards (See Note 1)		SOUTHERN TERRITORY (See Item No. 100) (1) Rates in Cents Per Hour (See Item No. 330) (See Note 2)			
			◊ Column A	◊ Column B	◊ Column C	
	Over	But Not Over				
*365-A Cancel 365	0	3	485	369	480	
	3	4	520	395	515	
	4	5	560	414	545	
	5	6	600	445	580	
	6	7	640	430	615	
	7	8	685	530	645	
	8	9	725	565	680	
	9	10	760	595	715	
	10	11	795	624	750	
	11	12	840	668	785	
	12	13	880	690	825	
	13	14	905	715	850	
	14	15	930	735	875	
	15	16	965	778	900	
	16	17	990	808	925	
	17	18	1015	838	950	
	18	19	1040	868	975	
	19	20	1065	898	1000	
		20	Add to rate for 20 cubic yards capacity for each cubic yard or fraction thereof--	025	030	025

(1) Minimum charge shall be the rate for one hour.

NOTE 1.-Level capacity of Dump Truck body means the cubical content of the body in cubic yards calculated by multiplying the inside length by the average inside width and the average inside height of the sides of the body, including temporary side boards, if such boards are used, with no allowance for the crown of the load or for low head board or low tail gate.

In the case of a Dump Truck body not constructed for use of a tail gate (such as the so-called "rock body"), the inside length shall be deemed to mean the average of the measurement along the top of the sides from the inside of the head board to the point of the angle where the sides are diverted downward to meet the floor, and the measurement along the floor from the inside of the head board to the end of the body.

#0 NOTE 2.-(a) For transportation service furnished under this item on Sundays and/or New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day,

(1) The applicable hourly rates, except for transportation originating in Inyo or Mono Counties, shall be \$2.50 an hour in excess of those set forth above.

(2) The applicable hourly rates for transportation originating in Inyo or Mono Counties shall be \$1.25 an hour in excess of those set forth above.

(b) Except as otherwise provided by paragraph (a) of this Note, the applicable hourly rates for transportation furnished on Saturdays or during periods in excess of 8 hours in any one shift shall be \$1.25 an hour in excess of those set forth above.

# Addition)	Decision No. 52748
* Change)	
◇ Increase, except as noted)	
○ No change)	

EFFECTIVE APRIL 15, 1956

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

Correction No. 458