

ORIGINAL

Decision No. 72019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SHEEDY DRAYAGE CO., requesting that)
 the Commission issue an ex parte)
 order authorizing Sheedy Drayage Co.)
 to increase rates and charges for)
 extra labor and for transportation)
 requiring specially skilled labor)
 and special equipment, as provided)
 in Items 420 and 450 of its Local)
 Freight Tariff No. 1, Cal. P.U.C.)
 No. 2, and for authority to depart)
 from the terms of Sections 460 and)
 454 of the Public Utilities Code in)
 accomplishing proposed publication.)

Application No. 49037
 Filed December 19, 1966

O P I N I O N

Applicant operates as a highway common carrier for the transportation of specialized commodities, including property transported for contractors: (1) necessary or incidental to the establishment, maintenance or dismantling of pipelines; (2) material and equipment used in the construction of roads, dams, bridges, and in mining; and (3) material and equipment used in the construction of, and destined to, power and compressor plants. Applicant maintains hourly rates for the transportation of commodities of unusual size, bulk or weight, requiring special equipment or special handling, and for extra labor furnished in connection therewith. Applicant seeks authority to increase said hourly rates and extra labor charges.

The application avers that the Commission has not established minimum rates or accessorial labor charges in connection with

the transportation of commodities of abnormal size or weight which, because of such size and weight, require the use of and are transported on lowbed trailers. The increases sought herein assertedly are to reflect the increased labor costs which were given consideration by the Commission in the adjustment of the general commodity minimum rates in Minimum Rate Tariff No. 2 pursuant to Decision No. 69330, dated June 27, 1965, in Case No. 5432, Petition No. 377, and in Decision No. 70963, dated July 15, 1966, in Case No. 5432, Petitions Nos. 416 and 419.

The application states that the last revisions of the rates and charges involved herein reflected applicant's wage costs contained in collective bargaining agreements effective July 1, 1964 and related payroll costs, and that two changes in said agreements subsequently became effective on July 1, 1965 and July 1, 1966. A comparison between applicant's July 1, 1964 and July 1, 1966 straight time hourly wage and payroll costs for various classes of labor involved in heavy hauling shows that such labor cost increases range from 6.0 to 41.23 percent and average 31.62 percent. Teamster wage costs have increased 6.5 percent, engineers wage costs 18.19 percent and crane oilers' wage costs by 23.84 percent.

The application avers that as a result of such wage and payroll costs, applicant's present rates and charges per hour are now noncompensatory and are below a reasonable level for the service performed. Applicant proposes to increase its hourly rates and charges contained in Items 420 and 450 of its Local Freight Tariff No. 1, Cal. P.U.C. No. 2 to offset such increases in hourly wage and payroll costs. With respect to extra labor, applicant proposes that the hourly charges in Item No. 420 be increased to reflect the

wage increases applicable to each of the particular job classifications listed therein. The average increase reflected in the proposed hourly charges for extra labor is 18.44 percent. Applicant proposes to increase the rates for equipment units and drivers or other personnel by the amount of increase in wage and payroll costs applicable to the job classifications of the personnel involved.

The application indicates that approximately 5 percent of applicant's total revenues are derived from the rates and charges involved herein. Applicant has an affiliated permit carrier service which obtains approximately 80 percent of its operating revenues from heavy hauling and rigging services at rates on the same levels as applicant's current rates. Operating statements for the two companies for the first nine months of 1966 are included in the application. They show that applicant's overall operations were profitable; but that its affiliate, which obtained the preponderance of its revenues from rates on the levels sought to be increased, sustained an operating loss for the period.

The application was listed on the Commission's Daily Calendar of December 20, 1966. The California Trucking Association, by letter dated December 28, 1966, advised the Commission that the proposed relief has been considered by that organization, and that it has no objection to ex parte consideration of the matter. No protests have been received.

In the circumstances, it appears, and the Commission finds, that the increases in rates sought herein are justified, and that applicant should be relieved from the long- and short-haul provisions of the State Constitution and Public Utilities Code to the

extent necessary to publish the increased rates hereinafter authorized. A public hearing is not necessary. The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Sheedy Drayage Co. is authorized to establish the increased rates and charges proposed in Application No. 49037. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the date hereof on not less than ten days' notice to the Commission and the public.

2. Applicant, in establishing and maintaining the rates and charges authorized hereinabove, is authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to comply with this order, and schedules containing the rates published under this authority shall make reference to this order.

3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 15th day of FEBRUARY, 1967.

[Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners