

ORIGINALDecision No. 70212

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 uncrated new furniture (commodities
 for which rates are provided in Minimum
 Rate Tariff No. 11-A).

Case No. 5603
 Petition for Modification
 No. 24
 (Filed September 20, 1965)

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

E. L. Cunningham, for North American Van Lines, Inc.;
John V. Driskell, for Driskell Trucking, Inc.; and
Sam O. Sciortino, for Lads Furniture Freight, Inc.;
 respondents.

R. C. Fels, for Furniture Manufacturers Association
 of California; Robert R. Schenig and A. Stanley
 Hayes, for Sears Roebuck & Co.; and Don B. Shield,
 for Highway Carriers Association; interested
 parties.

Geo. L. Hunt and J. M. Jenkins, for the Commission
 staff.

O P I N I O N

This matter was heard and submitted October 25, 1965 before
 Examiner Thompson at Los Angeles. Copies of the petition and notice
 of hearing were served in accordance with the Commission's procedural
 rules. There are no protests.

California Trucking Association seeks an order of the
 Commission increasing the minimum rates prescribed in Minimum Rate
 Tariff No. 11-A for the transportation of uncrated new furniture. The
 proposed increases are 11 percent for shipments having origin in San
 Francisco Bay Counties Territory (Column B Rates) and 3-1/2 percent
 for shipments having origin elsewhere in California (Column A Rates).

The rates and charges contained in Minimum Rate Tariff No. 11-A were last revised and adjusted generally on November 1, 1964, by Decision No. 67938, dated September 30, 1964. According to that decision, at that time California Trucking Association was in the process of developing data for new cost and rate studies of the transportation of uncrated new furniture. It was stated therein that the transportation conditions reflected in the cost study prepared by the Commission staff in 1949, which was the basis for the structure of rates in Minimum Rate Tariff No. 11-A, had so changed that use of said study to measure the impact of increases in operating costs would be meaningless. Petitioner therein, which was California Trucking Association, presented financial data of four carriers whose operations consisted of 85 percent or more of transportation of property subject to the Column A rates in Minimum Rate Tariff No. 11-A. In said Decision No. 67938 the Commission found

"Based upon the carriers' present revenue needs and the fact that they will be faced with further increases in wage costs on November 1, 1964, it appears, and we so find, that the present level of the Column A rates in Minimum Rate Tariff No. 11-A is insufficient."

The Commission by said decision increased the Column A rates in Items Nos. 60 and 400 by amounts ranging from 4.8 to 8.0 percent, averaging 7.8 percent; and increased the charges in Items Nos. 90 and 100 by 10 percent. Column B rates were not increased as the Commission found that no showing was made with respect to the results of carrier operations under the Column B rates.

The assistant director of petitioner's division of research testified that California Trucking Association has suspended the preparation of cost and rates studies of the transportation of uncrated new furniture because of the possibility in the immediate future of there being substantial changes in descriptions and ratings of furniture articles in the National Motor Freight Classification. The

National Classification Board has before it in its Docket No. 120 a proposal which, if adopted, will result in a radical change in ratings on new furniture. The assistant director stated that because Minimum Rate Tariff No. 11-A is governed by the National Motor Freight Classification, the substantial changes proposed in said Docket No. 120 would have an effect upon the minimum rates. The tabulation and analysis of data to conform with the present minimum rate structure would be wasted if the proposal in Docket No. 120 is adopted by the National Classification Board and approved by the Commission. He said that petitioner does not support the Docket No. 120 proposal but if it is adopted and approved the cost and rate studies would have to be governed thereby.

The assistant director stated that the carriers have incurred increases in operating expenses since November 1, 1964, which have had an adverse effect upon their earnings. The principal increase in expense has been the cost of labor. Exhibit 2 has a comparison of the November 1, 1965 labor cost for carriers employing members of Local 196, Brotherhood of Teamsters (Los Angeles) with the November 1, 1964 labor cost. It shows increases ranging from 5.38 percent to 5.99 percent. The exhibit also compares the November 1, 1965 labor cost of carriers employing union labor in the San Francisco Bay area with the cost on November 1, 1963. The increase in cost is 23.73 percent.

Petitioner estimated that labor costs comprise 64.36 percent of the total expenses of carriers operating in southern California, and 64.79 percent of the total expenses of carriers operating in the San Francisco Bay area. Those ratios were used in petitioner's estimates presented in the proceedings culminating in Decision No. 67938. It has developed the increases in rates proposed herein by applying those ratios to the increases in labor costs referred to above.

Exhibit 3 contains profit and loss statements for the periods of the year ended December 31, 1964 and the six months ended July 30, 1965 of three carriers in southern California and two carriers in the San Francisco Bay area. The three southern carriers were included in the four whose profit and loss statements were introduced in the prior proceeding which led to Decision No. 67938. The following is a comparison of the operating ratios of the three southern carriers for the year 1964 with those for the first half of 1965:

	<u>Comparison of Operating Ratios Southern Carriers</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
Year 1964	96.1%	105.0%	92.0%	96.6%
1st Half 1965	96.8%	105.2%	91.6%	97.0%

On November 1, 1964 there became effective increases in labor costs and increases in the Column A rates. In the prior proceeding petitioner used the same method as used here to determine the impact of the increases in labor costs upon total cost. The foregoing comparison of operating ratios for the two periods shows that the rate increases which became effective November 1, 1964 balanced the increases in labor costs that became effective that date. That fact supports the contention of petitioner that increases of 3-1/2 percent in the Column A rates are necessary to offset the increases in labor costs incurred by the southern carriers' service November 1, 1964.

In prior proceedings in Case No. 5603, the Commission has found that Safe Transportation Company is the predominant carrier engaged in transporting shipments under Column B rates. It has held that the operating results of this carrier provide a reliable test of the reasonableness of the Column B rates. Exhibit 2, herein, contains the profit and loss statements of Safe Transportation

Company as well as those of another carrier located in the San Francisco Bay area. The assistant director testified that he had included the statements of that other carrier because he was informed that it has transported shipments subject to Minimum Rate Tariff No. 11-A. He did not know the nature of this carrier's operations. He said that he was informed that the operations of this carrier are of a special type but that he did not know anything further concerning that carrier. He said that it is his information and belief that Safe Transportation Company is still the predominant carrier engaged in transporting uncrated new furniture from origins in the San Francisco Bay area. He said that he included the statements of the other carrier because it is the policy of petitioner to include all data that is available and not to be selective. Under the circumstances the operating statements of this other carrier are of doubtful probative value on the issues in this proceeding.

The operating statements of Safe Transportation Company show that for the year 1964 it had an operating ratio of 101.7 percent and for the first half of 1965 its operating ratio was 107.5 percent. The Column B rates were not increased on November 1, 1964 as were the Column A rates. The above comparison supports the method used by petitioner to determine the impact of the increases in labor costs and supports its contention that an increase of 11 percent in the Column B rates is necessary to offset the increases in labor costs incurred by the carriers since those rates were last adjusted.

We find that:

1. The increases in rates and charges proposed by petitioner, and provided for in the order which follows, have been shown to be justified and that the resulting increased rates and charges, are, and

for the future will be, the just, reasonable and nondiscriminatory minimum rates and charges for the transportation services to which they apply.

2. To the extent that the provisions of Minimum Rate Tariff No. 11-A heretofore have been found to constitute minimum rates, rules and regulations for common carriers as defined in the Public Utilities Act, said provisions, as hereinafter adjusted, are, and for the future will be, the minimum rates, rules and regulations to be charged and applied by said common carriers.

3. To the extent that the existing rates and charges of said common carriers for the transportation of uncrated new furniture are less than the rates and charges found herein to be reasonable minimum rates and charges, said existing rates and charges are, and for the future will be, unreasonable, insufficient and not justified by transportation conditions.

4. We conclude that Minimum Rate Tariff No. 11-A should be amended to provide for the increased rates found herein to be the lawful minimum rates and that common carriers subject to the provisions of Decision No. 50114, as amended, should be required to adjust their rates accordingly.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 11-A (Appendix A of Decision No. 50114, as amended) is further amended by incorporating therein, to become effective February 19, 1966, the revised pages attached hereto and listed in Appendix A also attached hereto, which revised pages and appendix by this reference are made a part hereof.

2. Common carriers as defined in the Public Utilities Act, to the extent that they are subject to the requirements of Decision No. 50114, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments herein of that 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 shall be made effective not later than February 19, 1966.

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.

5. In all other respects said Decision No. 50114, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 11th day of JANUARY, 1966.

Frederick B. Hallock
President
George L. Deaver
Commissioners
William W. Bennett
Commissioners

Appendix A to Decision No. 70212

List of Revised Pages to Minimum Rate Tariff No. 11-A

Authorized by Said Decision

Tenth Revised Page 6

Ninth Revised Page 7

Tenth Revised Page 15

Eighth Revised Page 16

(END OF APPENDIX A LIST)

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.																		
<p style="text-align: center;">APPLICATION OF RATES</p> <p>Rates provided in this tariff are for the transportation of shipments from point of origin to point of destination, and include loading into and unloading from carrier's unit of equipment, subject to Notes 1 and 2.</p> <p>NOTE 1. When the point of origin is other than a depot, an additional rate as provided below shall be added to the rates set forth in Section 3. The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p style="text-align: center;"><u>Rates in Cents Per 100 Pounds</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><u>Minimum Weight</u></th> <th><u>◇Column A(1)</u></th> <th><u>◇Column B(2)</u></th> </tr> </thead> <tbody> <tr> <td>Any Quantity</td> <td>117</td> <td>117</td> </tr> <tr> <td>500 Pounds</td> <td>100</td> <td>104</td> </tr> <tr> <td>2,000 Pounds</td> <td>95</td> <td>101</td> </tr> <tr> <td>4,000 Pounds</td> <td>71</td> <td>68</td> </tr> <tr> <td>6,000 Pounds</td> <td>(3)</td> <td>(3)</td> </tr> </tbody> </table> <p>(1) Column A rates apply to shipments not subject to Column B rates.</p> <p>(2) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.</p> <p>(3) No additional rate.</p> <p>NOTE 2. The rates provided in Note 1 shall be added to the rates set forth in Section 3 in connection with shipments transported for persons, companies or corporations upon whose premises depots from which the transportation is performed are located. The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p>	<u>Minimum Weight</u>	<u>◇Column A(1)</u>	<u>◇Column B(2)</u>	Any Quantity	117	117	500 Pounds	100	104	2,000 Pounds	95	101	4,000 Pounds	71	68	6,000 Pounds	(3)	(3)	#60
<u>Minimum Weight</u>	<u>◇Column A(1)</u>	<u>◇Column B(2)</u>																	
Any Quantity	117	117																	
500 Pounds	100	104																	
2,000 Pounds	95	101																	
4,000 Pounds	71	68																	
6,000 Pounds	(3)	(3)																	
<p style="text-align: center;">ACCESSORIAL SERVICES</p> <p>When carrier performs any accessorial or incidental service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges shall be assessed as provided in Item No. 90. The charge therein provided for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.</p>	70																		
<p style="text-align: center;">DELAYS TO EQUIPMENT</p> <p>When consignor or consignee is responsible for delay to carrier's equipment at or in vicinity of either point of loading or point of unloading in excess of 30 minutes (exclusive of time actually involved in loading or unloading) additional charges for delay time in excess of 30 minutes shall be assessed as provided in Item No. 90.</p>	80																		

CHARGES FOR ACCESSORIAL SERVICES OR DELAYS

For accessorial services or delays under the conditions specified in Items Nos. 70 and 80, charges shall be assessed for each period or fraction thereof, as follows:

	Charges in Cents	
	For First 30 Minutes	For Each Additional 15 Minutes
(a) For driver, helper or other employee, per man-	0230	0115
(b) For unit of equipment —	55	28

890

Change }
Increase } Decision No. 70212

EFFECTIVE FEBRUARY 19, 1966

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San Francisco, California.
Correction No. 58

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">MINIMUM CHARGE</p> <p>The minimum charge per shipment shall be the charge for 100 pounds at the applicable rates but not less than:</p> <ol style="list-style-type: none"> 1. 0335 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles. 2. 0390 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles. 	100
<p style="text-align: center;">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p>When shipments in continuous through movement are transported by two or more carriers, the rates (including minimum charges) provided herein from point of origin to point of destination shall be the minimum rates for the combined transportation.</p>	110
<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.</p>	120
<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>Common carrier rates may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation and for the same accessorial services, than results from the application of the rates herein provided. (See Note)</p> <p>NOTE.-In applying the provisions of this item, a rate no lower than the common carrier rate and a weight no lower than the actual weight or published minimum weight (whichever is the higher) applicable in connection with the common carrier rate shall be used.</p>	130

ACCESSORIAL CHARGES NOT TO BE OFFSET BY
TRANSPORTATION CHARGES

Accessorial charges set forth in this tariff for accessorial services not included in the rate for actual transportation shall be assessed and collected when such services are performed, regardless of the level of the transportation rate assessed. Such accessorial charges may not be waived on the basis that a higher-than-minimum transportation rate serves as an offset.

135

∅ Change)
◇ Increase) Decision No. 70212

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Correction No. 59

SECTION NO. 3 - RATES								Item No.
DISTANCE RATES IN CENTS PER 100 POUNDS(1)								
MILES		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds		
But Not Over	Over	Column A(2)	Column B(3)	Column A(2)	Column B(3)	Column A(2)	Column B(3)	
0	5	202	167	147	142	114	130	
5	10	206	175	150	151	118	139	
10	15	210	184	156	160	122	145	
15	20	220	191	162	168	127	152	
20	25	224	198	167	174	131	159	
25	30	226	206	171	181	136	171	
30	35	230	213	173	190	142	178	
35	40	237	222	178	196	146	185	
40	45	241	228	183	202	150	191	
45	50	245	236	186	212	153	200	
50	60	254	245	194	223	160	209	
60	70	262	261	202	240	170	226	
70	80	275	278	212	255	177	242	
80	90	286	292	218	270	185	255	
90	100	293	310	230	286	194	271	
100	110	304	323	239	300	202	287	400
110	120	312	340	245	315	210	303	
120	130	322	354	255	330	217	316	
130	140	330	370	264	347	226	332	
140	150	339	386	273	363	235	350	
150	160	346	396	276	373	241	360	
160	170	354	405	286	381	248	367	
170	180	362	413	290	387	258	375	
180	190	371	418	296	395	266	381	
190	200	379	426	312	402	274	390	
200	220	392	437	325	415	289	402	
220	240	407	453	339	428	303	416	
240	260	425	466	355	444	318	430	
260	280	445	484	371	460	332	446	
280	300	462	497	385	474	347	460	
300	325	480	516	403	491	352	477	
325	350	501	533	420	508	379	496	
350	375	519	554	440	526	397	516	
375	400	537	572	459	545	413	533	
400	425	549	589	474	562	430	553	
425	450	572	620	497	586	459	578	
450	475	596	646	518	614	476	604	
475	500	620	672	538	638	495	630	
500	525	643	695	559	666	513	653	
525	550	667	719	581	695	532	680	

550	575	691	747	601	720	550	707
575	600	715	773	623	746	567	735
600	625	738	800	646	768	586	759
625	650	763	824	667	801	602	786
650	—	(4)	(4)	(4)	(4)	(4)	(4)

- (1) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item no. 60. The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.
- (2) Column A rates apply to shipments not subject to Column B rates.
- (3) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.
- (4) Add to the rate for 650 miles, 022 cents per 100 pounds for each 25 miles or fraction thereof.

⚡ Change)
 ◇ Increase) Decision No. **70212**

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 San Francisco, California.
 Correction No. 60

SECTION NO. 3 - RATES (Concluded)					Item No.
◇ POINT-TO-POINT RATES IN CENTS PER 100 POUNDS(1)(2)					
<u>Between</u>	<u>And</u>	<u>Any Quantity</u>	<u>Minimum Weight 500 Pounds</u>	<u>Minimum Weight 2,000 Pounds</u>	
Los Angeles Territory	San Francisco Territory	545	467	423	
<p>(1) If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Item No. 500 are lower than charges accruing under the Distance Rates in Item No. 400, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one actual highway mile on either side of the authorized route and at all points located within incorporated cities through which the highway route passes.</p> <p>(2) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item No. 60. The sum of such rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p>					6410
/ Change) ◇ Increase)			Decision No. 70212		
EFFECTIVE FEBRUARY 19, 1966					
Issued by the Public Utilities Commission of the State of California, San Francisco, California.					
Correction No. 61					