

**ORIGINAL**Decision No. 53514

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 cement and related products (commodi- )  
 ties for which rates are provided in )  
 Minimum Rate Tariff No. 10). )

Case No. 5440  
 Petition for  
 Modification No. 3

Arlo D. Poe and J. C. Kaspar, for California Trucking Associations, Inc., petitioner.  
Frank R. Golzen, for Universal Transport System, Inc., respondent.  
Kenneth M. Robinson and S. A. Moore for Permanente Cement Company, protestant.  
Joseph T. Enright, Eugene R. Rhodes, and Waldo R. Gillette, for Monolith Portland Cement Company; Wallace K. Downey, for California Portland Cement Company; Lauren M. Wright, for Riverside Cement Company; C. R. Boyer, for Southwestern Portland Cement Company; Eugene A. Foise, for Calaveras Cement Company; William G. Higgins, for Santa Cruz Cement Division of Pacific Coast Aggregates, Inc.; and James Quintrall, for Western Motor Tariff Bureau, interested parties.  
William C. Bricca, for the staff of the Public Utilities Commission of the State of California.

O P I N I O N

By this petition filed March 12, 1956, and later amended, the California Trucking Associations, Inc., seek an interim increase of 5 percent in the minimum rates and charges in Minimum Rate Tariff No. 10 for the transportation of cement and related products. Petitioner alleges that since June 15, 1954, when Minimum Rate Tariff No. 10 was last amended, the operating costs of highway carriers engaged in the transportation of cement have been increased substantially by increases in the costs of labor, fuel, supplies and other items of expense; that in relation to present costs the minimum rates are unduly low; that to adjust the rate structure to conform to

present conditions and circumstances will require detailed studies; that such studies are in progress; and that the sought interim increases are necessary to restore the rates to a more reasonable level until the studies can be completed and rate revisions based thereon can be made.

On June 6, 1956, subsequent to notice to persons and organizations believed to be interested, public hearing on the petition was held before Examiner C. S. Abernathy at Los Angeles. Evidence in the matter was presented by petitioner's assistant director of research and by a transportation engineer of the Commission's staff. Representatives of various interested cement companies participated in the development of the record through examination of the witnesses.

Petitioner's witness submitted an abstract of union wage agreements from July 1, 1953, to show the extent that wage rates for drivers have increased since that date. He also submitted financial data to show the operating results of carriers under present rates in Minimum Rate Tariff No. 10. According to the wage exhibit, the wage rates of drivers who are engaged in long-line operations have increased approximately 11 percent in the past two years and the wage rates of short-line drivers have increased more than 15 percent. The witness said that with these increases the carriers have had to grant wage increases to various other classifications of their employees also. The financial data which he presented were in the form of condensed revenue and expense statements covering the operations of 15 carriers who derived a substantial portion of their revenues from the transportation of cement during 1955. The statements show operating results ranging from a loss of \$30,089 to net earnings of \$58,135 before income taxes. The operating ratios after taxes range from a high of 122.67% to a low

of 97.33% with an average of 100.11%. The witness calculated that had the carriers' operations been conducted under the wage rates currently being paid their total expenses for the year would have been increased by \$117,610 and that instead of combined net earnings of less than \$24,000 from gross revenues of more than \$7,000,000 they would have suffered a loss of \$94,000.

The Commission engineer presented an exhibit in which he had undertaken to measure the extent that the increases in the drivers' wage rates since 1953 would change the total costs of transporting cement which were determined by the Commission's staff in connection with the adjustment of the minimum rates that became effective in June, 1954. Applying present wage rates to basic performance data gathered by the Commission's staff in the previous matter, and comparing the results with corresponding data in the earlier study, he developed the following as representing the increases in total costs resulting from the increases in drivers' wage rates.

Percentages of Increase in Costs for the  
Transportation of Bulk and Sacked Cement

	<u>Southern California Territory</u>		<u>Northern California Territory</u>	
	(a)	(b)	(a)	(b)
30 miles	7.4	7.9	5.2	7.8
80 miles	5.5	5.8	6.1	7.3
175 miles	4.8	5.4	5.5	4.8
350 miles	4.1	4.9	5.6	5.3
500 miles	4.3	4.7	5.6	4.9

(a) Cement in bulk  
(b) Cement in sacks

The evidence in this matter is clear that since the previous adjustment in the minimum rates the carriers have experienced substantial increases in their operating costs. Although the showings herein were directed largely to the development of the consequences of the higher wage rates for drivers upon the carriers' total costs,

the evidence shows that increases have applied to other of the carriers' cost items also. Since the figures which were presented by the Commission engineer were developed primarily to measure only the effect of the increased wage rates of drivers, it appears that his showing may be deemed as a minimum representation of the total cost increases which have occurred. The sought rate increases, it appears, would do no more than enable the carriers to meet the increased costs as determined on this limited basis. The revenue and expense statements which were presented by petitioner do not of themselves provide sufficient grounds for a revision of the minimum rates. Considered in conjunction with the engineer's figures, however, they are persuasive that the present rates are insufficient. It appears that the sought increases as applied to the operations of the carriers represented in petitioner's showing would result in an average operating ratio not more favorable than 96½ percent.

Upon careful consideration of these facts and circumstances of record it is concluded, and the Commission so finds, that the existing minimum rates and charges for the transportation of cement should be revised to the extent sought. The order which follows will so provide.

O R D E R

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

IT IS HEREBY ORDERED that:

1. Minimum Rate Tariff No. 10 (Appendix "A" of Decision No. 44633 as amended) be and it is hereby further amended by incorporating therein to become

effective August 25, 1956, the revised pages hereto attached and by this reference made a part hereof, which pages are numbered as follows:

Second Revised Page 6 cancels First Revised Page 6  
First Revised Page 8 cancels Original Page 8  
Second Revised Page 12 cancels First Revised Page 12

2. 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 August 25, 1956.
3. In all other respects the aforesaid Decision No. 44633, 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 31<sup>st</sup> day of July, 1956.

Peter E. Kitchell  
President

Raula J. Kivimäki

Thomas D. Dool

R. Knezy

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Commissioners

Commissioner JUSTUS F. CRAEMER, being necessarily absent, did not participate in the disposition of this proceeding.

SECTION NO. 1 - RULES AND REGULATIONS (Continued)		Item No.																
APPLICATION OF TARIFF - TERRITORIAL																		
Rates in this tariff apply for the transportation of commodities named in Item No. 40 between all points within the State of California.		70																
TERRITORIAL DESCRIPTIONS																		
<p>NORTHERN TERRITORY includes all points north of the following boundary line: Beginning at a point on the shore line of the Pacific Ocean due south of Gaviota, thence northeasterly along an imaginary straight line to the junction point of Santa Barbara, Ventura and Kern County boundaries, northerly and westerly along the westerly boundary of Kern County to the junction point of Kern, San Luis Obispo and Kings Counties, thence easterly along the northerly boundary lines of Kern and San Bernardino Counties to the California-Nevada boundary line.</p> <p>SOUTHERN TERRITORY includes all points south of the southern boundary line of northern territory.</p>		80																
MINIMUM CHARGE																		
The minimum charge per shipment shall be the charge for 40,000 pounds at the applicable rate.		90-A Cancels 90																
ACCESSORIAL SERVICES																		
When carrier performs any accessorial or incidental service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges shall be assessed as follows:																		
<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Charges in Cents</u></th> </tr> <tr> <th style="text-align: center;"><u>For First</u></th> <th style="text-align: center;"><u>For Each</u></th> </tr> <tr> <th style="text-align: center;"><u>30 Minutes</u></th> <th style="text-align: center;"><u>Additional</u></th> </tr> <tr> <th style="text-align: center;"><u>or Fraction</u></th> <th style="text-align: center;"><u>15 Minutes</u></th> </tr> <tr> <th style="text-align: center;"><u>Thereof</u></th> <th style="text-align: center;"><u>or Fraction</u></th> </tr> <tr> <th style="text-align: center;"><u>Thereof</u></th> <th style="text-align: center;"><u>Thereof</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(a) For Driver, Helper, or Other Employee per Man .....</td> <td style="text-align: center;">147                      74</td> </tr> <tr> <td style="text-align: center;">(b) For Unit of Equipment .....</td> <td style="text-align: center;">63                              32</td> </tr> </tbody> </table>		<u>Charges in Cents</u>		<u>For First</u>	<u>For Each</u>	<u>30 Minutes</u>	<u>Additional</u>	<u>or Fraction</u>	<u>15 Minutes</u>	<u>Thereof</u>	<u>or Fraction</u>	<u>Thereof</u>	<u>Thereof</u>	(a) For Driver, Helper, or Other Employee per Man .....	147                      74	(b) For Unit of Equipment .....	63                              32	◇ 100-B Cancels 100-A
<u>Charges in Cents</u>																		
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(a) For Driver, Helper, or Other Employee per Man .....	147                      74																	
(b) For Unit of Equipment .....	63                              32																	
The charge for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.																		
DIVERTED SHIPMENTS																		
Charges upon shipments diverted at request of consignor or consignee shall be assessed upon the basis of the charge established for the constructive mileage applicable via the point or points where diversion occurs, subject to Item No. 100.		110																
◇ Increase, Decision No. <b>53514</b>																		
.    EFFECTIVE    AUGUST 25, 1956																		
Issued by the Public Utilities Commission of the State of California, San Francisco, California.																		
Correction No. 12																		

SECTION NO. 1 - RULES AND REGULATIONS (Continued)

Item No.

COLLECT ON DELIVERY (C.O.D.) SHIPMENTS

(a) No carrier shall handle any C.O.D. shipment unless and until it has on file with the Commission a good and sufficient bond in such form as the Commission may deem proper, in a sum of not less than Two Thousand Dollars.

(b) The bond required by paragraph (a) hereof, shall be filed by the carrier as principal and by some solvent surety company, authorized to do business in the State of California, as surety, payable to the State of California, and/or any person or persons to whom any amount may be due on any C.O.D. shipment transported by said carrier and not remitted to the person or persons to whom it is due within ten days after delivery of any such shipment; however, when the carrier has filed with any municipality or board thereof, pursuant to ordinance, a bond in a sum not less than Two Thousand Dollars, payable to said board or municipality and/or any person or persons to whom any amount may be due on any C.O.D. shipment transported by said carrier and not remitted to the person or persons to whom it is due within ten days after delivery of any such shipment, the filing by such carrier of a certified copy of said bond with this Commission shall be deemed compliance herewith. Each bond filed pursuant to the foregoing shall specify the extent to which the carrier's operations are covered thereby and may cover more than one operative authority held by the same carrier. When a carrier with such a bond or bonds on file with the Commission obtains additional operative authority, said bond or bonds shall be revised or reissued to show whether or not the additional operative authority is covered thereby. No C.O.D. bond shall be canceled on less than thirty days' notice to the Commission.

(c) In the handling of C.O.D. shipments carrier shall, promptly upon collection of any and all moneys, and in no event later than ten days after delivery to consignee, unless consignor instructs otherwise in writing, remit to consignor all moneys collected by it on such shipments.

(d) The charges for collecting and remitting the amount of C.O.D. bills collected on C.O.D. shipments shall be as follows:

When the amount collected is	Charge for collecting and remitting will be	When the amount collected is	Charge for collecting and remitting will be
Not over \$2.50	\$.25	Over \$180.00	not over \$200.00--\$1.25
Over \$2.50	not over \$5.00--.28	Over 200.00	not over 250.00--1.40
Over 5.00	not over 10.00--.39	Over 250.00	not over 300.00--1.61
Over 10.00	not over 20.00--.42	Over 300.00	not over 350.00--1.81
Over 20.00	not over 25.00--.45	Over 350.00	not over 400.00--2.03
Over 25.00	not over 40.00--.51	Over 400.00	not over 450.00--2.24
Over 40.00	not over 50.00--.56	Over 450.00	not over 500.00--2.45
Over 50.00	not over 60.00--.69	Over 500.00	not over 550.00--2.66
Over 60.00	not over 80.00--.72	Over 550.00	not over 600.00--2.86
Over 80.00	not over 100.00--.76	Over 600.00	not over 650.00--3.07
Over 100.00	not over 102.50--.96	Over 650.00	not over 700.00--3.28
Over 102.50	not over 105.00--.98	Over 700.00	not over 750.00--3.50
Over 105.00	not over 110.00--1.02	Over 750.00	not over 800.00--3.71
Over 110.00	not over 120.00--1.05	Over 800.00	not over 850.00--3.91
Over 120.00	not over 140.00--1.07	Over 850.00	not over 900.00--4.12
Over 140.00	not over 150.00--1.11	Over 900.00	not over 950.00--4.33
Over 150.00	not over 160.00--1.19	Over 950.00	not over 1,000.00--4.54
Over 160.00	not over 180.00--1.21	Over 1,000.00	at rate of \$4.54 per \$100.00

\*110-4  
 Cancels  
 140

\* Change }  
 ◊ Increase } Decision No. 53514

EFFECTIVE AUGUST 25, 1956

Issued by the Public Utilities Commission of the State of California,  
 San Francisco, California.  
 Correction No. 13

SECTION NO. 2 - RATES IN CENTS PER 100 POUNDS										Item No.	
FROM (1)		TO		Apply Rate Below in Scale For:							
Southern Territory		Southern Territory		Southern Territory							
		Northern Territory									
Northern Territory		Southern Territory		Northern Territory							
		Northern Territory									
MILES		RATES				MILES		RATES			
		Scale						Scale			
But Not Over		Southern Territory		Northern Territory		But Not Over		Southern Territory		Northern Territory	
		(2)	(3)	(2)	(3)	(2)	(3)	(2)	(3)	(2)	(3)
0	3	3 1/4	4 1/4	3 1/2	4 1/2	150	160	21 1/4	21 1/4	22 1/4	22 1/4
3	5	3 1/2	4 1/2	3 3/4	4 3/4	160	170	22 1/2	22 1/2	23 1/4	23 1/4
5	10	3 3/4	4 3/4	4	5	170	180	24	24	24 1/2	24 1/2
10	15	4 1/4	5 1/4	4 1/2	5 1/2	180	190	25	25	25 1/4	25 1/4
15	20	4 3/4	5 3/4	5	6	190	200	26 1/4	26 1/4	26 1/4	26 1/4
20	25	5 1/4	6 1/4	5 1/2	6 1/2	200	220	27 3/4	27 3/4	27 3/4	27 3/4
25	30	5 3/4	6 3/4	6	7	220	240	30	30	30	30
30	35	6 1/4	7 1/4	6 1/2	7 1/2	240	260	32	32	32	32
35	40	7	8 1/4	7 1/2	8 1/2	260	280	34 1/4	34 1/4	34 1/4	34 1/4
40	45	7 1/2	8 3/4	7 3/4	9	280	300	36	36	36	36
45	50	8 1/4	9 1/4	8 3/4	9 3/4	300	325	38 1/4	38 1/4	38 1/4	38 1/4
50	60	9 1/4	10 1/4	9 3/4	10 3/4	325	350	41	41	41	41
60	70	10 1/2	11 1/2	11	11 3/4	350	375	43 1/2	43 1/2	43 1/2	43 1/2
70	80	11 1/2	12 1/2	12	13 1/4	375	400	46 1/4	46 1/4	46 1/4	46 1/4
80	90	12 3/4	13 3/4	13 1/2	14 1/4	400	425	48 1/2	48 1/2	48 1/2	48 1/2
90	100	14 1/4	14 3/4	14 3/4	15 1/4	425	450	51 1/4	51 1/4	51 1/4	51 1/4
100	110	15 1/4	15 1/2	16	16 1/4	450	475	53 3/4	53 3/4	53 3/4	53 3/4
110	120	16 1/4	17	17	17 1/4	475	500	56 1/2	56 1/2	56 1/2	56 1/2
120	130	17 1/2	17 1/2	18 1/2	18 1/2	500	Add to rate for 500 miles 2 1/2 cents per 100 pounds for each 25 miles or fraction thereof.				
130	140	19	19	19 3/4	19 3/4						
140	150	20	20	21	21						

200-B  
Cancel  
200-A

- (1) For Territorial Descriptions, see Item No. 80.
- (2) Rates apply for shipments in bulk.
- (3) Rates apply for shipments in packages.

◇ Increase, Decision No. **53514**

EFFECTIVE AUGUST 25, 1956

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

Correction No. 14