Decision No. 63413

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 No. 10 Filed November 1,1961

Arlo D. Poe, J. C. Kaspar, and <u>James Quintrall</u>, for California Trucking Associations, Inc., petitioner.

R. A. Lubich and Leonard Diamond, for the Commission's staff.

OPINION

By this petition the California Trucking Associations, Inc., seeks increases in the rates and charges in Minimum Rate Tariff No. 12 that apply for the transportation of motor vehicles within California by for-hire highway carriers when the transportation consists of the secondary movement of said vehicles in truckaway service. Petitioner alleges that since May 15, 1959, when the present level of the rates and charges was first established,

As used herein the term "secondary movement" means the transportation of motor vehicles by a carrier except (1) in the initial movement from the plant where the vehicles were manufactured or assembled or (2) the return movement to the plant in cases where delivery to the designated consignee has not been accomplished; the term "truckaway service" means the transportation of one or more motor vehicles where the weight of such vehicle or vehicles rests wholly or partly upon carrier's equipment.

the costs of providing the transportation services involved have increased substantially, and that in relation to the current costs of service the rates and charges are unreasonably low.

Public hearing on the petition was held before Examiner C. S. Abernathy at Los Angeles on December 4, 1961. Evidence was presented by petitioner through its assistant director of research. Members of the Commission's staff participated in the development of the record.

Although petitioner alleges that the rates and charges in Minimum Rate Tariff No. 12 have become unreasonably low by reason of increases in operating costs which the carriers have experienced since May 15, 1959, the increased rates and charges which petitioner seeks are based on increases in costs that the carriers have experienced since May 1, 1960. Regarding the latter cost increases, petitioner's witness testified that pursuant to a recently negotiated labor contract the carriers have become committed to the payment of increased wages and related benefits to their drivers. automotive maintenance employees and employees of various other classifications. In addition, they have been subjected to increases in federal highway taxes. The witness submitted figures to show that the increases in labor costs range from 5 to 8 percent, and that the labor and tax increases combined have increased the carriers' operating costs by amounts which, in terms of percent, range from 2½ to 5 percent, depending upon the lengths of haul.

The increases which petitioner seeks in the rates and charges in Minimum Rate Tariff No. 12 for transportation of the commodities subject thereto assertedly correspond to the increases in costs as thus shown. Petitioner also asks that common

carriers be authorized to make corresponding increases in their rates for the transportation of related commodities which are not subject to Minimum Rate Tariff No. 12.²

Advance notice of the hearing in this matter was sent to persons and organizations believed to be interested. No one appeared in opposition to the granting of the petition.

On the basis of the record which has been adduced in this matter, we find and conclude (a) that since the establishment of the present level of the rates and charges in Minimum Rate Tariff No. 12 the costs of providing the transportation services subject to said tariff have been increased by increases in labor and tax costs; (b) that the carriers have not been able to offset these cost increases by reductions in other of their operating costs; and (c) that in relation to the present costs of service, the present level of the rates and charges is unreasonably low. We further find and conclude that with the exception of increases sought in certain distance rates, increases in the rates and charges in Minimum Rate Tariff No. 12 which petitioner would have established have been shown to be justified, and that as so increased, the resulting rates and charges are, and would be, just, reasonable and nondiscriminatory minimum rates and charges for the services to which they would apply. To this extent increases in rates and charges in Minimum Rate Tariff No. 12 will be prescribed.

The petition is not specific with respect to the increases in rates which are sought for services that are not subject to Minimum Rate Tariff No. 12. Apparently, however, the services that would be affected include, amongst others, initial movements of vehicles in truckaway service, the movement of vehicles in driveaway service, and the transportation of designated vehicles which are specifically exempted from the provisions of Minimum Rate Tariff No. 12.

The increases which are sought in some of the vehicle distance rates -- mainly those for distances of about 100 to 150 miles -- would result in greater increases than necessary to compensate for the cost increases as measured by petitioner's witness. The rate increases which will be prescribed in this regard will be limited to those needed to meet the increases in costs.

Also, to the extent that the provisions of Minimum Rate Tariff No. 12 have been found heretofore to constitute reasonable minimum rates, rules and regulations for common carriers as defined in the Public Utilities Act, said provisions as hereinafter amended are, and will be, reasonable minimum rate provisions for said common carriers. To the extent that existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for said carriers, to that same extent the rates and charges of said carriers are hereby found to be, now and for the future, unreasonable, insufficient and not justified by the actual competitive rates of competing carriers or by the costs of other means of transportation. Said common carriers will be directed by the Order below to increase their rates and charges to the level of those herein prescribed in Minimum Rate Tariff No. 12.

In addition to the increases which said common carriers will be required to make in their rates and charges for the transportation of commodities subject to the provisions of Minimum Rate Tariff No. 12, said carriers will also be authorized to effect corresponding increases in rates and charges applicable to the transportation of related exempt commodities as provided in the order which follows. The record shows that the costs of the latter

transportation services have increased also. It is appropriate that commodities for which minimum rates have not been established should bear their fair share of the increases in costs of service. We find and conclude that increases to this extent in such rates and charges have been shown to be justified.

Petitioner asks that in connection with the establishment of increased rates and charges pursuant to this matter, common carriers be relieved from the long- and short-haul prohibitions of Article XII, Section 20, of the State Constitution and of Section 460 of the Public Utilities Code to the extent necessary to comply with the order prescribing the increased rates and charges. Relief from said prohibitions is necessary because of the fact that charges under the minimum rates are computed over routes which are the most direct routes from a constructive mileage standpoint, whereas in numerous instances more circuitous routes are followed by common carriers in the course of their operations. Where such common carriers have been authorized heretofore to depart from the long- and short-haul prohibitions, their outstanding authorities will be modified to the extent necessary to carry out the effect of the order herein.

ORDER

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

IT IS ORDERED:

1. That Minimum Rate Tariff No. 12 (Appendix "A" of Decision No. 50218, as amended) be, and it is, hereby further amended by incorporating therein, to become effective May 5, 1962

the revised pages attached hereto and listed in Appendix "A", also attached hereto, which pages and appendix by this reference are made a part hereof.

- 2. That common carriers subject to the Public Utilities Act, to the extent that they are subject also to said Decision No. 50218, as amended, be, and they hereby are, directed to establish in their tariffs the increases necessary to conform to the further adjustments herein of that decision.
- 3. That the increases in rates and charges directed to be established by ordering paragraph 2 hereof be, and they are, authorized to be made applicable also for the transportation of initial movements of vehicles in truckaway service, the movement of vehicles in driveaway service, and the transportation of vehicles described in Item No. 50-B, paragraph (b), of Minimum Rate Tariff No. 12, subject to the following maximum increases:

50 constructive miles, or less 5 percent Over 50, but not over 150 constructive miles 4 percent Over 150, but not over 300 constructive miles 3 percent Over 300 constructive miles 2.5 percent

In establishing the increases authorized by this ordering paragraph, fractions may be disposed of to the nearest 25 cents, in connection with rates and charges stated in dollars (or dollars and cents) per vehicle; and in connection with other rates and charges, fractions may be disposed of to the closest half-cent for amounts one dollar or less, and to the nearest cent for amounts over one dollar.

4. That tariff publications required to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, to become effective on not less than ten days' notice to the Commission and to the public, and that such

tariff publications shall be made effective not later than May 5, 1962.

- 5. That common carriers, in establishing and maintaining the rates and charges provided by this order, be and they are authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California, and of 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 modified only to the extent necessary to comply with this order; and that common carriers, in publishing rates under the authority conferred in this ordering paragraph, shall make reference in their schedules to the prior orders authorizing the long- and short-haul departures and to this order.
- 6. That in all other respects the aforesaid Decision No. 50218, as amended, shall remain in full force and effect.
- 7. That, except for tariff publications required to be made by ordering paragraph 4 hereof, tariff publications authorized to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, to become effective on not less than ten days' notice to the Commission and to the public.
- 8. That the authority granted by ordering paragraph 3 shall expire unless exercised within sixty days after the date hereof.

9. That, except as otherwise provided by this order,
Petition No. 10 in this proceeding 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

13th day of Mush 1962.

President

George J. Thouse

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Commissioners

APPENDIX A TO DECISION NO. 63413

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

Third Revised Page 8

Third Revised Page 9

Third Revised Page 10

Third Revised Page 11

Third Revised Page 13

Third Revised Page 19

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(END OF APPENDIX A)

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Second Revised Page 8

Correction No. 21

MINIMUM RATE TARIFF NO. 12

SHIPMENTS TO BE RITED SEPIRITELY Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier. MIXED SHIPMENTS	90
onsolidated or combined by the carrier.	90
MIXED SHIPMENTS	ı L
When one or more motor vehicles for which rates are provided in his tariff are included in a shipment containing one or more commodities or which rates are not provided herein, the motor vehicles for which ates are provided in this tariff shall be transported as a separate hipment at the rates provided herein, and the commodities for which ates are not so provided, at the rates, if any, applicable to separate hipments of such other commodities.	100
UNITS OF MEASUREMENT	
Rates or charges shall not be quoted or assessed by carriers based pon a unit of measurement different from that in which the minimum ates 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 everted or reconsigned after leaving point of origin shall be computed at the rate applicable from point of origin to the point or points of estimation 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
NOTE 1 Subject to an additional charge of 052.40 for - each diversion or reconsignment.	
* Change) † Increase) Decision No. 63413	
EFFECTIVE WAY 5, 1962	

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. NO 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 me 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
NOTE 1 An additional charge of 032.15 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) * Increase) Decision No. 63413	
ESTECTIVE MAY 5, 1962	
Issued by the Public Utilities Commission of the State of Cali San Francisco, Cali	fornia,

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Correction No. 23

C. 5604 (Pet. 10)* .

MINIMUM RATE TARIFF NO. 12

3

Item SECTION NO. 1 - RULES AND RECULATIONS (Continued) 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, computed 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 (c) Under combination of point-to-point rates and distance *ITO 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. NOTE 1.- An additional charge of 05215 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) Valess 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. 63413 o Increase) EFFECTIVE MAY 5, 1962

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San Francisco, California.

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MINIMUM RATE TARIFF NO. 12

HARGES loaded from carrier's e or vehicles or or at the carrier's ch separate vehicle essed for such sep- es otherwise provided. coutstanding against reation, the follow- ege for making ment will be:	*150
s outstanding against tation, the follow- rege for making ment will be:	*160
rtation, the follow- rge for making ment will be:	*160
e provisions of this cted subject to the	
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	.64 .75 .79 1.00 1.05

MINIMUM RATE TARIFF NO. 12

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SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item
	No.
Charges on split pickup shipments may be computed by use of combinations with common carrier rates as follows, if a lower aggregate charge can 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 coints of origin, of the several component parts (See Item No. 130) 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 dostination.	200
LITERNITIVE IPPLICITION OF SPLIT DELIVERY UNDER RITES CONSTRUCTED BY USE OF COMBINATIONS WITH COMMON CIRRIER RITES	
Charges on split delivory 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	210
(2) Ldd to such charge the charges provided in this tariff for a polit delivery chipment (See Item No. 110) from such team track or established depot to the point of destination or points of destination	
depot. (2) Ldd 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. ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES	
(2) Ldd 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	*220
(2) Ldd 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. ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES	*220
(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. ACCESSORILL SERVICES NOT INCLUDED IN COMMON CIRRIER 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 onto carrier's equipment, \$3,55 per vehicle (plus charge provided in Item No. 150, where applicable). (b) For unloading from carrier's equipment, \$3,55 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

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MINIMUM RATE TARIFF NO. 12

			S	ECTION :	NO. 3 - RA	res				Item No.
		מ	STANCE	RATES I	N DOLLARS	PER VEHIC	TE.			
MILES But		of Mo	tor Vehi	cles	MILES But		of Moto		les	•
Not Over Over	7	2	3	4 or more	Not Over Over	•	2	3	4 or more	
0 5 5 10 10 15 15 20 20 25	\$ 9.75 10.50 11.25 12.00 13.00	\$ 8.50 9.25 10.00 10.75 11.75	8.75 9.75	6.25 7.25	260 280 240 260 240 260 200 220	\$ 38.75 41.50 44.00 46.75 49.50	\$ 34.50 36.75 39.00 42.00 44.50	\$31.50 34.00 36.25 38.25 41.00	\$29.00 31.50 33.50 35.50 37.50	
72 20 32 70 32 70 52 30	14.50 15.50 16.75 17.50 18.75	12.50 14.00 15.00 15.75 16.75	12.00	10.00 10.50 11.25 12.25 12.75	300 325 325 350 350 375 375 400 400 425	52.75 56.00 59.50 63.50 67.00	47.00 50.25 53.50 57.00 60.25	49.25		
50 60 60 70 70 80 80 90 90 100	20.25 22.75 24.75 25.50 26.25	17.50 18.25 21.50 22.25 23.00	19.25	14.50 16.00 17.50 18.00 19.00	125 150 150 175 175 500 500 525 525 550	70.75 74.25 78.25 81.50 85.50	63.50 67.25 70.25 73.50 77.00	64.50	54.00 57.00 60.00 62.75 66.00	OH00
770 720 730 770 750 730 710 750 100 710	27.00 27.75 28.50 29.25 30.00	23-75 24-75 25-25 26-00 26-50	22.00 22.75 23.50	19.50 20.00 20.75 21.50 22.50	550 575 575 600 600 625 625 650 650 675	89.00 93.00 96.25 100.25 103.75	83-75 87-00	77.50 80.50 83.75		
150 160 160 170 170 180 180 190 190 200	30.75 32.50 34.00 35.00 36.50	31.50	26.50 27.50 28.75	24.25 25.25 26.00	675 700 700 725 725 750 750 775 775 800	107.00 111.25 114.50 118.50 122.00	103.75	93.25 96.25 99.00	86.25 88.75	
					800 (See Note 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 - \$3.68 per vehicle Column 2 - \$3.35 per vehicle Column 3 - \$3.16 per vehicle

Column 4 or more - \$2.89 per vehicle

63413 ♦ Increase, Decision No.

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Correction No. 26

C. 5604 (Pet. 10)*

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MINIMUM RATE TARIFF NO. 12

SECTION NO. 3 - RATES (Concluded)							
POINT-TO-POINT RATES IN DOLLARS PER VEHICLE (1)							
Between And Number of Motor Vehicles Per Shipmen							
	Mos Angeles San Francisco Territory Territory	1	2	3	4 or more		
	·	\$67.00	\$60.25	\$55.50	\$51.50		
from, to or between p and San Francisco Ter lower than charges ac No. 400, on the same Rates in this item ap visions apply at all	oints intermedi ritories via ro cruing under th shipment, such plied to interm	ate betweentes show to Distance lower character podiate po	en the I n in Sec e Rates rges will ints und	os Angel tion 4 a in Item l apply. er these	es re pro-	٥4٦	

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Correction No. 27

C. 5604, Pet. No. 10 GH DISSENT I dissent from this Decision insofar as it authorizes increases in rates for initial movements of vehicles in truckaway service, for the movement of vehicles in driveaway service, and for the transportation of other vehicles which have been specifically exempted from the provisions of Minimum Rate Tariff No. 12. The Decision states that such increases are authorized because of increases in the carriers' costs of providing the services, and because it is appropriate that the services should bear their fair share of the increased costs. However, the record upon which these statements rest provides no basis for the specific increases which are authorized. It does not show what the costs of the services are, nor does it measure the extent that the costs have been affected by the cost increases. It does not show what rates are being assessed by the carriers for the services involved, nor does it provide a means for determining the extent, if any, that the present rates are insufficient in relation to present costs. In my opinion these elements are essential in this instance to a proper finding that the increases are justified. The granting of the increases in the circumstances is purely a gratuitous and unsupported action. I cannot subscribe to such a result. Commissioner San Francisco, California March 15, 1962