

**ORIGINAL**Decision No. 72933

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 household goods carriers, }  
 common carriers, highway carriers, }  
 and city carriers, relating to the }  
 transportation of used household }  
 goods and related property. }

Case No. 5330  
 Petition for Modification No. 31  
 (Filed February 16, 1967)

Charles A. Woelfel and Knapp, Gill, Hibbert & Stevens, by Wyman C. Knapp, for California Moving & Storage Association, Inc., petitioner.  
Gerald M. Poznanovich, Robert C. Johnson, Alfred D. Sund, John F. Bevan, Geoffrey L. Little, C. R. Bonetti and T. R. Travers, for various household goods carriers, respondents.  
Kenneth R. Hansen and Charles F. Gerughty, for the Commission staff.

O P I N I O N

Minimum Rate Tariff No. 4-B names rates for the transportation of used household goods. For "local" moving, hourly rates are applicable. For rate purposes, the State is divided into two territories. Higher rates apply in Territory A due to higher labor costs.<sup>1/</sup> By this petition the California Moving & Storage Association, Inc., seeks to have Sonoma County included in Territory A.

Public hearing on the petition was held before Examiner Turpen at San Francisco on April 7, 1967. Evidence was presented on behalf of petitioner by the Assistant Director of the Division

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<sup>1/</sup> Territory A consists of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo and Santa Clara. Territory B consists of the balance of the State.

of Transportation Economics of the California Trucking Association. Members of the Commission's staff assisted in developing the record by cross-examination of the witness.

Petitioner alleges that due to renegotiated labor contracts, drivers', helpers' and packers' wages in Sonoma County have been increased to a point where they are now comparable to those prevailing throughout Territory A.

Petitioner's witness presented a study showing development of total hourly costs for Locals 315 (Contra Costa County) and 624 (Marin and Southern Sonoma Counties), both now in Territory A, and for Local 980 (Northern Sonoma, Lake and Mendocino Counties). These total costs are shown in Table I, below:

Table I

Total Hourly Costs\*

	<u>Local 315</u>	<u>Local 624</u>	<u>Local 980</u>
Drivers and Packers	\$5.4295	\$5.5134	\$5.3833
Helpers	\$5.3441	\$5.1576	\$5.2195

\* As of October 7, 1966.

The witness testified that prior to establishment of the present tariff in 1963, the Bay Area consisted of two rate territories, based on differences in labor costs. At that time the two territories were combined into one. The witness's exhibit quoted the following passage from Decision No. 65521, establishing the present territories:

"The present hourly rates for moving and for packing and unpacking are prescribed for three different areas. Territory 'AA' consists of the City and County of San Francisco and the counties of San Mateo and Santa Clara; Territory 'A' embraces the counties of Alameda, Contra Costa and Marin; Territory 'B' includes those portions of the state which are exterior to Territories 'AA' and 'A'. The different levels of hourly rates in the three territories were designed to reflect the differences in the prevailing wage scales in the respective areas. Territory 'AA' was created as a separate territory effective June 11, 1960, having prior thereto been a part of Territory 'A'. At that time the minimum rates for Territory 'AA' were set at 50 cents per hour above the corresponding rates in Territory 'A'. At the present time the difference amounts only to ten cents per hour. Cost studies made by the witnesses disclose currently that there is very little difference in the basic wage rates in these two territories. This being the case, it is proposed both by petitioner and the staff that Territories 'A' and 'AA' be again made into a single territory to be designated Territory 'A'. Such action, it has been pointed out, will simplify the tariff."

It is upon the above statement in Decision

No. 65521 that petitioner relies in its request that Sonoma be included in Territory A, as petitioner's contention is that now the difference in labor costs is below the amount warranting a difference in rates.

On cross-examination, it was developed that both Locals 315 and 624 had cost-of-living increase provisions, while Local 980 did not, so that costs outside of Sonoma County had increased by an amount, not disclosed by the record, over those in Sonoma County since October 7, 1966. The record thus does not show that the costs now existent in Sonoma County are close enough to those in Territory A to warrant providing equal rate treatment. Furthermore, pursuant to Petition No. 32 in Case No. 5330, the statewide hourly rate structure is being studied, and it is in that proceeding that any adjustments in the territories should be made.

The Commission finds that:

1. Petitioner has not shown that the present labor costs in Sonoma County are comparable with the costs in Territory A.
2. Petitioner has not shown that the labor costs in Sonoma County warrant inclusion of that area in Territory A.
3. The designation of boundaries of the various rate territories should be considered in connection with the statewide study of household moving costs and rates, and the present petition is premature.

We conclude that the petition should be denied.

O R D E R

IT IS ORDERED that Petition for Modification No. 31, in Case No. 5330, is denied.

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

Dated at San Francisco, California, this 22nd day of AUGUST 1967.

[Signature]  
President  
[Signature]  
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Commissioners