

ORIGINAL

Decision No. 70681

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 sand, rock, gravel and related items (commodities for which rates are provided in Minimum Rate Tariffs Nos. 7 & 17)

Case No. 5437
Petition No. 122

Filed November 17, 1965
Amended January 28, 1966

- H. Randall Stoke and Carl F. Imhof, for Southern California Rock Products Association, petitioner.
- E. O. Blackman, for California Dump Truck Owners Association, interested party.
- G. Ralph Grago, for Associated Independent Owner-Operator, Inc., interested party.
- A. D. Poe, J. C. Kaspar, and H. F. Kollmyer, for California Trucking Association, interested party.
- Harry Phelan, Jr. (by Fred Imhof) for California Asphalt Pavement Association, interested party.
- Edward D. Shade, for himself, interested party.
- Robert Haffner and R. Sherman Ohs, for Consolidated Rock Products Co., interested party.
- W. F. Webster, for Rodeffer Industries, Inc. interested party.
- L. A. Wixted, for Blue Diamond Corporation, interested party.
- Ron Pease, for Southern Pacific Milling Co., interested party.
- Robert L. Payan, for himself, interested party.
- R. A. Lubich and George L. Hunt, for the Transportation Division of the Commission's staff.

O P I N I O N

By this petition the Southern California Rock Products Association (SCRPA) seeks amendment of Minimum Rate Tariff No. 17.

Said tariff sets forth zone rates which apply as minimum rates for the transportation of rock, sand and gravel from designated production areas to defined delivery zones in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura Counties. SCRPA proposes that the zone rates also be used as a basis of charges for the transportation of rock, sand and gravel to destinations which are located outside of the system of delivery zones.

On February 2, 1966, public hearing on SCRPA's proposal was held before Examiner Abernathy at Los Angeles. As developed at the hearing, SCRPA seeks amendment of Minimum Rate Tariff No. 17 by the addition of a rule substantially as follows:

COMPUTATION OF CHARGES FOR SHIPMENTS TO
DESTINATIONS OUTSIDE OF A SYSTEM OF DELIVERY ZONES

(For limitation on applicability of this item, see Note 1.)

When a shipment is transported from a production area to a point of destination outside of a system of zones, the zone rates shall be used as a basis for computing charges as follows:

Add to the zone rate from the same production area to the last delivery zone passed through on the route of movement a rate of nine cents per ton for each mile or fraction thereof traversed from point of departure from the last delivery zone to point of destination.

NOTE 1. The provisions of this item do not apply (a) to shipments delivered to destinations 10 or more miles, by route of movement, from point of departure from system of delivery zones, or (b) to shipments to destinations in unzoned areas in Riverside or San Bernardino Counties. Charges for the transportation of shipments specified in this Note shall be computed in accordance with the provisions of Minimum Rate Tariff No. 7.

Testimony in support of the petition was submitted by the associate executive secretary of SCRPA. According to this witness, the proposed amendment of Minimum Rate Tariff No. 17 is sought in order that the tariff may provide a convenient and suitable basis of

charges for the transportation of rock, sand and gravel to unzoned areas which are located adjacent to established delivery zones. He said that, in general, the established delivery zones constitute the principal marketing areas for rock products in southern California. However, deliveries into adjacent unzoned areas are also made in response to needs of building developments originating in said areas or expanding from areas that are already zoned. Since zone rates for such deliveries do not apply, the deliveries are subject to hourly rates or distance rates which otherwise apply under provisions of Minimum Rate Tariff No. 7. Assertedly, neither the hourly rates nor the distance rates are satisfactory bases of charges for the transportation involved. On the other hand, the charges under the proposed rule would be satisfactory. As to the level of the proposed charges, the witness stated that said level reflects the costs which were used as the basis for the rates in Minimum Rate Tariff No. 17; moreover, it takes into account that a number of the deliveries beyond the established delivery zones would be made to destinations in hilly or mountainous areas under relatively difficult transportation conditions.¹

¹ Petitioner's witness also stated that where it appeared that deliveries into an unzoned area would be required on a regular basis, it would be a purpose of SCRPA to seek extension of the zone system to include that area. Hence, as to such deliveries the basis of charges herein sought would, in effect, operate as a temporary rate, pending the establishment of a specific zone rate therefor.

The California Dump Truck Owners Association, the California Trucking Association, and the Associated Independent Owner-Operator, Inc., supported the granting of the petition.²

The rule which petitioner seeks is substantially like that which was promulgated in Minimum Rate Tariff No. 7 in 1951 for beyond-zone transportation of rock, sand, gravel, asphaltic concrete and cold road oil mixture. The rule which was then adopted was established in response to much the same representations of need therefor as those advanced in the present matter. The rule has been continued in effect in Minimum Rate Tariff No. 7 to the present time.

With the promulgation of revised zone rates in Minimum Rate Tariff No. 17 to supersede zone rates for the transportation of rock, sand and gravel which theretofore had been set forth in Minimum Rate Tariff No. 7, the rule in Minimum Rate Tariff No. 7 for beyond-zone hauling was not included in the new tariff. However, the evidence which has been adduced in this matter shows that there continues to be a need for the rule in connection with the zone rates now published in Minimum Rate Tariff No. 17.

We find that the proposed rule will provide a reasonable and nondiscriminatory basis of charges for the transportation to which it would apply. We conclude that Minimum Rate Tariff No. 17 should be amended to include the proposed rule.

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The California Dump Truck Owners Association and the Associated Independent Owner-Operator, Inc., both recommended that the applicable charge be established at 10 cents per ton per mile instead of the 9 cents per ton per mile which was proposed by SCRPA. These recommendations, however, go beyond the scope of this petition.

Since one consequence of establishment of the rule would be an extension of the territorial application of Minimum Rate Tariff No. 17 into area now subject to Minimum Rate Tariff No. 7, amendment of the latter tariff is also necessary to reflect the territorial limitation of that tariff. Minimum Rate Tariff No. 7 should also be amended accordingly.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 17 (Appendix B to Decision No. 69469) is hereby amended by incorporating therein, to become effective June 18, 1966, First Revised Page 1-2, First Revised Page 1-3 and First Revised Page 1-15, attached hereto and by this reference made a part hereof.

2. Minimum Rate Tariff No. 7 (Appendix A to Decision No. 32566, as amended) is further amended by incorporating therein, to become effective June 18, 1966, Fifteenth Revised Page 4, attached hereto and by this reference made a part hereof.

3. In all other respects said Decision No. 69469 and Decision No. 32566, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 16th day of MAY, 1966.

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

Frederick B. Holtzoff
President
George H. Hoover
Angus
William A. Bennett
Commissioners

SECTION 1 - RULES AND REGULATIONS (Continued)

TARIFF PAGES CHECK SHEET

Original and Revised Pages as named below contain all changes from the original tariff in effect on the dates shown thereon.

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		4-M-3	Original				

Change, Decision No. 70681

EFFECTIVE JUNE 18, 1966

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

Correction 1

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* Addition, Decision No. 70681

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 San Francisco, California.

Correction 2

SECTION 1--RULES AND REGULATIONS (Continued)	Item
<p>COMPUTATION OF CHARGES FOR SHIPMENTS TO DELIVERY ZONES FOR WHICH SPECIFIC ZONE RATES ARE NOT PROVIDED</p> <p>When a shipment is transported from a production area to a delivery zone, both of which are located within a same system of delivery zones, and when a specific zone rate is not provided for the transportation performed, the applicable rate shall be calculated as follows:</p> <ol style="list-style-type: none"> a. Determine the delivery zone (along route of movement) which is nearest to point of destination and to which a zone rate from the same production area is provided in the tariff. b. Add to the rate to said delivery zone from said production area an additional 5 cents per ton for each mile or fraction thereof traversed from point of departure from said delivery zone to point of destination. 	260
<p>COMPUTATION OF CHARGES FOR SHIPMENTS TO DESTINATIONS OUTSIDE OF A SYSTEM OF DELIVERY ZONES</p> <p>(For limitation on applicability of this item, see Note 1.)</p> <p>When a shipment is transported from a production area to a point of destination outside of a system of zones, the zone rates shall be used as a basis for computing charges as follows:</p> <p>Add to the zone rate from the same production area to the last delivery zone passed through on the route of movement a rate of 9 cents per ton for each mile or fraction thereof traversed from point of departure from the last delivery zone to point of destination.</p> <p>NOTE 1.--The provisions of this item do not apply:</p> <ol style="list-style-type: none"> a. to shipments delivered to destinations 10 or more miles, by route of movement, from point of departure from system of delivery zones, or b. to shipments to destinations in unzoned areas in Riverside or San Bernardino Counties. <p>Charges for the transportation of shipments specified in this Note shall be computed in accordance with the provisions of Minimum Rate Tariff No. 7.</p>	*270
<p>COMPUTATION OF DISTANCES</p> <p>Except as otherwise provided, distances to be used in connection with distance rates named herein shall be the actual mileages traversed, including any detour to and from scales to obtain weight of shipment.</p>	280

DEFINITION OF SYSTEM OF DELIVERY ZONES

The following delivery zones, in total, shall be deemed as comprising a single system of delivery zones:

All zones in Los Angeles County except zones numbered 19-800 to 19-948, inclusive; all zones in Orange County; all zones in Riverside County; all zones in San Bernardino County except zones numbered 36-500 to 36-510, inclusive; San Diego County Zones numbered 29 to 89, inclusive; all zones in Santa Barbara County; and all zones in Ventura County.

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* Addition, Decision No. 70681

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Correction 3 :

Item No.	SECTION NO. 1 - RULES AND REGULATIONS (Continued)
20	<p style="text-align: center;">APPLICATION OF TARIFF - CARRIERS</p> <p>Rates provided in this tariff are minimum rates, established pursuant to the Highway Carriers' Act, and the City Carriers' Act. They apply for transportation of property by radial highway common carriers and highway contract carriers, as defined in said Highway Carriers' Act, and by carriers as defined in said City Carriers' Act, in bulk in dump truck equipment.</p> <p>The rates and rules contained in this tariff shall apply to transportation by underlying carriers (independent-contractor subhaulers) when such transportation is performed for other carriers, as provided in Item No. 94.</p>
Δ25	<p style="text-align: center;">APPLICATION OF TARIFF - GENERAL</p> <p>Rates in this tariff do not apply to the transportation of:</p> <p>(a) Property of the United States or property transported under an agreement whereby the United States contracted for the carrier's services.</p> <p>(b) Disaster Supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of disaster or state of extreme emergency.</p> <p>Δ(c) Property for which rates are provided in Minimum Rate Tariff 17, when said property is transported under the provisions of such tariff.</p> <p>For rates for the transportation of commodities in dump truck equipment, other than as provided in this tariff, see City Carriers' Tariff No. 1-A, Minimum Rate Tariff No. 1-B, 2, 5, 9-B or 17, as the case may be.</p>
30	<p style="text-align: center;">APPLICATION OF TARIFF - TERRITORIAL</p> <p>Rates in this tariff apply for transportation between all points within the State of California.</p>

REFERENCES TO ITEMS AND OTHER TARIFFS

35 Unless otherwise provided, references herein to item numbers in this or other tariffs include references to such numbers with letter suffix, and references to other tariffs include references to amendments and successive issues of such other tariffs.

COMPUTATION OF DISTANCES

40 Distances to be used in connection with distance rates named herein shall be the actual mileages traversed, including any detour to and from scales to obtain weight of shipment.

Δ Change, neither increase nor reduction, } Decision No. 70681

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