C.5440(Pet. 5)-AHS

Decision No. 58901

## 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 car-) riers and city carriers relating ) to the transportation of cement and ) related products (commodities for ) which rates are provided in Minimum ) Rate Tariff No. 10).

Case No. 5440 Petition for Modification No. 5

## SUPPLEMENTAL OPINION AND ORDER

By this petition, as amended, California Trucking Associations, Inc., seeks an increase in the minimum rates and charges in Minimum Rate Tariff No. 10 for the transportation of cement and related products between points in the Northern Territory as defined in that tariff. Petitioner alleges that the cost of transporting cement by motor vehicle in Northern Territory has increased substantially since the rates were last adjusted in 1956. The petition sets forth specifically the rates proposed. It also contains copies of letters from the affected cement companies which letters urge that the Commission establish the proposed rates by expedited ex parte action.

The petition recites that, by reason of the increases in operating costs, certain minimum rates and charges provided in Minimum Rate Tariff No. 10 for Northern Territory are now unreasonably low. Immediate increases in the rates and charges are necessary, petitioner states, to bring them to a reasonable level as required by law. The petition alleges that the financial condition of carriers has been seriously impaired by wage increases, that an immediate increase in revenues is necessary, and that there is no adequate or practicable method of increasing the revenues except by the increase of the minimum rates and charges.

In support of the sought request, petitioner submitted an affidavit of its director of research concerning the cost and economic factors involved in the transportation of cement between points in Northern Territory. The affidavit shows that labor costs have been increased pursuant to contract on three separate occasions since 1956; that payroll and other taxes have increased; and that there have been increases also in the costs of fuel and supplies. The affidavit declares that marketing relationships mitigate against complete rate adjustments on a cost basis, and that the proposed rates are designed to return the added costs in a manner which recognizes other rate-making factors and will minimize traffic diversion and disruption of existing shipper marketing practices.

The verified petition, as amended, and the accompanying affidavit, are convincing that the sought increased minimum rates are necessary and justified. Inasmuch as the affected shippers favor the adjustment, and no one has offered objection, a public hearing is not necessary.

In the circumstances, it appears, and the Commission finds, that the proposed increases have been justified and that the rates that will be established in the order which follows are just, reasonable and nondiscriminatory minimum rates for the transportation of cement in Northern Territory.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That Minimum Rate Tariff No. 10 (Appendix "A" of Decision No. 44633, as amended) is hereby further amended by incorporating therein, to become effective September 25, 1959, Fourth Revised Page 12, which page is attached hereto and by this reference made a part hereof.

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(2) That tariff publications required 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 tariff publications shall be made effective not later than September 25, 1959.

In all other respects said 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 State day of August, 1959.

President

President

Theodore Herrier

Commissioners

MINIMUM RATE TARIFF NO: 10

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♦ Increase }

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EFFECTIVE SEPTEMBER 25, 1959

Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No.21

<sup>(3)</sup> Rates apply for shipments in bulk.