Decision No. 58232

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 motor vehicles and) related items (commodities for which) rates are provided in Minimum Rate Tariff No. 12).

Case No. 5604
Petition for Modification
No. 3

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

T. A. L. Loretz, for himself, interested party.

Grant L. Malquist, for the Commission staff.

OPINION

The minimum rates, rules and regulations established in Minimum Rate Tariff No. 12 for the transportation of motor vehicles and related items in secondary movement by truckaway service were last adjusted by the Commission on September 12, 1958, by Decision No. 57159, dated August 12, 1958, in Case No. 5604, Petition No. 1.

By petition filed January 29, 1959, the California Trucking Associations, Inc., seeks an upward adjustment in said rates by approximately 3 per cent.

Public hearing was held on the petition February 24, 1959, before Examiner Jack E. Thompson at San Francisco.

The presentation made by petitioner consisted of a supplement to a cost analysis presented in Petition No. 1 and received in that proceeding as Exhibit No. 1-2. The supplement, which was received in evidence as Exhibit No. 3-1, employs all of the cost factors used in Exhibit No. 1-2 except driver labor costs

and employers' contributions to Federal Old Age and Survivors'
Insurance program. The wage levels reflected in Exhibit No. 1-2
were those in effect April 30, 1958. Since that date, the then
effective contracts and agreements with drivers regarding wages and
working conditions expired and new collective bargaining agreements
have been made. While the agreements are not uniform, in general
they provide for increases in wages, an additional paid holiday,
greater vacation allowance, and higher contributions to the health
and welfare plans. Effective January 1, 1959, the social security
contribution of employers was increased from 2.25 per cent on
maximum earnings of \$4,200 to 2.50 per cent on maximum earnings
of \$4,800.

An employee of petitioner, who prepared Exhibit No. 1-2 and the supplement received as Exhibit No. 3-1, testified that because the data in the former exhibit is less than a year old, he did not attempt to re-evaluate any of the other cost factors. He said that the petitioner receives operating data from its members on a continuing basis; and from a review of the current reports of carriers and from discussions with operators performing truckaway services, he was of the opinion that cost factors other than wages and social security contributions reflected in Exhibit No. 1-2 would be representative of current operating conditions.

The supplementary cost analysis shows increases ranging from 2.33 per cent to 3.52 per cent, depending upon length of haul and the number of vehicles per shipment. Petitioner proposed a schedule of minimum rates which was developed by increasing the present rates by 3 per cent and rounding off to the nearest 25 cents.

No one opposed the granting of the petition. The Commission's staff participated in the proceeding by cross-exemining the witness for petitioner.

Conclusion

Minimum rates for truckaway services were established by the Commission in Decision No. 50218, dated June 29, 1954, in Case No. 4808. The rates so established were based in large measure upon a cost analysis of then prevailing operating conditions prepared by an engineer of the Commission's staff. The cost analysis was received in evidence in that proceeding as Exhibit No. 1172. By Decision No. 57139 in Petition No. 1, aforesaid, the Commission increased the minimum rates and charges by twelve per cent. Cost evidence in that proceeding consisted of Exhibit No. 1-2, which was a re-evaluation of Exhibit No. 1172. The exhibit showed increases in the cost of operations ranging between 9.5 per cent and 18.9 per cent higher than the corresponding estimates in Exhibit No. 1172. The amounts of the increases were greater for the longer distances; for example, all were over seventeen per cent for distances of 150 miles and greater. The reverse is shown in Exhibit No. 3-1, in that the amounts of the increases diminish with the distance.

Ordinarily, repeated horizontal increases in rates distort the rate structure so that the resulting rates bear little relation—ship to the cost of providing the services for which the rates are applicable. In this instance, however, a comparison of the cost estimates set forth in Exhibit No. 3-1, which the record shows are representative of current operations, with those shown in Exhibit No. 1172, discloses an almost uniform increase on the order of twenty per cent in the costs of operations in all mileage brackets and for the various number of vehicles comprising a shipment. The rates proposed by petitioner are on the order of sixteen per cent higher than those established in Decision No. 50218.

After careful consideration of all of the facts and circumstances, the Commission is of the opinion and finds that the increases

sought have been justified and that the rates and charges proposed by petitioner are, and will be for the future, just, reasonable and nondiscriminatory minimum rates for the transportation of the property here involved.

Inherent in the petition is relief from the long-and-short-haul provisions of Article XII, Section 21, of the Constitution of the State of California, and Section 460 of the Public Utilities Code in order to comply with the order which follows. The authority is necessary because of the differences in the routes over which carriers may operate and those routes over which the constructive mileages are computed for minimum rate purposes.

ORDER

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

IT IS ORDERED:

- 1. That Minimum Rate Tariff No. 12 (Appendix "A" of Decision No. 50218, as amended) is further amended by incorporating therein, to become effective May 15, 1959, the revised pages attached hereto and listed in Appendix "A", which pages and appendix by this reference are made a part hereof.
- 2. That tariff publications required to be made by common carriers as a result of this order 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 tariff publications shall be made effective not later than May 15, 1959.
- 3. That common carriers, in establishing and maintaining the increased rates authorized hereinabove, be and they are authorized to depart from the provisions of Article XII, Section 21, of the Constitution, and Section 460 of the Public Utilities Code, to the

extent necessary to adjust long-and-short-haul departures now maintained under outstanding authorizations; that such outstanding authorizations be and they are hereby modified only to the extent necessary to comply with this order; and that schedules containing the commodity descriptions published under this authority shall make reference to the prior orders authorizing long-and-short-haul departures and to this order.

4. That in all other respects Decision No. 50218, as amended, shall remain in full force and effect.

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

APPENDIX "A" TO DECISION NO. 58232

Revised Pages to Minimum Rate Tariff No. 12 Authorized by Said Decision

Second Revised Page 8
Revised Page 9
Revised Page 10
Revised Page 11
Revised Page 13
Revised Page 13
Revised Page 20

(END OF APPENDIX "A")

MINIMUM RATE TURIFF NO. 12

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
SHIPMENTS TO BE RITED SEPIRITELY Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.	90
When one or more motor vehicles for which rates are provided in this tariff are included in a shipment containing one or more commodities for which rates are not provided herein, the motor vehicles for which rates are provided in this tariff shall be transported as a separate shipment at the rates provided herein, and the commodities for which rates are not so provided, at the rates, if any, applicable to separate shipments of such other commodities.	100
UNITS OF MEASUREMENT Rates or 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.	110
SHIPMENTS DIVERTED, RECONSIGNED OR RETURNED (a) Charges upon a shipment or a portion of a shipment which is diverted or reconsigned after leaving point of origin shall be computed at the rate applicable from point of origin to the point or points of destination via each of the points where diversion or reconsignment occurs. (Subject to Note 1.) (b) Charges upon a shipment or a portion of a shipment returned to point of origin, or to a point directly intermediate between last point of diversion or reconsignment and point of origin, shall be computed by adding to the full charge to last point of diversion or reconsignment the charge at one-half the rate applicable to the vehicle or vehicles returned as provided in Section No. 3 from the latter point to point of origin, or upon the basis provided in paragraph (a) of this item for the round-trip movement, whichever is lower. (Subject to Note 1.)	*120-E Can- cels 120-A
NOTE 1 Subject to an additional charge of \$2.30 for each diversion or reconsignment. * Charge Decision No. 58232	
EFFECTIVE MAY 15, 1959	
Issued by the Public Utilities Commission of the State of Calif San Francisco, Calif Correction No. 13	ornia, ornia.

Correction No. 14

MINIMUM RATE TARIFF NO. 12

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
SPLIT PICKUP	
The charge for transportation of a split pickup shipment (as defined Item No: 15) shall be the charge applicable under rates in Items Nos. O or 110, or any combination of said rates, for transportation of a ngle shipment of the same number of motor vehicles, computed on one of se following bases: (Subject to Notes 1 and 2.)	
(a) Under distance rates: Apply applicable rate for the distance from any one of the points of origin to point of destination, via each of the other points of origin.	
(b) Under point-to-point rates: Point of destination and all points of origin must be located within the territories between which the point-to-point rates apply, or located between said territories on a single authorized route.	
(c) Under combination of point-to-point rates and distance rates: Add to the point-to-point rate the applicable distance rate or rates for the distance between the territory or authorized route and the point or points of origin or the point of destination not located within the territories or along said authorized route.	*130- Can- cels 130-
NOTE 1 An additional charge of 032.05 shall be made for each component part picked up.	
NOTE 2.— The provisions of this item shall not apply and each component part shall be rated as a separate shipment under other provisions of this tariff:	
(a) If split delivery service is accorded.	
(b) Unless at the time of or prior to the first pickup a single bill of lading or other shipping document shall have been issued for the composite shipment and the carrier shall have been furnished with written instructions showing the name and address of the consignor, the points of origin, the point of destination, and a description of the motor vehicles in each component part.	
* Change) O Increase) Decision No. 58232	
EFFECTIVE MAY 15	, 195

MINIMUM RATE TARIFF NO. 12

SECTION NO. 1 - RULES AND RECULATIONS (Continued)	Item No.
SPLIT DELIVERY	
The charge for transportation of a split delivery shipment (as defined in Item No. 15) shall be the charge applicable under rates in items Nos. 400 or 410, or any combination of said rates, for transportation of a single shipment of the same number of motor vehicles, commuted on one of the following bases: (Subject to Notes 1 and 2.)	
(a) Under distance rates: Apply applicable rate for the distance from point of origin to any one of the points of destination via each of the other points of destination.	
(b) Under point-to-point rates: Point of origin and all points of destination must be located within the territories between which the point-to-point rates apply, or located between said territories on a single authorized route.	
(c) Under combination of point-to-point rates and distance rates: Add to the point-to-point rate the applicable distance rate or rates for the distance between the territory or authorized route and the point of origin or point or points of destination not located within the territories or along the authorized route.	#IIIO_ Cancel IIIO_
NOTE 1 An additional charge of 002.05 shall be made for each component part delivered.	
NOTE 2 The provisions of this item shall not apply and each component part shall be rated as a separate shipment under other provisions of this tariff:	
(a) If split pickup service is accorded.	
(b) Unless at the time of or prior to the tender of the shipment a single bill of lading or other shipping document shall have been issued for the composite shipment and the carrier shall have been furnished with written instructions showing the name and address of each consignee, the point of origin, the points of destination, and a description of the motor vehicles in each component part.	
* Change) Decision No. 58232	

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First	Revised	Page	77

SECTION NO. 1 - RULES AND REC	FULATIONS (Continued)	Item No.
SPECIAL LOADING AND UNIC When a motor vehicle cannot be load equipment without the assistance of a security of a security of the security of	ded onto or unloaded from carrier's parate vehicle or vehicles by the carrier or at the carrier's essed for such separate vehicle	A
PATIENT OF ADVANCE	CHARGES	
For the service of making payment of vehicle in order to obtain its releaseding additional charges shall be assessed	of or transportation, the follow-	
When the amount paid is:	Charge for making payment will bo:	
Not Over Over		
\$ \$ 2.50 2.50 \$.00 5.00 10.00 10.00 20.00 20.00 25.00 25.00 40.00 40.00 50.00 50.00 60.00 60.00 80.00 80.00 100.00 Over \$100.00 at the rate of \$1.05	\$0.35 .40 .56 .59 .62 .73 .77 .98 1.02 1.05 per \$100.00	0160-7 Con- cels 160-7
Any payment of money made by a cam item shall be recorded on the freight be conditions set forth in Item No. 230 for charges.	ill and collected subject to the	· ·
* Change) Decision No. 5	58232	,
EFFECTIVE MAY 15,	. 1959	

Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 16

Correction No. 17

·	Item No.
ALTERNATIVE APPLICATION OF SPLIT PICKUP UNDER RATES CONSTRUCTED BY USE OF COMBINATIONS WITH COLMON CARRIER RATES Charges on split pickup shipments may be computed by use of combinations with common carrier rates as follows, if a lower aggregate charge han that accruing under the basis provided in Item No. 130 results: (1) Compute the charge applicable under the rates provided in his tariff for a split pickup shipment from the point of origin, or oints of origin, of the several component parts (See Item No. 130) o any team track or established depot. (2) Add to such charge the charge applicable under Item No. 190 or the composite shipment from such team track or established depot o point of destination.	200
LITERNATIVE LPPLICATION OF SPLIT DELIVERY UNDER RATES CONSTRUCTED BY USE OF COMBINATIONS WITH COMMON CARRIER RATES	
Charges on split delivery shipments may be computed by use of combinations with common carrier rates as follows, if a lower aggretate charge than that accruing under the basis provided in Item No. 140 results: (1) Compute the charge applicable under Item No. 190 for the composite shipment from point of origin to any team track or established depot.	210
(2) ldd to such charge the charges provided in this tariff for a split delivery shipment (See Item No. 11:0) from such team track or established depot to the point of destination or points of destination of the several component parts.	
(2) Ldd to such charge the charges provided in this tariff for a split delivery shipment (See Item No. 11:0) from such team track or established depot to the point of destination or points of destination	
(2) idd to such charge the charges provided in this tariff for a split delivery shipment (See Item No. 140) from such team track or established depot to the point of destination or points of destination of the several component parts. LCCESSORILL SERVICES NOT INCLUDED IN COMMON CARRIER RATES In the event under the provisions of Items Nos. 180 to 210, inclusive, a common carrier rate is used in constructing a rate for highway transportation, and such rate does not include accessorial services performed by the highway carrier, the following charges for such accessorial services shall be added:	Can-
(2) idd to such charge the charges provided in this tariff for a split delivery shipment (See Item No. 140) from such team track or established depot to the point of destination or points of destination of the several component parts. LCCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES In the event under the provisions of Items Nos. 180 to 210, inclusive, a common carrier rate is used in constructing a rate for highway transportation, and such rate does not include accessorial services performed by the highway carrier, the following charges for such	Can-
(2) idd to such charge the charges provided in this tariff for a split delivery shipment (See Item No. 110) from such team track or established depot to the point of destination or points of destination of the several component parts. LCCESSORILL SERVICES NOT INCLUDED IN COMMON CARRIER RATES In the event under the provisions of Items Nos. 180 to 210, inclusive, a common carrier rate is used in constructing a rate for highway transportation, and such rate does not include accessorial services performed by the highway carrier, the following charges for such accessorial services shall be added: (a) For loading ento carrier's equipment, \$3.35 per vehicle (plus charge provided in Item No. 150, where applicable). (b) For unloading from carrier's equipment, \$3.25 per vehicle (plus charge provided in Item No. 150, where applicable). (c) For other accessorial services for which charges are provided in this tariff, the additional charge or charges so	*220- Can- ceIs 220-

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Over	Not Over	1	2	3	4 or	Over	Not Over	ı	2	3	4 or more	
05 10 15 20	10 15 20 25	\$ 9.25 10.00 10.75 11.50 12.50	\$ 8.00 8.75 9.50 10.25 11.25	\$ 7.00 7.50 8.25 9.25 10.00	\$ 5.75 6.00 7.00 7.75 8.75		270	37.50 40.25 42.75 45.50 48.25	35.75 38.00	35.25 37.25	30-50 32-50	
75 30 35 50 50 50 50 50 50 50 50 50 50 50 50 50	30 35 40 45 50	13.75 14.75 16.00 16.75 18.00	12.00 13.25 14.25 15.00 16.00	10.75 11.50 12.25 13.50 14.25	9.50 10.00 10.75 11.75 12.25	300 325 350 375 400	350 375 400	51.25 54.50 58.00 61.75 65.25	45.75 49.00 52.00 55.50 58.75	141-75 148-00 50-75	11-50 14-25	
50 60 70 80 90	60 70 80 90 100	19.25 21.75 23.75 24.50 25.25	16.75 17.50 20.50 21.25 22.00	15.25 16.75 18.50 19.00 20.00		425 450 475 500 525	475 500 525	69.00 72.25 76.25 79.50 83.50	72-75	60.00 63.00 66.50	55-50 58-50	00-E Can- cels 400-A
110 120 130	110 120 130 140 150	26.00 26.75 27.50 28.25 29.00	23-75 24-50	20.75 21.25 22:00 22.75 23.75	18.75 19.25 20.00 20.75 21.75	550 575 600 625 650	625 650	86.75 90.75 94.00 97.75 101.25	81.75 85.00 88.00	75.75 78.50 81.75	69.75 72.50 75.75	
160 170 180	160 170 180 190 200	29.75 31.50 33.00 31.00 35.50	26.50 27.50 28.75 30.50 31.75	24.50 25.75 26.75 28.00 29.00	22.50 23.50 24.50 25.25 26.50	700 725 750	700 725 750 775 800	108.50 111.75 115.50	101.25	91.00 94.00	84-25 86-75 89-50	
						800 (Se	e Not	c 1)		·		

NOTE 1.-For distances over 800 miles add to rate for 800 miles the following rates for each 25 miles or fraction thereof:

Column 1 - \$3.59 per vehicle Column 2 - \$3.27 per vehicle Column 3 - \$3.08 per vehicle

Column 4 or more - \$2.82 pcr vehicle

58232 ◊ Increase, Decision No.

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Correction No. 18

Second Revised Page ... 20 Cancels

Correction No. 19

MINIMUM RATE TARIFF NO. 12

from to or between points intermediate between the Loc Angeles		SECTION NO. 3 - R.	ATES (Concluded)		Item No.
Vehicles Per Shipment os Angeles San Francisco Territory Territory 1 2 3 more 305.25 \$58.75 \$34.00 \$50.25 (1) If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Section 4 are lower than charges accruing under the Distance Rates in Item No. 400, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one mile on either side of the highway and at all points located within incorporated cities through which the highway route passes.	PO:	INT-TO-POINT RATES IN	DOLLARS FER VEHI	CCLE (1)	_
(1) If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Section 4 are lower than charges accruing under the Distance Rates in Item No. 400, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one mile on either side of the highway and at all points located within incorporated cities through which the highway route passes.	os Angeles	San Francisco	Vehicle	es Per Shipment	-
* Increase, Decision No. 58232	(1) If charg from, to and San lower th 400, on in this sions ap on eithe	es accruing under rat or between points in Francisco Territories an charges accruing u the same shipment, su item applied to inter ply at all points loc r side of the highway	es in this item, termediate between via routes shown nder the Distance the lower charges mediate points wated within a direct and at all points.	applied on shipment on the Los Angeles in Section 4 are Rates in Item No. will apply. Rates inder these provistance of one mile ts located within	' A to a
	♦ Increase	, Decision No.	58232	. <u> </u>	
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