

Decision No. 57979**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 property by vacuum-
 type and pump-type vehicles
 (including transportation for which
 rates are provided in Minimum Rate
 Tariff No. 13).

Case No. 6008
 Petition No. 1

Arl D. Poe, J. C. Kaspar and James Quintrall,
 for California Trucking Associations, Inc.,
 petitioner.

Eddie Hanks, for Eddie Hanks Vacuum Truck
 Company, respondent.

James E. Ogden, for Chancellor & Ogden, Inc.,
 respondent.

M. S. Housner and William J. Haener, for
 Shell Oil Co., interested party.

W. J. Knoell, for Western Motor Tariff Bureau,
 Inc., interested party.

R. A. Lubich and Ralph J. Staunton, for the
 Commission's staff.

O P I N I O N

By this petition, filed October 27, 1958, the California Trucking Associations, Inc., seeks increases in the hourly rates and charges in Minimum Rate Tariff No. 13 applicable to certain transportation services performed by for-hire highway carriers by means of vacuum tank vehicles or pump-type tank vehicles. Petitioner alleges that the sought increases are necessary to compensate for recent increases in the carriers' operating costs.

On December 5, 1958, after notice to persons and organizations deemed to be interested, public hearing on the petition was held before Examiner C. S. Abernathy at Los Angeles. Evidence was presented by petitioner through its assistant director of research. Members of the Commission's staff participated in the development of the record.

According to evidence presented by petitioner's witness, highway carriers performing the transportation services involved entered into labor agreements during the latter part of September, 1958, which provide for the payment of increased wages and related benefits to their drivers and drivers' helpers. The agreements followed prolonged negotiations which culminated in strike action by those employees. The granting of the increases in wages and benefits increased the carriers' direct labor costs by about 27 cents an hour over the direct labor costs upon which the present rates and charges in Minimum Rate Tariff No. 13 are based.

The witness submitted data which he had developed to show the extent that adjustments in the minimum rates are deemed by petitioner to be necessary to compensate for the increased costs. The procedure which he followed in arriving at these determinations was as follows: Utilizing the same basic data as those upon which the present rates are based, he calculated the costs of service under present wage rates. By comparison of these data with the corresponding and former data, he developed figures purporting to show how much, percentagewise, the total costs of the carriers' services have been increased.

1 Generally, the sought increases amount to 40 cents an hour. The difference between this amount and the increase of 27 cents an hour in the carriers' labor costs is attributable to allowances which petitioner's witness included in his figures for increases in insurance and taxes, for profit and for increases in indirect costs. It appears that in addition to the increases in labor costs the carriers have experienced some increases in fees and taxes for which provision should be made in the minimum rates. However, with regard to the allowance which petitioner's witness would have included in the rates for an increase in indirect expenses, the propriety of said allowance was not established. The witness admittedly had made no investigation to determine how much, if at all, increases in the carriers' indirect expenses have occurred. Nor was there any showing otherwise that the indirect expenses have increased. In 1956, when the carriers' costs were reviewed, the indirect expenses which were then claimed were more than 40 percent of the direct expenses. Inasmuch as it appears that the indirect

1 Examples of the present and proposed hourly rates for vehicle and driver are as follows:

Capacity of Equipment (in barrels)		Territory "A"		Territory "B"	
<u>More than</u>	<u>But not More than</u>	<u>Present</u>	<u>Proposed</u>	<u>Present</u>	<u>Proposed</u>
35	45	\$ 9.25	\$ 9.60	\$ 9.75	\$10.15
60	80	11.25	11.65	11.75	12.15
95		13.00	13.40	13.50	13.90

Territory "A": Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.

Territory "B": All counties in California other than those included in Territory "A".

expenses are such a substantial segment of the carriers' total operating costs, it will not be presumed, in the absence of specific evidence relating thereto, that with the increases in direct costs proportionate increases in indirect costs were likewise experienced.

Upon consideration of the evidence in this matter the Commission is of the opinion and finds that an increase of 30 cents an hour in the hourly rates and charges in Minimum Rate Tariff No. 13 will be sufficient to compensate the carriers subject to said tariff for such increases in operating costs as the record shows that the carriers have experienced since 1956. The Commission is of the further opinion and finds that the aforesaid hourly rates and charges, increased as indicated, are and will be just, reasonable and nondiscriminatory minimum rates for the transportation to which they apply.

O R D E R

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

IT IS HEREBY ORDERED:

1. That Minimum Rate Tariff No. 13 (Appendix "B" of Decision No. 55584) be and it hereby is amended by incorporating therein, to become effective March 20, 1959, First Revised Page 7 Cancels Original Page 7 and First Revised Page 12 Cancels Original Page 12, which pages by this reference are made a part hereof.

2. That those common carriers whose names are listed in Appendix "C" to Decision No. 55584 (which appendix is made a part hereof by this reference) be and they are hereby directed to amend their respective tariffs to establish and maintain rates, charges, rules and regulations no lower in volume or effect than those set forth in Minimum Rate Tariff No. 13, as amended; that said common carriers shall thereafter abstain from maintaining charges or

accessorial charges lower in volume or effect than those set forth in, or accruing under the provisions of, Minimum Rate Tariff No. 13, as amended, and from observing rules resulting in charges lower in volume or effect than those set forth in said minimum rate tariff; that tariff publications required to be made by said common carriers as a result of the order herein may be made effective not earlier than the effective date hereof or not less than five days' notice to the Commission and to the public, and that such tariff publications shall be made effective not later than March 20, 1959.

3. That in all other respects the aforesaid Decision No. 55584 shall remain in full force and effect.

4. That except to the extent that it is granted by this order, Petition No. 1 in this proceeding, Case No. 6008, be and it hereby is denied.

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

Dated at San Francisco, California, this 9th day of February, 1959.

E. L. Fox
President
W. H. Hill
W. H. Hill
W. H. Hill
W. H. Hill
Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.																					
<p style="text-align: center;">ACCESSORIAL CHARGES</p> <p>When carrier furnishes help in addition to the driver, an additional charge of \$3.90 per man per hour shall apply. The time for computing the additional charge shall be not less than the actual time in minutes the helper or helpers are engaged in performing the services. The total time so computed shall be converted into hours and fractions thereof. Fractions of an hour shall be determined in accordance with the table provided in Item No. 80.</p>	<p style="text-align: center;">*60-A Cancels 60</p>																					
<p style="text-align: center;">MINIMUM CHARGE</p> <p>The minimum charge per shipment shall be that for two hours of service at the applicable rate.</p>	<p style="text-align: center;">70</p>																					
<p style="text-align: center;">COMPUTATION OF TIME</p> <p>Charges shall be computed on the basis of the total hours, and/or fraction thereof, from the time that driver and vehicle report for service pursuant to shipper's order to the time of completion of service under such order, less any time during such period that carrier's equipment is inactivated because of mechanical failure and/or driver is off duty, and less any time involved in performing transportation not subject to the provisions of this tariff. After the net time has been so determined, it shall be converted into hours and/or fractions thereof. Fractions of an hour shall be determined in accordance with the following table:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Minutes</u></th> <th></th> </tr> <tr> <th style="text-align: center;"><u>More Than</u></th> <th style="text-align: center;"><u>But Not More Than</u></th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">8</td> <td style="text-align: center;">Omit</td> </tr> <tr> <td style="text-align: center;">8</td> <td style="text-align: center;">23</td> <td style="text-align: center;">Shall be 1/4 hour</td> </tr> <tr> <td style="text-align: center;">23</td> <td style="text-align: center;">38</td> <td style="text-align: center;">Shall be 1/2 hour</td> </tr> <tr> <td style="text-align: center;">38</td> <td style="text-align: center;">53</td> <td style="text-align: center;">Shall be 3/4 hour</td> </tr> <tr> <td style="text-align: center;">53</td> <td style="text-align: center;">60</td> <td style="text-align: center;">Shall be 1 hour</td> </tr> </tbody> </table>	<u>Minutes</u>			<u>More Than</u>	<u>But Not More Than</u>		0	8	Omit	8	23	Shall be 1/4 hour	23	38	Shall be 1/2 hour	38	53	Shall be 3/4 hour	53	60	Shall be 1 hour	<p style="text-align: center;">80</p>
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<p style="text-align: center;">UNITS OF MEASUREMENT IN QUOTATION OF RATES AND CHARGES</p> <p>Rates or accessorial charges shall not be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated.</p>	<p style="text-align: center;">90</p>																					
<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated nor combined by the carrier.</p>	<p style="text-align: center;">100</p>																					
<p style="text-align: center;">REFERENCES TO ITEMS AND OTHER TARIFFS</p> <p>Unless otherwise provided, references herein to item numbers in this or other tariffs include references to such numbers with letter suffix, and references to other tariffs include references to amendments and successive issues of such other tariffs.</p>	<p style="text-align: center;">110</p>																					
<p>* Change } o Increase } Decision No. 57979</p>																						
<p>EFFECTIVE MARCH 20, 1959</p>																						
<p style="text-align: center;">Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 2</p>																						

SECTION NO. 2 - HOURLY RATES				Item No.
◊ Rates In Dollars per Hour (See Note)				
<u>Capacity of Equipment</u> (in barrels)		(1) <u>Territory "A"</u>	(2) <u>Territory "B"</u>	
<u>More Than</u>	<u>But Not</u> <u>More Than</u>			
0	35	\$ 9.05	\$ 9.55	
35	45	9.55	10.05	
45	60	10.55	11.05	
60	80	11.55	12.05	
80	95	12.30	12.80	
95	-	13.30	13.80	
<p>(1) Territory "A" consists of the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Territory "B" consists of all counties in California other than those included in Territory "A".</p> <p>NOTE: -The rates named are for transportation by vacuum-type tank vehicles. Where the transportation is performed by pump-type tank vehicles, the applicable rates are \$1.00 per hour less than those for transportation in vacuum-type tank vehicles.</p>				*200-4 Cancels 200
* Change ◊ Increase		} Decision No. 57979		
EFFECTIVE MARCH 20, 1959				
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> <p>Correction No. 3</p>				