

Decision No. 52971

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 general commodities (commodities for)
 which rates are provided in Minimum)
 Rate Tariff No. 2).)

Case No. 5432
 Petition for
 Modification No. 62

Petition for
 Modification No. 62
 (First Supplemental)

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 general commodities (commodities for)
 which rates are provided in Minimum Rate)
 Tariff No. 2).)

Case No. 5432
 Petition for
 Modification No. 74

Petition for
 Modification No. 74
 (First Supplemental)

Appearances are listed in Appendix "A" of
 Decision No. 51688. Additional appearances
 will be listed in the final order in these
 proceedings.

SECOND INTERIM OPINION

Petition No. 62 of the California Trucking Associations,
 Inc., seeks an upward adjustment of the minimum rates in Minimum
 Rate Tariff No. 2. Petition No. 74 of the major railroads
 operating in California seeks a corresponding adjustment in rail
 class rates and certain rail commodity rates which have been
 maintained at parity with the minimum rates in Minimum Rate Tariff
 No. 2. Hearings are presently scheduled in these proceedings.

By the first supplemental petitions Nos. 62 and 74
 filed on April 6, 1956 and April 17, 1956 respectively, the
 petitioners request an immediate emergency increase in the
 aforesaid rates and charges. Public hearing was held on the latter

requests on April 18, 1956 before Commissioner Matthew J. Dooley and Examiner J. E. Thompson at San Francisco. Evidence was presented by the petitioners, by the Los Angeles Chamber of Commerce and by Southern California Freight Lines.

The evidence clearly shows that on May 1, 1956 the carriers will be required, under existing contracts with labor unions, to increase wages of drivers, helpers and terminal employees. It was testified by the vice chairman of the rate committee of the California Trucking Associations, Inc., by the latter's director of research and by the president of Southern California Freight Lines that the highway carriers are in such financial conditions that many of them will not be able to maintain operations after the May 1st ^{wage} ~~labor~~ increases unless they are able to secure additional revenues.

The interested parties appearing in this proceeding, on the whole, were not opposed to the granting of an interim increase in the minimum rates. There was some difference of opinion among the shippers, however, as to the amount of increase necessary and the form in which it should be applied.

At the hearing the California Trucking Associations, Inc., amended its proposals ^{as to} ~~of~~ the amount and the form of the increase. In general terms, its proposals are that the present charges be increased by an additional ten per cent on minimum charges, five per cent on shipments up to 10,000 pounds, three per cent on shipments from 10,000 pounds to 20,000 pounds and two per cent on shipments over 20,000 pounds.

A number of shippers supported this proposal. Others urged that the increase be applied uniformly as a percentage increase on all shipments regardless of weight. The latter stated that the varying increases as proposed would impose a heavier burden upon

John the smaller industries ^{which} ~~who~~ are least able to bear additional transportation costs. The evidence shows, and the Commission is *John* fully ^{advised} ~~aware~~, that the cost of transporting smaller shipments is more acutely affected by labor expense than is the cost of transportation of larger shipments. The proposed manner of applying the increases follows more accurately the increased cost of operation than would a uniform percentage increase.

The rail lines request that they be authorized to increase class rates and certain commodity rates by whatever amount may be necessary in order to maintain parity with corresponding rates in Minimum Rate Tariff No. 2 levels for competitive purposes. These rates have not been increased by the rail carriers in accordance with increases authorized by the Commission in general rail revenue proceedings. To illustrate, in 1946 the rail rate and the minimum rate on canned goods in shipments of 30,000 pounds between Sacramento and Los Angeles was 31 cents. The present rate with the five per cent surcharge is 43.15 cents. If the rail lines had applied the revenue increases in full, the rail rate would now be 55 cents or approximately 10 cents higher than the present rail rate. According to the representative of the rail lines testifying in this proceeding, the railroads have pegged their rates on certain items to the rates in Minimum Rate Tariff No. 2 rather than taking the aforesaid increases because with truck competition the higher rates would prevent them from obtaining traffic.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that an emergency increase in the rates in Minimum Rate Tariff No. 2 is necessary to maintain an adequate transportation system in California, that the interim increases as proposed by the California

Trucking Associations, Inc., at the hearing of April 18, 1956 are justified and that increases in certain rail rates specified in the First Supplemental Petition No. 74 to the level of corresponding increased rates in Minimum Rate Tariff No. 2 are justified.

In view of the immediate need by carriers for additional revenue to meet the additional cost attributable to higher wage costs, the order which follows will become effective immediately and common carriers will be authorized to make the increases effective on less than statutory notice. As proposed, the surcharges authorized herein will be scheduled to expire on October 1, 1956.

SECOND INTERIM ORDER

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

IT IS ORDERED:

(1) That Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein, to become effective May 15, 1956, Supplement No. 30 Cancels Supplement No. 28, attached hereto and by this reference made a part hereof,

(2) That common carriers subject to the Public Utilities Code, including common carriers by railroad with respect to their less-carload rates and charges, subject to said Decision No. 31606, as amended, be and they are hereby authorized and directed to establish in their tariffs the increases necessary to conform with the further adjustment herein of that decision; that said common carriers be and they are hereby authorized to establish in their tariffs increases in class rates and charges in connection with the transportation of commodities for which minimum rates have not

been established by the Commission and in connection with commodities on which the common carriers maintain rates on class rate levels higher than the applicable commodity rates, but that such increases shall be no greater in volume and effect than the corresponding class rate increases established herein; that said common carriers which do not maintain in their tariffs all of the rate scales provided in Minimum Rate Tariff No. 2 may establish the increases involved in continuing provisions relating to rates for transportation under these circumstances.

(3) That common carriers by railroad be and they are hereby authorized to increase their carload rates in issue in this proceeding to the level of the minimum rates authorized in paragraph (1) of this interim order.

(4) That tariff publications required or authorized to be made by common carriers as a result of the order herein may be made effective on or after 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 May 15, 1956.

(5) That common carriers be and they are hereby authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California, and Section 460 of the Public Utilities Code and from the provisions of Tariff Circular No. 2 and General Order No. 80 to the extent necessary to carry out the effect of the order herein.

(6) That in all other respects, the aforesaid Decision No. 31606, as amended, shall remain in full force and effect.

(7) That the proceedings in First Supplemental Petitions for Modification Nos. 62 and 74 be and they are hereby terminated.

(8) That further evidence in Petitions for Modification Nos. 62 and 74 be received at the time and place as set forth on the Commission's calendar.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 24th day of April, 1956.

W. E. Mitchell
President
Justin Z. Craven
Raymond J. Starnes
William J. Staley
(B. Hardy)

SUPPLEMENT NO. 30
(Cancels Supplement No. 28)

(Supplements Nos. 29 and 30 Contain All Changes)

TO

MINIMUM RATE TARIFF NO. 2

NAMING

MINIMUM RATES, RULES AND REGULATIONS

FOR THE

TRANSPORTATION OF PROPERTY OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

HOUSEHOLD GOODS CARRIERS

◇(1)APPLICATION OF SURCHARGES

(See page 2 of this supplement)

(1) Expires with October 1, 1956, unless sooner canceled, changed
or extended.

◇ Increase, Decision No. 52971

EFFECTIVE MAY 15, 1956

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

APPLICATION OF SURCHARGES

(a) (Applies only to shipments, including split pickup and split delivery shipments, between points of origin and destination all of which are within the SAN FRANCISCO BAY COUNTIES TERRITORY as described in Paragraph 3½ of Item No. 270.) Except as provided in Paragraphs (b), (c) and (d) below, compute the amount of charges in accordance with the rates, rules and regulations of this tariff. Increase the amount so computed as follows:

1. By 21% on minimum charges applicable under the provisions of Item No. 150;
2. By 16% on charges computed upon transportation rates named in Item No. 330 and in Sections Nos. 2 and 3 which are subject to minimum weights of less than 10,000 pounds (will not apply to provisions of Items Nos. 110 (Deductions) and 150 (Minimum Charges));
3. By 14% on charges computed upon transportation rates named in Item No. 330 and in Sections Nos. 2 and 3 which are subject to minimum weights of 10,000 pounds and greater but less than 20,000 pounds;
4. By 13% on charges computed upon transportation rates named in Item No. 330 and in Sections Nos. 2 and 3 which are subject to minimum weights of 20,000 pounds and greater;
5. By 16% on the additional or accessorial charges named in Sections Nos. 1 and 3 or such charges computed upon the additional or accessorial rates named therein (will not apply to provisions of Items Nos. 110 (Deductions) and 150 (Minimum Charges)).

(b) (Applies on all shipments not subject to the provisions of Paragraph (a).) Except as provided in Paragraphs (c) and (d) below, compute the amount of charges in accordance with the rates, rules and regulations of this tariff. Increase the amount so computed as follows:

1. By 15% on minimum charges applicable under the provisions of Item No. 150;
2. By 10% on charges computed upon transportation rates named in Item No. 330 and in Sections Nos. 2 and 3 which are subject to minimum weights of less than 10,000 pounds (will not apply to provisions of Items Nos. 110 (Deductions) and 150 (Minimum Charges));
3. By 8% on charges computed upon transportation rates named in Item No. 330 and in Sections Nos. 2 and 3 which are subject to minimum weights of 10,000 pounds and greater but less than 20,000 pounds;
4. By 7% on charges computed upon transportation rates named in Item No. 330 and Sections Nos. 2 and 3 which are subject to minimum weights of 20,000 pounds and greater;
5. By 10% on the additional or accessorial charges named in Sections Nos. 1 and 3 or such charges computed upon the additional or accessorial rates named therein (will not apply to provisions of Items Nos. 110 (Deductions) and 150 (Minimum Charges)).

(c) The provisions of Paragraphs (a) and (b) will not apply to the following:

1. Split pickup or split delivery charges named in Items Nos. 160 and 170;
2. Accessorial charges applicable to pool shipments named in Items Nos. 176, 177, 178 and 179;
3. Charges based on common carrier rates used under the alternative provisions of Items Nos. 200, 210, 220 and 230.

(d) The provisions of Paragraph (a) will not apply to charges based on rates named in Item No. 690 applicable on lumber and forest products (excluding building woodwork) as described in Item No. 660. For the statewide transportation of lumber (excluding building woodwork) the provisions of Paragraph (b) will apply.

Note - The provisions of Paragraphs (a) or (b) will apply to building woodwork, depending on the location of the points of origin and destination.

(e) Fractions of less than one-half cent shall be dropped; fractions of one-half cent or greater shall be increased to one cent.

(f) When the charges on all or any portion of a shipment are subject to the surcharges provided for in this Supplement, the provisions of Item 80 shall apply only after the surcharges have been added to the portion subject to such surcharges.

THE END