

Decision No. 71621**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 uncrated new furniture (commodities for which rates are provided in Minimum Rate Tariff No. 11-A).

Case No. 5603
Petition for Modification
No. 33
(Filed September 12, 1966)

A. D. Poe, H. F. Kollmyer and R. W. Smith, for California Trucking Association, petitioner.
R. C. Fels, for Furniture Manufacturers Association of California; and A. Stanley Hayes, for Sears Roebuck and Company; interested parties.
Sam O. Sciortino, for Lad's Furniture Freight, Inc.;
John V. Driskell, for Driskell Trucking, Inc.;
and E. L. Cunningham, for North American Van Lines, Inc.; respondents.
George L. Hunt and J. M. Jenkins, for the Commission staff.

O P I N I O N

This matter was heard and submitted on October 5, 1966, before Examiner Mallory at Los Angeles. There were no protests.

California Trucking Association (CTA) seeks increases of 2-1/2 percent in the minimum rates and charges for the transportation of uncrated new furniture contained in Minimum Rate Tariff No. 11-A. The rates in said tariff were last increased pursuant to Decision No. 70212, dated January 11, 1966. According to that decision, at the time of hearing, CTA was in the process of developing data for new cost and rate studies of the transportation of new furniture, but was awaiting the outcome of a docket proceeding before the National Classification Board involving revision of class ratings on new furniture in the National Motor Freight Classification before finalizing its studies. The presentation made by CTA in the proceeding leading to Decision No. 70212

showed that operating expenses of carriers engaged in the transportation of uncrated new furniture had increased because of increased labor costs effective November 1, 1965, as a result of collective bargaining agreements with drivers, helpers and terminal employees. The record in that proceeding showed that the proposed increases in rates were developed by first determining the percentage of increase in labor rates in the two basic operating areas (Southern California and San Francisco Bay area), and then adjusting said percentages by the ratios of labor costs to total costs in each area. The ratios of labor costs to total costs were those contained in a prior study made by CTA. Such ratios were 64.36 percent for operations in Southern California and 64.79 percent for operations in the San Francisco Bay area. CTA also presented profit and loss statements of three carriers in Southern California and two carriers in the San Francisco Bay area, covering the periods of the year ended December 31, 1964 and the six months ending June 30, 1965. The composite operating ratio for the three Southern California carriers was 96.6 percent for the year 1964 and 97.0 percent for the six-month period in 1965.

In the instant proceeding, cost evidence similar to that developed in the prior proceeding was presented by CTA's assistant director of its Division of Transportation Research. This evidence showed that wage costs under Southern California labor agreements would increase by 3.90 percent, and under San Francisco Bay area agreements such costs would increase by 3.46 percent.^{1/} These percentage increases in labor costs were weighted by the same ratios of labor costs to total costs used in prior studies. The resulting increases in costs developed by the witness were 2.51 percent for

^{1/} The effective dates of the Southern California and San Francisco Bay area labor agreements were November 1, 1966 and July 1, 1966, respectively. The study also measured changes in Workmen's Compensation Insurance, effective October 1, 1966.

Southern California, 2.24 percent for the San Francisco Bay area, and 2.38 percent as a statewide average. The witness stated that in arriving at its proposal, CTA had rounded such figures to 2.5 percent.

The witness testified that CTA is now prepared to complete the full-scale rate and cost studies on uncrated new furniture undertaken by it. Such studies should be ready for presentation in final form about the end of the current year. The witness explained that since the submission of the last proceeding the National Classification Board docket relating to new furniture had been withdrawn for further study. The witness believed that substantial revision of the initial classification proposals would be made and that such revisions would not be forthcoming in the near future. Therefore, no reason now appears to withhold completion of CTA's studies.

The witness stated that CTA intended to introduce profit and loss statements for representative carriers, to indicate current operating results, but stated that such information was available from only one carrier. The witness testified that in 1965 there were eight carriers in Southern California and two carriers in the San Francisco Bay area who obtained substantial revenues from services under rates in Minimum Rate Tariff No. 11-A. Several of these carriers do not file annual reports with the Commission. Of those that do, only three carriers in Southern California and one in Northern California engage principally in the transportation of uncrated new furniture. He concluded that operating statements of carriers who transport primarily commodities other than new furniture would not be meaningful.

The 1964 and 1965 annual reports of the carriers listed below were incorporated into the record by reference. The operating ratios contained therein are as follows:

Comparison of Operating Ratios (Percent)
For Years 1964 and 1965*

<u>Year</u>	<u>Southern California</u>		
	<u>Driskell Trucking, Inc.</u>	<u>K.K.W. Trucking, Inc.</u>	<u>Lad's Furniture Freight, Inc.</u>
1964	105.2	98.5	96.0
1965	105.6	98.5	97.6
<u>San Francisco Bay Area</u>			
<u>Safe Transportation Company</u>			
1964	101.7		
1965	99.1		

* In some cases the expenses shown in the annual reports reflect transactions between affiliated companies which may not be appropriate for rate making purposes.

The representative of the Furniture Manufacturers Association of California, while not opposing the sought increases in this proceeding, urged that further adjustments in the rates in Minimum Rate Tariff No. 11-A be made upon current full-scale studies, rather than on the method followed herein. He pointed out some of the many changes in operating conditions and practices which had occurred in the new furniture industry since the last full-scale studies were made in 1946.

The representative of Sears Roebuck and Company supported the requested increases.

We find that:

1. Increases in rates and charges in Minimum Rate Tariff No. 11-A, as 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 services to which they apply:

- (a) Item No. 90 (Charges for Accessorial Services or Delays), and Item No. 100 (Minimum Charge): 2.38 percent.
- (b) Item No. 60 (Application of Rates) and Item No. 400 (Distance Rates):
 - (1) Column A rates and charges: 2.50 percent.
 - (2) Column B rates and charges: 2.24 percent.
- (c) Item No. 410 (Point-to-Point Rates): 2.50 percent.

2. To the extent that the provisions of Minimum Rate Tariff No. 11-A heretofore have been found to constitute the just, reasonable and nondiscriminatory 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 just, reasonable and nondiscriminatory 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.

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 January 7, 1967; 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 January 7, 1967.

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 24th day of NOVEMBER, 1966.

President

Fredrick B. Hollett

William H. Beussel

Angela

Commissioners

Commissioner George G. Crowe did not participate in the disposition of this proceeding.

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

Appendix A to Decision No. 71621

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

Authorized by Said Decision

Eleventh Revised Page 6

Tenth Revised Page 7

Eleventh Revised Page 15

Ninth 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="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Minimum Weight</u></th> <th style="text-align: center;"><u>◇Column A(1)</u></th> <th style="text-align: center;"><u>◇Column B(2)</u></th> </tr> </thead> <tbody> <tr> <td>Any Quantity</td> <td style="text-align: center;">120</td> <td style="text-align: center;">120</td> </tr> <tr> <td>500 Pounds</td> <td style="text-align: center;">103</td> <td style="text-align: center;">106</td> </tr> <tr> <td>2,000 Pounds</td> <td style="text-align: center;">97</td> <td style="text-align: center;">103</td> </tr> <tr> <td>4,000 Pounds</td> <td style="text-align: center;">73</td> <td style="text-align: center;">70</td> </tr> <tr> <td>6,000 Pounds</td> <td style="text-align: center;">(3)</td> <td style="text-align: center;">(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	120	120	500 Pounds	103	106	2,000 Pounds	97	103	4,000 Pounds	73	70	6,000 Pounds	(3)	(3)	660
<u>Minimum Weight</u>	<u>◇Column A(1)</u>	<u>◇Column B(2)</u>																	
Any Quantity	120	120																	
500 Pounds	103	106																	
2,000 Pounds	97	103																	
4,000 Pounds	73	70																	
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-	235	118
(b) For unit of equipment —	55	28

690

Change)
Increase) Decision No. 71621

EFFECTIVE JANUARY 7, 1967

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Correction No. 61

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. 0343 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles. 2. 0399 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. 71621

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Correction No. 65

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		
Over	But Not Over	Column A(2)	Column B(3)	Column A(2)	Column B(3)	Column A(2)	Column B(3)	
0	5	207	171	151	145	117	133	
5	10	211	179	154	154	121	142	
10	15	215	188	160	164	125	148	
15	20	226	195	166	172	130	155	
20	25	230	202	171	178	134	163	
25	30	232	211	175	185	139	175	
30	35	236	218	177	194	146	182	
35	40	243	227	182	200	150	189	
40	45	247	233	188	207	154	195	
45	50	251	241	191	217	157	204	
50	60	260	250	199	228	164	214	
60	70	269	267	207	245	174	231	
70	80	282	284	217	261	181	247	
80	90	293	299	223	276	190	261	
90	100	300	317	236	292	199	277	
100	110	312	330	245	307	207	293	400
110	120	320	348	251	322	215	310	
120	130	330	362	261	337	222	323	
130	140	338	378	271	355	232	339	
140	150	347	395	280	371	241	358	
150	160	355	405	283	381	247	368	
160	170	363	414	293	390	254	375	
170	180	371	422	297	396	264	383	
180	190	380	427	303	404	273	390	
190	200	388	438	320	411	281	399	
200	220	402	447	333	424	296	411	
220	240	417	463	347	438	311	425	
240	260	436	476	364	454	326	440	
260	280	456	495	380	470	340	456	
280	300	474	508	395	485	356	470	
300	325	492	528	413	502	361	488	
325	350	514	545	431	519	388	507	
350	375	532	566	451	538	407	528	
375	400	550	585	470	557	423	545	
400	425	563	602	486	575	441	565	
425	450	586	634	509	599	470	591	
450	475	611	660	531	628	488	618	
475	500	636	687	551	652	507	644	
500	525	659	711	573	681	526	668	
525	550	684	735	596	711	545	695	

550	575	708	764	616	736	564	723
575	600	733	790	639	763	581	751
600	625	756	818	662	785	601	776
625	650	782	842	684	819	617	804
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, 023 cents per 100 pounds for each 25 miles or fraction thereof.

⚡ Change)
 ⬆ Increase) Decision No. **71621**

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 Correction No. 66

SECTION NO. 3 - RATES (Continued)

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	559	481	434

- 6410
- (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.
 - (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.

◇ Change)
 ◇ Increase) Decision No. **71621**

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