

Decision No. 70028**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 cement and related products (commod-  
 ities for which rates are provided in  
 Minimum Rate Tariff No. 10).

)  
 )  
 ) Case No. 5440  
 ) Petition for Modification  
 ) No. 26  
 ) Filed May 21, 1965;  
 ) Amended June 18, and  
 ) October 11, 1965  
 )

INTERIM OPINION

By this petition, as amended, California Trucking Associa-  
 tion (CTA) seeks a temporary increase of one cent per 100 pounds in  
 the minimum rates in Minimum Rate Tariff No. 10 for the transportation  
 of cement and related products. Petitioner alleges that the cost of  
 transporting cement by motor vehicle has increased substantially  
 since the rates were last adjusted in Northern Territory in 1959  
 (Decision No. 58901, dated August 18, 1959, in Case No. 5440) and in  
 Southern Territory in 1961 (Decision No. 61639, dated March 7, 1961,  
 in Case No. 5440). The petition contains copies of letters from  
 affected cement companies which urge the establishment of the pro-  
 posed rates by ex parte action.

The petition recites that CTA requested in Petition for  
 Modification No. 14, filed October 11, 1962, that the Commission  
 authorize its staff to conduct a complete investigation of current  
 conditions in cement transportation by highway carriers and to pre-  
 pare exhibits outlining the necessary tariff changes which are  
 required to provide rates and charges which will meet the present and  
 foreseeable needs of cement shippers and carriers. This petition was  
 dismissed by Decision No. 64565, dated November 22, 1962, which  
 stated that the staff would undertake the requested investigation

when transportation engineers and rate experts could be made available consistent with other commitments and completion of other assignments.

The instant petition states that the filing of Petition No. 14 was one part of a program of cooperation between shippers and carriers of cement, which also contemplated legislative action to modernize the statutes governing this transportation. The statutes were revised in 1963 to establish new classes of carriers involved in cement transportation and to provide criteria to govern entry into this field of transportation. CTA alleges that the need for the requested staff studies is now acute and requests that the Commission review its staff assignments and bring the requested investigation to an early conclusion. Pending completion of such investigation and implementation of the required tariff revisions, CTA asserts that the need for temporary tariff relief has become critical, particularly in view of the new labor contract recently negotiated by cement carriers. CTA requests that Minimum Rate Tariff No. 10 be revised immediately by the adoption of a supplement to the tariff setting forth the proposed increase of one cent per 100 pounds in the form of a surcharge on all rates in Section 2 of the tariff. Such surcharge supplement would expire October 1, 1966 unless canceled, changed, or extended.

The Commission's Transportation Division has commenced the staff studies requested by petitioner. The expected completion date of these studies is July 1, 1966.

In support of the sought temporary rate, petitioner submitted an affidavit of the director of its Division of Transportation Economics concerning the cost and economic factors involved in the transportation of cement between points in California. The affidavit shows that labor costs have increased pursuant to contract on several occasions since 1959, the latest increase becoming effective on

January 1 of this year. There also have been increases in the cost of fuel and supplies, Social Security taxes, and taxes on gasoline, diesel fuel, and tires. Petitioner asserts that the increased costs which have occurred since the last revisions in the rate structure have an effect on carriers' costs of operations in excess of the rate relief sought, but competitive marketing relationships mitigate any greater or different form of increase until completion of the broader inquiry contemplated in petitioner's request for full scale studies involving costs and rates. The affidavit declares that the proposed rates are designed to return a portion of the added costs in a manner which gives effect to marketing competition in the cement industry and which will minimize traffic diversion.

The verified petition, as amended, and the accompanying affidavit are convincing that the sought increased minimum rates are necessary and justified. Inasmuch as affected shippers support the rate increase and no objection to the granting of interim relief has been received, a public hearing is not necessary.

It appears, and the Commission so 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 non-discriminatory rates for the transportation of cement. The Commission further finds that to the extent the rates and rules of common carriers whose operations are subject to Minimum Rate Tariff No. 10 are less, in volume or effect, than the rates hereinafter prescribed, the rates and rules of said common carriers are lower than a reasonable and sufficient level and not justified by transportation conditions and that said common carriers should effect such increases as are necessary to make their rates and rules conform to those hereinafter prescribed.

The Commission concludes that the temporary rate increase proposed in Petition for Modification No. 26, as amended, should be established in Minimum Rate Tariff No. 10 and that said petition should be continued on the Commission's docket for the receipt in evidence of the studies to be made by the Commission's Transportation Division staff concerning the need for further revision in the rates and rules in Minimum Rate Tariff No. 10 governing the statewide transportation of cement and related commodities. The Transportation Division staff is directed to complete the studies which are necessary for a revision of the tariff, distribute the studies to known interested parties, and report to the Commission when this has been accomplished in order that hearings may be scheduled for about August 1, 1966.

INTERIM ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff No. 10 (Appendix A of Decision No. 44633, as amended) is further amended by incorporating therein, to become effective January 1, 1966, Supplement No. 2 attached hereto and by this reference made a part hereof.
2. 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 shall be made effective not later than January 1, 1966.
3. 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.

4. In all other respects the aforesaid Decision No. 44633, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 30<sup>th</sup> day of NOVEMBER, 1965.

Frederick B. Holcomb  
President

John E. Mitchell

George H. Brewer

William W. Burnett

Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT NO. 2

(Supplements Nos. 1 and 2 Contain All Changes)

TO

MINIMUM RATE TARIFF NO. 10

NAMING

DISTANCE MINIMUM RATES

ALSO

RULES AND REGULATIONS

FOR THE

TRANSPORTATION OF CEMENT AND OTHER

COMMODITIES OVER THE

PUBLIC HIGHWAYS

WITHIN THE

STATE OF CALIFORNIA

BY

CITY CARRIERS

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

CEMENT CONTRACT CARRIERS

◇(1) APPLICATION OF SURCHARGE

Determine the applicable rate per 100 pounds from Section No. 2 and increase the rate so determined by one cent per 100 pounds.

(1) Expires with October 1, 1966, unless sooner canceled, changed or extended.

EFFECTIVE JANUARY 1, 1966

◇ Increase, Decision No. 70028

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