

**ORIGINAL**Decision No. 62579

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 TRIANGLE TRUCKING CO., a corporation, )  
 for authority to depart from minimum )  
 rates, rules and regulations appli- )      Application No. 43518  
 cable in connection with certain )  
 transportation to be performed for )  
 UNION FURNITURE CO., a corporation. )

Ted L. Ferguson, for applicant.  
J. C. Kaspar, Arlo D. Poe and James X.  
 Quintrall, for California Trucking  
 Associations, interested party.  
Owen G. Stanley, Jr., and Henry E. Frank,  
 for the Commission staff.

O P I N I O N

Triangle Trucking Co. operates as a highway contract carrier between points in this State. By this application, as amended, it seeks authority under Section 3666 of the Public Utilities Code to deviate from the minimum rates, as established by Minimum Rate Tariff No. 11, in the transportation of new, uncrated furniture for Union Furniture Company.

Public hearing of the application was held before Examiner Carter R. Bishop at San Francisco on July 31, 1961. Evidence in support of the proposal was offered through applicant's vice president. A representative of California Trucking Associations and members of the Commission's Transportation Division staff assisted in the development of the record through examination of the witness.

Rates on new uncrated furniture, as set forth in Minimum Rate Tariff No. 11, are weight and distance rates. In lieu thereof, applicant proposes certain monthly vehicle rates. The rates, together with rules governing the conditions under which they are

to be applied are set forth in Appendix A attached hereto. The basic rate proposed is \$1,460 per month, per unit of carrier's equipment, including necessary pad and dollies, for vehicles having a capacity of over 4,500 pounds, but not over 10,500 pounds. This rate would be subject to a maximum mileage of 1,050 miles, a charge of 20 cents per mile being proposed for mileages in excess of the maximum. The above-stated rates would include the services of driver only. Additional hourly rates are proposed for helpers, and for overtime.<sup>1</sup> The sought rates would apply between points within a radius of 125 miles of San Francisco.

The record shows that applicant has been transporting the commodities here in issue for Union Furniture Co. since the beginning of 1960. Union warehouses and maintains furniture repair facilities in San Francisco. It operates 12 retail furniture stores, all of which are located within the above-mentioned radius of 125 miles of San Francisco. This operation requires the use of a full-time scheduled truck, transporting new, uncrated furniture from the warehouse to the retail stores and shifting merchandise between the various stores according to their needs.

The witness testified concerning a cost study which was attached to the application, purporting to show that the carrier can perform the transportation in question under the sought rates on a compensatory basis. According to this study, the proposed monthly rate of \$1,460 would produce an operating ratio, before income taxes, of 94.45 per cent. The record shows further that performance of the service here in issue involves about 3,000 "excess" miles per month, for which the carrier would receive

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<sup>1</sup> At the hearing the application was amended to provide that the proposed rates would not include bridge tolls.

additional compensation at the above-mentioned rate of 20 cents per mile. This figure the witness compared with estimated running costs of 8.9 cents per mile.

The witness pointed out that his cost estimates for the operation in question are understated, in that they do not take into account increases in labor costs which are expected to result when current wage negotiations are completed. The witness was of the opinion, however, that the anticipated increases in wage rates would be offset by the excess mileage revenue and by other elements of labor expense which he testified were overstated in the cost study. The latter items relate to vacation and sick leave. In his cost estimates the witness included an allowance of 15 days of paid vacation, whereas the actual experience currently reflects a paid vacation period of 12 days. Sick leave experience, the witness said has been more favorable than is reflected by the allowance included in his study.<sup>2</sup>

Monthly vehicle unit rates for the transportation of so-called general commodities (which do not include new, uncrated furniture) are provided in Minimum Rate Tariff No. 2 and in the San Francisco and East Bay drayage minimum rate tariffs. The witness pointed out that the rates herein sought are substantially higher than those set forth in said minimum rate tariffs for vehicles of the same capacity.

As hereinbefore indicated, the record, of necessity, does not show what effect the forthcoming wage agreement will have on applicant's current labor costs. Consequently, the record does not show precisely what the full costs of the services in question will be under the new contract. The record is persuasive, however, that

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<sup>2</sup> It appears from the record, however that the tendency in labor contracts is to include a provision for the accumulation of unused sick leave time.

the proposed rates will be sufficiently high to be compensatory under the circumstances. Upon consideration, we find that said rates will be reasonable. The application, as amended, will be granted.

Because the conditions under which the service is performed may change at any time, the authority will be made to expire at the end of one year, unless sooner canceled, changed or extended by order of the Commission.

O R D E R

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

IT IS ORDERED that:

1. Triangle Trucking Co., a corporation, is hereby authorized to transport property for Union Furniture Co. between San Francisco and points within 125 miles thereof at the rates and charges specified in Appendix A attached hereto and by this reference made a part hereof, subject to the conditions and restrictions set forth in said Appendix A, in lieu of the minimum rates otherwise applicable.
2. The authority herein granted shall expire one year after the effective date of this order unless sooner canceled, changed or extended by order of the Commission.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of SEPTEMBER, 1961.

*Clement A. Rapp*  
 President  
*G. J. [unclear]*  
*George C. Grover*  
*Frederick B. Hohlhoff*

MONTHLY VEHICLE UNIT RATE FOR APPLICATION TO  
TRAFFIC OF UNION FURNITURE CO., SAN FRANCISCORates per Month in Dollars per Unit of  
Carrier's Equipment

<u>Capacity of Carrier's Equipment (in Pounds)</u>	<u>Base Rate</u>
Over 4,500 but not over 10,500	\$1,460.00

Subject to the following conditions:

(a) Rate applies for a maximum mileage of 1,050 miles and is limited to 8 hours out of each 9 consecutive hours per day. For operations in excess of these limitations, a charge of 20 cents per mile shall be made for each additional mile of operation per month and of \$7.025 per hour for each additional hour per day.

(b) Rate applies only from San Francisco and is limited to 125 actual miles from said point.

(c) Rate applies only when, prior to the use of the equipment involved, the shipper enters into a written agreement with the carrier subject to the conditions herein specified.

(d) Rate applies for a calendar month or for a period of 30 successive days from the date specified in the written agreement.

(e) Rate applies for the exclusive use of the equipment for the period specified herein, except on Saturdays, Sundays and Holidays enjoyed by members of Teamsters Local 85, New Furniture Classification.

(f) Rate includes the service of a driver only and the necessary pads and dollies but does not include any bridge tolls.

When, at the request of the shipper, the carrier furnishes help in addition to the driver, an additional charge shall be made at the rate of \$5.75 per man per hour, or any fraction thereof, minimum charge one hour for each helper used. The time for computing charges shall not be less than the actual time the helpers are engaged in performing the service.

(g) The written agreement shall include the following information:

1. Date of agreement, date transportation service is to commence, the monthly period, and duration of the agreement.
2. Identification of the equipment by license number or otherwise.
3. Capacity of equipment as shown herein.
4. Base rate and maximum mileage per month, and maximum hours per day.
5. Rates per mile for excess mile and per hour for excess hours.
6. Basing point of operations.
7. A clause that the agreement is canceled if the charges are not remitted by the shipper and collected by the carrier as required by condition (h).
8. The agreement shall be in substantially the following form:

Date \_\_\_\_\_

In accordance with the provisions of Decision No. \_\_\_\_\_, in Application No. 43518, I hereby elect to have \_\_\_\_\_

\_\_\_\_\_ (Identify Transaction)  
transported by \_\_\_\_\_ under the rates and  
\_\_\_\_\_ (Name of Carrier)  
provisions of said decision, subject to the following terms:

Basing Point \_\_\_\_\_  
\_\_\_\_\_ (Street Address) \_\_\_\_\_ (City)

Counties of Service \_\_\_\_\_  
Period of Agreement \_\_\_\_\_  
Capacity of Equipment \_\_\_\_\_ Pounds.  
Identification of Equipment \_\_\_\_\_  
Type of Service to be Performed \_\_\_\_\_  
Maximum Mileage \_\_\_\_\_  
Base Monthly Rate \$ \_\_\_\_\_  
Rate per Mile for Excessive Mileage \_\_\_\_\_  
Rate per Hour for Excessive Hours \_\_\_\_\_

Shipper \_\_\_\_\_ (Name in full) By \_\_\_\_\_ (Name in full)

Confirmed:

Carrier \_\_\_\_\_ By \_\_\_\_\_

NOTE: This agreement is canceled if the charges are not remitted by the shipper and collected by the carrier as provided for in said decision.

(h) Within 7 calendar days after the end of the monthly period as set forth in the written agreement, the carrier shall present a bill to the shipper which shall set forth:

1. The monthly transaction period.
2. Identification of equipment.
3. Base monthly rate.
4. Maximum mileage as provided in written agreement.
5. Mileage in excess of maximum, and rate and charges therefor.

6. Number of hours in excess of 8 hours per day, and rate and charges therefor.
7. Number of hours for helper, and rate and charges therefor.
8. The freight bill shall be in substantially the following form:

FREIGHT BILL FOR TRANSPORTATION OF PROPERTY  
AT MONTHLY VEHICLE UNIT RATES

Name of Carrier \_\_\_\_\_ Bill No. \_\_\_\_\_  
 (Name of Carrier must be same  
 as shown on Permit)

Permit No. \_\_\_\_\_

NAME OF SHIPPER \_\_\_\_\_

STREET ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

Period equipment unit is engaged and identification of equipment:	Date Started	Date Completed	Base Rate	Charges
Miles Operated _____		Maximum Miles _____		
Number of excessive miles _____		Rate per Mile _____		
Number of hours for helpers _____		Rate per Hour _____		
		Other Charges _____		

Total to Collect \_\_\_\_\_

Certification of Data:

Shipper \_\_\_\_\_ Carrier \_\_\_\_\_

By \_\_\_\_\_ By \_\_\_\_\_

(i) Within 20 days after the completion of the monthly transaction period the shipper shall remit and the carrier shall



collect the charges, or, in the event shipper does not agree with the charges so determined, he shall within the aforementioned 20-day period notify the carrier of the exceptions taken to the charges.

(j) The original of a copy of the written agreement and the freight bill shall be retained and preserved by the carrier, subject to Commission inspection, for a period of not less than three years from the date of their issuance.