

ORIGINAL

Decision No. 69404

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into the rates, rules and regulations, charges, allowances and practices of all common carriers, highway carriers and city carriers relating to the transportation of any and all commodities between and within all points and places in the State of California (including, but not limited to, transportation for which rates are provided in Minimum Rate Tariff No. 2).

Case No. 5432

Petition No. 376
(Filed April 13, 1965)

Arlo D. Poe, H. F. Kollmyer, and J. C. Kaspar,
for California Trucking Association,
petitioner.

Faul D. Turner, for Union Truck Company, Inc.,
respondent.

E. J. Dunne (by Alan R. Paulsen), for Shell
Oil Company, interested party.

Fred P. Hughes and Ralph J. Staunton, for the
Transportation Division of the Commission's
staff.

O P I N I O N

California Trucking Association, petitioner, seeks increases in the hourly rates and charges which are prescribed in Items Nos. 720, 720.1 and 720.2 of Minimum Rate Tariff No. 2 for the services of transporting oil, water or gas well outfits and supplies and of stringing pipe. It alleges that since the development of the cost data upon which the present rates and charges are based the costs of for-hire highway carriers of providing the services involved have increased; that the costs will be further increased as of July 1, 1965, and that compensating increases in the hourly rates and charges are necessary to the maintenance of

said rates and charges at a just and reasonable level.

Public hearing on the petition was held before Examiner Abernathy at Los Angeles on May 10, 1965. Evidence was presented by petitioner's assistant director of research. A representative of a carrier and members of the Commission's staff participated in the development of the record. The matter was taken under submission on May 26, 1965, upon the receipt of a late-filed exhibit.

According to the evidence which was presented by petitioner's witness, the increases in the carriers' operating costs which have prompted petitioner's rate increase proposals herein are (a) an increase of one cent per gallon in fuel taxes which became effective April 1, 1965, and (b) increases of about 1½ to 4 per cent in drivers' wage costs which will become effective July 1, 1965. The witness submitted and explained figures which he had developed to measure the impact of these cost increases upon the costs of the carriers' various services. In general, these figures were computed by applying the increased tax and wage rates to the cost exhibits of record upon which the present minimum rates and charges were developed. By comparison of the resultant figures with corresponding data in the exhibits the amounts of the increases in costs were calculated.

Petitioner seeks increases of 50 cents an hour in the minimum rates and charges for the principal services which are involved.^{1/} The record, however, does not justify the prescribing

^{1/} The present and proposed rates are set forth in Appendix A, attached hereto.

of the full amount of the increases sought.

First, the sought increases are greater than those which are necessary to compensate for the increases in the carriers' operating costs which were shown on this record to be definite and certain. In his calculation of the cost increases, petitioner's witness included an amount equal to 26 per cent of the increases in wage and fuel tax costs to provide for increases in indirect costs which, he said, the carriers will also experience. Allegedly, the indirect costs of the carriers' operations increase in proportion to the increases in direct costs. Petitioner's witness admittedly had nothing to offer in the way of specific evidence to support this allegation. Neither could he testify as to when and in what amounts the asserted increases in indirect costs would become effective. In the circumstances we find that the asserted increases in indirect costs are too indefinite, both as to amount and effective date, to be adopted as a basis for the prescription of increases in the minimum rates.

Second, the record shows that some of the sought increases are greater than necessary to compensate for the cost increases that will be actually experienced. Petitioner's showing of increased wage costs for local and long-line drivers was developed on a basic wage rate of \$3.49 per hour. The evidence shows that as of July 1, 1965, such rate will become the applicable wage rate for local and long-line drivers in the lower San Joaquin Valley and for drivers of 4-axle equipment or larger in southern California (including Santa Barbara and San Luis Obispo Counties) and in the Williams area. However, the basic wage rates, as of July 1, 1965, for drivers of 2 and 3-axle equipment in the southern

California and Williams areas will be \$3.34 and \$3.39 per hour, respectively.^{2/}

Insofar as the minimum hourly rates and charges for drivers of 2 and 3-axle equipment in the southern California, Williams and Rio Vista areas are concerned, the increases in wage rates that will become applicable do not justify increases as great as those sought in said hourly rates and charges. Although higher rates in the Bakersfield area might be deemed justified from a cost standpoint, the record otherwise is insufficient to permit a territorial definition of where the rates would apply. The increases in rates and charges for the 2 and 3-axle equipment which will be established on this record will be limited in amount to those which may be prescribed on the increased costs shown for the southern California, Williams and Rio Vista areas.

A further limiting factor on the increases in the rates and charges which may be prescribed herein is the fact that the one-cent increase in fuel taxes which the carriers have experienced will expire with December 31 of this year. Under petitioner's proposals the increases in rates and charges which are sought to compensate for the increase in fuel taxes would continue to apply

^{2/} Another area in the State where a significant amount of transporting oil, water or gas well outfits and supplies or stringing pipe is performed is the Rio Vista area. The record shows that the wage rates for drivers in this area are slightly higher than those for Bakersfield, but that the wage increases which will become effective July 1, 1965, are about the same as those which will become effective concurrently in the southern California and Williams areas.

beyond the expiration of the taxes. Where increases in rates are made in this instance to meet temporary cost increases, the continuance of the rate increases beyond the justification therefor is unwarranted and unreasonable. To the extent that increases in the hourly rates and charges are prescribed herein on the basis of the increase in fuel taxes, such increases should be made to expire with the close of the present year.

The increases in the minimum rates and charges which this record shows are necessary to compensate for the increases in labor and fuel costs are shown below:

Increases in Rates and Charges
(in cents per hour)

Item No. 720 (Hourly rates, drivers and equipment)

| | |
|---|--------|
| Truck without trailer | (a) |
| 2 axle | 18 |
| 3 axle | 18(a) |
| Trucks, tractors, trailers, semi-trailers, dollies, or any combination thereof, moving as single unit (carrier owned) | 26 (a) |
| Tractor and driver only (Shipper owned trailing equipment) | 26 (a) |

(a) Add surcharge of 6 cents per hour (Surcharge expires with December 31, 1965).

Item No. 720.-1 (Additional charges per hour, drivers and equipment, Saturdays, Sundays, Holidays).

| | |
|--|----|
| Service: Saturdays and Sundays | 10 |
| Service: July 4, Labor Day, Thanksgiving Day, Christmas, New Year's Day | 35 |
| Service: Washington's Birthday, Memorial Day, December 24 | 15 |

Increases in Rates and Charges
(in cents per hour)
- Cont'd. -

Item No. 720.-2 (Additional charges per hour,
per extra man other than driver or
supervising foreman)

| | |
|---|----|
| For service, except as otherwise specified herein | 25 |
| For service, Saturdays and Sundays | 35 |
| For service, July 4, Labor Day, Thanksgiving Day, Christmas Day, New Year's Day | 60 |
| For service, Washington's Birthday, Memorial Day, December 24 | 40 |

Upon consideration of the evidence of record, the Commission finds that increases as set forth in the preceding table in the rates and charges published in Items Nos. 720, 720.1 and 720.2 of Minimum Rate Tariff No. 2 have been shown to be justified, and that as so increased said rates and charges are and will be just, reasonable and nondiscriminatory minimum rates and charges for the services to which they apply. The Commission further finds that to the extent that the provisions of Items Nos. 720, 720.1 and 720.2 of Minimum Rate Tariff No. 2 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 adjusted, are, and will be, reasonable minimum rates for said common carriers. To the extent that the 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.

In addition to increases in the rates and charges in Items Nos. 720, 720.1 and 720.2 of Minimum Rate Tariff No. 2, petitioner asks that common carriers be authorized "to establish such increases . . . in connection with the transportation of exempt commodities." According to petitioner's witness the reference to "exempt commodities" is intended to mean those commodities which are not subject to Minimum Rate Tariff No. 2 by reason of the exclusion therein provided in Item No. 40 to "commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low bed trailers." Petitioner's witness had made no investigation of, and presented no specific evidence concerning, the extent that the carriers' costs of transporting the "exempt" commodities have been increased by increases in wage and fuel costs involved herein. The record shows that interested shippers who would be affected by the increases in rates for exempt commodities were not notified of petitioner's intent to seek said increases. The petition itself is identified only as a "Petition for Increased Oilfield Hourly Rates and Charges, Item No. 720 of Minimum Rate Tariff No. 2". It was so shown on the Commission's calendar and notices to parties believed to be interested therein. In the circumstances the Commission finds that the sought increases in question have not been justified within the meaning of Section 454 of the Public Utilities Code. Authority to effect said increases will be denied.

In connection with the establishment of increased rates in conformity with the order herein, petitioner asks that common carriers be relieved from the so-called long- and short-haul

prohibitions of Article XII, Section 21, of the Constitution of the State of California, and of Section 460 of the Public Utilities Code. Where common carriers have been authorized heretofore to depart from the long- and short-haul prohibitions, their outstanding authorities will be amended to the extent necessary to carry out the effect of the order herein.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended) be and it is further amended by incorporating therein, to become effective August 21, 1965, the revised pages attached hereto and listed in Appendix B also attached hereto, which pages and appendix by this reference are made a part hereof.
2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to said Decision No. 31606, as amended, be and they are directed to establish in their tariffs the rate increases necessary to conform to the further increases herein in the rates and charges established by said decision.
3. Tariff publications required to be made by common carriers as a result of the order herein may be made effective not earlier than the tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and such tariff publications shall be made effective not later than August 21, 1965 .
4. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from

the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

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

Dated at San Francisco, California, this 13th day of JULY, 1965.

Fredrick B. Holhoff
President

George E. Thover

Augusta

William W. Bennett
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Present and Proposed Rates

Item No. 720

| <u>Type of Equipment</u> | <u>Rates in Cents per Hour</u> | |
|---|--------------------------------|-----------------|
| | <u>Present</u> | <u>Proposed</u> |
| Truck without Trailer | | |
| 2 Axle | 1100 | 1150 |
| 3 Axle | 1350 | 1400 |
| Truck or Tractor with any combination of Trailers, Semitrailers or Dollies moving as a single unit. | | |
| Carrier Owned | 1550 | 1600 |
| Excess of Trailers or Semitrailers, Carrier Owned | 270 | 270 |
| Tractor and Driver Only (Shipper Owned Trailing Equipment) | 1400 | 1450 |

Item No. 720.-1

| | <u>Present</u> | <u>Proposed</u> |
|---|----------------|-----------------|
| Additional charges, in cents per hour, for transportation on | | |
| Saturdays and Sundays | 275 | 290 |
| July 4, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day | 1100 | 1150 |
| Washington's Birthday, Memorial Day and December 24 | 550 | 575 |

Item No. 720.-2

| | <u>Present</u> | <u>Proposed</u> |
|---|----------------|-----------------|
| Additional charges, in cents per man per hour, for extra help on | | |
| Days other than Saturdays, Sundays and specified holidays | 650 | 680 |
| Saturdays and Sundays | 900 | 940 |
| July 4, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day | 1650 | 1720 |
| Washington's Birthday, Memorial Day and December 24 | 1150 | 1200 |

(End)

C. 5432 (Pot. 376)-jmx *

APPENDIX B TO DECISION NO. 69404

List of Supplement and Revised Pages to Minimum Rate Tariff No. 2

Authorized by Said Decision

Supplement No. 67

Thirteenth Revised Page 51-E

Tenth Revised Page 51-EE

First Revised Page 51-EEE

(END OF APPENDIX B LIST)

SUPPLEMENT NO. 67

(Supplements Nos. 65, 66 and 67 contain all changes)

to

MINIMUM RATE TARIFF NO. 2

naming

Minimum Rate, Rules and

Regulations

for the

Transportation of Property Over

The Public Highways Within

The State of California

by

Radial Highway Common Carriers

Highway Contract Carriers

Cement Contract Carriers

and

Household Goods Carriers

(1) APPLICATION OF SURCHARGE

◇ A surcharge of 6 cents per hour shall be added to the hourly rates set forth in Item No. 720 of this tariff for the transportation of Oil, Water or Gas Well Outfits and Supplies and for the Stringing Services therein provided. (See Exception.)

EXCEPTION: The surcharge herein provided will not be added to the hourly rate in Item No. 720 for Excess of Trailers or Semitrailers, Carrier Owned.

(1) Expires with December 31, 1965, unless sooner canceled, changed or extended.

◇ Increase, Decision No.

69404

EFFECTIVE AUGUST 21, 1965

Issued by the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
State Building, Civic Center
San Francisco, California

Cancel

| Item No. | SECTION NO. 3 | COMMODITY RATES (Continued) |
|--|---|------------------------------------|
| | <p>HOURLY RATES FOR OIL, WATER OR GAS WELL OUTFITS AND SUPPLIES AND FOR SERVICE OF STRINGING PIPE (Subject to Item 720-1 and 720-2)</p> <p>Rates in this item apply for transportation of:</p> <p>A. Freight regardless of classification when transported from, to or between: an oil, gas or water well site; a site for drilling an exploratory oil, gas or water well; a pier, quay or wharf for trans-shipment from or to an off-shore drilling facility.</p> <p>B. Property necessary or incidental to the establishment, maintenance or dismantling of pipelines, refineries and cracking or casing head plants.</p> <p>Rates in this item apply also for stringing pipe as provided in Item No. 175.</p> <p>Rates in this item apply only for distances not exceeding 30 air miles from point of origin or, for stringing service, from the point at which stringing service commences.</p> | |
| 6720 | Type of Equipment | ◊ Rates in Cents Per Hour |
| | Truck Without Trailer | |
| | 2 Axle | 1118 |
| | 3 Axle | 1368 |
| | Truck or Tractor with any combination of Trailers, Semitrailers or Dollies moving as a single unit. | |
| | Carrier Owned | 1576 |
| | Excess of Trailers or Semitrailers. | |
| | Carrier Owned | 0270 |
| | Tractor and Driver Only | 1126 |
| | (Shipper Owned Trailing Equipment) | |
| | (Continued in Item No. 720-1) | |
| | <p>◊ Change</p> <p>◊ Increase, except as noted</p> <p>o No Change</p> | <p>) Decision No. 69404</p> |
| EFFECTIVE AUGUST 21, 1965 | | |
| <p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> <p>Correction No. 1649</p> | | |

| Item No. | SECTION NO. 3 | COMMODITY RATES (Continued) | | | | | | | | | | | | | | | |
|----------------|--|-----------------------------|----------------|--|--|-------------|---------------------|--|---|---|------------|---|----|-------------------------|----|----|-----------------------|
| | <p>HOURLY RATES FOR OIL, WATER OR GAS WELL OUTFITS AND SUPPLIES AND FOR SERVICE OF STRINGING PIPE (Continued)</p> | | | | | | | | | | | | | | | | |
| | <p>1. Charges shall be computed on the following basis: (See Exception.)</p> <p>The number of hours of service will be computed from the time the carrier's driver commences either operating the motor vehicle or performing other related service, whichever is earlier, and ending at the time that carrier's driver either ceases operating the motor vehicle or performing other related service, whichever is later.</p> <p>When the service performed extends over more than one day and the equipment is not returned to carrier's terminal, the period of time the driver is off-duty shall not be included in the hours of service.</p> <p>EXCEPTION.--(a) Allowance shall be made for delays occasioned due to failure of carrier's equipment, or due to time taken out for meals.</p> <p>(b) After the total time has been determined it shall be converted into hours and fractions thereof. Minimum charge, one hour. Fractions of an hour shall be determined in accordance with the following table:</p> <table 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>Over</u></th> <th style="text-align: center;"><u>But Not Over</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;">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;">60</td> <td style="text-align: center;">----- Shall be 1 hour</td> </tr> </tbody> </table> | | <u>Minutes</u> | | | <u>Over</u> | <u>But Not Over</u> | | 0 | 8 | ----- Omit | 8 | 38 | ----- Shall be 1/2 hour | 38 | 60 | ----- Shall be 1 hour |
| <u>Minutes</u> | | | | | | | | | | | | | | | | | |
| <u>Over</u> | <u>But Not Over</u> | | | | | | | | | | | | | | | | |
| 0 | 8 | ----- Omit | | | | | | | | | | | | | | | |
| 8 | 38 | ----- Shall be 1/2 hour | | | | | | | | | | | | | | | |
| 38 | 60 | ----- Shall be 1 hour | | | | | | | | | | | | | | | |
| | <p>2. For transportation furnished under this item on Saturdays and Sundays, there shall be an additional charge of \$2.85 per hour in excess of those set forth in Item No. 720.</p> | | | | | | | | | | | | | | | | |
| | <p>3. For transportation furnished under this item on holidays, there shall be an additional charge, in excess of those set forth in Item No. 720, as follows:</p> <p>(a) On July 4th, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day, \$11.35 per hour.</p> <p>(b) On Washington's Birthday, Memorial Day and December 24th, \$5.65 per hour.</p> | | | | | | | | | | | | | | | | |
| | <p>(Continued in Item No. 720-2)</p> | | | | | | | | | | | | | | | | |

720-1

◊ Increase, Decision No. 69404

EFFECTIVE AUGUST 21, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 1650

- 51-EE -

Item
No.

SECTION NO. 3 - COMMODITY RATES (Continued)

HOURLY RATES FOR OIL, WATER OR GAS WELL OUTFITS AND SUPPLIES AND FOR SERVICE OF STRINGING PIPE (Concluded)

4. Rates include the exclusive services of vehicle and driver and do not include any equipment other than a winch affixed to the vehicle to load and unload. When carrier furnishes help other than the driver or supervising foreman, such service shall be charged for at a rate of not less than \$6.75 per hour per extra man furnished.
- (a) On Saturdays and Sundays, the applicable helper rate shall be \$9.35 per hour.
 - (b) On July 4th, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day, the applicable helper rate shall be \$17.10 per hour.
 - (c) On Washington's Birthday, Memorial Day and December 24th, the applicable helper rate shall be \$11.90 per hour.
 - (d) The helper's hours of service for each day shall be computed from the time helper is engaged to perform loading, unloading, and other related service or is required to ride carrier's vehicle, whichever is earlier, and ending at the time the loading, unloading or other related service is completed, or the helper is returned to the point at which he was engaged at start of day, whichever is later.
 - (e) Allowances shall be made for delays due to failure of carrier's equipment or time taken out for meals.
 - (f) When the service performed extends over more than one day, the time the helper is off-duty shall not be included in the hours of service.
 - (g) After the total time has been computed, it shall be converted into hours and fractions thereof as provided under the provisions of Item No. 720-1.
 - (h) There shall be a minimum charge of one hour service at the applicable rate.
5. When rates are provided in this item on the shipment transported, the rates in this item will apply regardless of class or commodity rates in other items in this tariff.

720-2

6. Each shipping document issued in connection with transportation under this item shall, in addition to other requirements set forth in this tariff, identify the equipment used by its equipment number and description as provided in Item No. 720.
7. Each vehicle shall have stenciled or otherwise permanently displayed on it an equipment number.
8. Excess trailers means trailers or semi-trailers furnished by carrier in excess of the number of vehicles or combination of vehicles operated as a single unit.
9. Rates include converter gears (auxiliary dollies).
10. "Dollies" include pole or pipe dollies, stretch dollies, lowbed dollies, bolster type dollies, but not auxiliary dollies.

♦ Increase, Decision No. 69404

EFFECTIVE AUGUST 21, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 1651