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Decision No.

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)P carriers, and city carriers) relating to the transportation of) property within San Diego County) (transportation for which rates) are provided in Minimum Rate Tariff) No. 9-B).

) Case No. 5439)Petition for Modification No. 57) (Filed April 14, 1967,) Amended May 23, 1967)

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 <u>Arlo D. Poe, H. F. Kollmyer</u> and J. C. Kaspar, for California Trucking Association, petitioner.
 <u>Norman R. Ludolph</u>, for Coast Delivery Service;
 <u>W. Ross Starkey</u> and <u>Rod Starkey</u>, for Pacific Messenger Service, respondents.
 <u>E. J. Langhofer</u>, for San Diego Chamber of Commerce, Interested party.
 <u>R. J. Staunton</u> and <u>J. M. Jenkins</u>, for the Commission staff.

<u>O P I N I O N</u>

By this petition, as amended, the California Trucking Association (CTA) seeks increases in the rates and charges named in Minimum Rate Tariff No. 9-B governing the transportation of general commodities by highway and city carriers within the San Diego Drayage Area. The increases average about 6 percent.

Public hearing was held on June 5, 1967 at San Diego before Examiner Gagnon. Evidence was presented by the CTA's assistant director of transportation economics. Representatives of the Commission staff and of the San Diego Chamber of Commerce assisted in developing the record.

The present rates and charges named in Minimum Rate Tariff No. 9-B reflect carrier labor costs and allied payroll expenses as of July 1, 1966. Petitioner's witness testified that, since the minimum

1/ Decision No. 71086, dated August 2, 1966 and Decision No. 71191, dated August 23, 1966, in Case No. 5439.

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rates were last generally adjusted, the cost of transportation within the San Diego Drayage Area has substantially increased. The CTA witness explained that such increase in costs has resulted primarily from increases in wage rates and allied payroll expenses generally effective as of April 1, 1967. Petitioner avers that, pursuant to recent negotiations with union representatives, a new three-year labor contract has been ratified. The new labor agreement will assertedly affect substantially all categories of employees of highway and city carriers. The cost evidence shows that basic hourly wage rates, exclusive of increases in so-called "fringe benefits", were increased 25 cents per hour, which amount includes an 11-cent per hour cost-of-living adjustment. The CTA's witness also presented information concerning the increases in payroll taxes involving carrier contributions to social welfare programs (Social Security . Taxes and the California Unemployment Insurance Fund) and workmen's compensation insurance. The witness further testified that additional employee vacation allowances and funeral leave provisions under the new labor agreement were not reflected in petitioner's cost projections due to the absence of carrier operating experience thereunder. The witness also explained that the cost of labor and allied payroll expenses constitute approximately 74 percent (64 percent direct labor costs and 10 percent allied payroll expenses) of the total expenses experienced by the for-hire carriers involved.

As a result of the increases in operating costs which have occured since July 1, 1966, it is alleged that the established minimum rates and charges provided in Minimum Rate Tariff No. 9-B are unreasonably low for the transportation governed thereby. The upward adjustments in the minimum rates and charges proposed by petitioner are assertedly necessary as compensation for the increases in operating costs experienced by highway and city carriers since the last general revision of the San Diego minimum drayage rates.

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The method employed to determine the percentage increases in rates and charges deemed necessary to offset the increases in operating costs was explained. The CTA witness stated he took the operating cost information previously accepted by the Commission (Decision No. 71086) and substituted the April 1, 1967 labor and allied payroll cost factors for the July 1, 1966 computations. From these revised cost figures the percentage increase in 1967 operating costs over the 1966 costs was then calculated. Such datum plane comparison of operating costs was then used as a basis for the proposed percentage increase in the minimum drayage rates involved.

The evidence clearly demonstrates that as of April 1, 1967, for-hire carriers engaged in transportation within the San Diego Drayage Area have been subjected to increases in their operating costs. It has also been shown that no provisions are included in the established rates in Minimum Rate Tariff No. 9-B for the purpose of compensating the for-hire carriers for said increases in operating costs.

The Commission finds that the increases, with the exception of increases in pool lot rates, are justified and will result in just, reasonable and nondiscriminatory minimum rates.

In connection with Fetitioner's request for increases in rates for pool lot shipments, the Commission takes official notice of the decision of the U.S. District Court in the so-called Assembly and Distribution Case (Baltimore Shippers and Receivers, Inc., et al. v. Public Utilities Commission, U.S. District Court for Northern California Civil Nos. 45076, 45123 & 45576). That decision struck down the application of Commission minimum rate tariffs as applied to the distribution of interstate traffic for non-profit shipper associations within exempt commercial zones. The decision also made certain

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broad pronouncements concerning state power to regulate any interstate transportation which is exempt from federal regulation. Because of the questions raised by the court's opinion the Commission finds that pending final disposition thereof by the reviewing courts, the sought increases in rates for pool shipments have not been shown to be appropriate.

The Commission further finds that to the extent that the provisions of Minimum Rate Tariff No. 9-B have been found heretofore to constitute reasonable minimum rates and rules for common carriers as defined in the Public Utilities Act, said provisions, as hereinafter adjusted, are, and will be, reasonable minimum rate provisions for said common carriers. To the extent that the existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for said carriers, to that same extent the rates and charges of said carriers are hereby found to be, now and for the future, unreasonable, insufficient and not justified by the actual competitive rates of competing carriers or by the costs of other means of transportation.

In addition to increases in the rates and charges in Minimum Rate Tariff No. 9-B, petitioner's proposals in this matter also include a request that certain common carriers be authorized to make corresponding increases in their rates for the transportation of exempt commodities - commodities which are not subject to the rates in Minimum Rate Tariff No. 9-B. Requests in this proceeding for similar authority have heretofore been found to be justified in those instances in which the exempt commodities are transported at the level of the minimum class rates and under the same transportation conditions as those which apply to transportation which is subject to the minimum class rates. Inasmuch as in these circumstances the increased costs shown herein would also apply to the transportation of the exempt commodities, we find that increases authorized herein for the exempt commodities are likewise justified.

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In connection with the establishment of increased rates in conformity with the order herein, petitioner asks that common carriers be relieved from the long-and short-haul prohibitions of Article XII, Section 21, of the Constitution of California and Section 460 of the Public Utilities Code. Where common carriers have been heretofore authorized to depart from the long-and short-haul prohibitions, their outstanding authorities will be modified to the extent necessary to carry out the effect of the order herein.

The Commission concludes that Minimum Rate Tariff No. 9-B should be amended to incorporate the increased rates and charges herein found to be reasonable and that in other respects the petition should be denied.

<u>o r d e r</u>

IT IS ORDERED that:

1. Minimum Rate Tariff No. 9-B (Appendix A of Decision No. 67766, as amended) is further amended by incorporating therein, to become effective September 23, 1967, the revised pages attached hereto and listed in Appendix A also attached hereto, which pages and appendix by this reference are made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to said Decision No. 67766, as amended, are directed to establish in their tariffs the rate increases necessary to conform with the further adjustments herein of that decision.

3. Except as is otherwise stated hereinbelow, the increased class rates, surcharges, minimum charges and accessorial charges which are established by ordering paragraph 1 hereof, be, and they hereby are, authorized to be made applicable to the transportation

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of the commodities listed in Items Nos. 50 and 51 of Minimum Rate Tariff No. 9-B, by common carriers (as defined in Section 211 of the Public Utilities Act), except common carriers by railroad with respect to their carload rates and charges and common carriers by vessel, provided (a) that said transportation is performed between origins and destinations which are both located within the San Diego Drayage Area (as described in Minimum Rate Taxiff No. 9-B); and (b) that said transportation is now subject to class rates in the tariffs of said common carriers.

EXCEPTIONS: The rate increase authority which is granted by this paragraph does not apply,

- To transportation for which minimum rates apply (1)in accordance with the provisions of other minimum rate tariffs of the Commission; and To transportation which is being performed
- (2) by dump or tank vehicles.

Tariff publications required or authorized to be made by 4. 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; such tariff publications as are required shall be made effective not later than September 23, 1967; and as to tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

5. 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

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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.

6. Except as is otherwise provided herein, Petition for Modification No. 57, as amended, in Case No. 5439, is hereby denied.

7. In all other respects said Decision No. 67766, as amended, shall remain in full force and effect.

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

	Dated at _	San F-n-misco	_, California, this <u>22</u>
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			William Aquons A
		~	And P. M. mosey Commissioners

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APPENDIX A TO DECISION NO. 72950

List of Revised Pages to Minimum Rate Tariff No. 9-B Authorized by Said Decision

> Third Revised Page 20 Third Revised Page 21 Third Revised Page 22 Third Revised Page 29 Fourth Revised Page 34 Fourth Revised Page 44 Fourth Revised Page 47 Fourth Revised Page 49

(END OF APPENDIX A LIST)

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MINIMUM RATE TARIFF NO. 9-B

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
ALTERNATIVE APPLICATION OF COMMON CARRIER RATES Common carrier rates (including common carrier railroad switching rates) may be applied in lieu of the rates provided in this tariff when such common carrier rates produce a low- er aggregate charge for the same transportation between the same points of origin and destination and for the same ac- cessorial services than results from the application of the rates herein provided.	
When the common carrier rate used does not include ac- cessorial services performed by the carrier, the following charges for such accessorial services shall be added: (See Note)	
(a) For loading onto carrier's equipment, the charges provided in paragraph (d).	
(b) For unloading from carrier's equipment, the charges provided in paragraph (d).	
(c) For other accessorial services for which charges are provided in this tariff, the additional charge or charges so provided.	\$110
(d) 06 cents per 100 pounds.	
NOTEIn 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 (which- ever is the higher) applicable in connection with the common carrier rate shall be used.	
¢ Change) ¢ Increase) Decision No. 72950	
EFFECTIVE SEPTEMBER 23, 196	57
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MINIMUM RATE TARIFF NO. 9-B

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
ACCESSORIAL SERVICE 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. 140. The charge therein provided for unit of equipment shall apply whenever the accesso- rial 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.	120
DELAYS TO EQUIPMENT 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. 140.	130
CHARGES FOR ACCESSORIAL SERVICES OR DELAYS For accessorial services or delays under the conditions specified in Items Nos. 120 and 130, charges shall be assessed for each period or fraction thereof, as follows: <u>Charges in Cents</u> For Each For First Additional 30 Minutes 15 Minutes (a) For driver, helper or other employee, per man	ø140
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EFFECTIVE SEPTEMBER 23, 1967	
Issued by the Public Utilities Commission of the State of Cali San Francisco, Cali Correction No. 59	

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MINIMUM RATE TARIFF NO. 9-B

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
CHARGES FOR ESCORT SERVICE In addition to all other applicable rates and charges named in this tariff, the following charges shall be assessed on shipments requiring escort service:	
 (a) A charge of \$\$7.70 per hour, plus 9 cents per actual mile, shall be made for each escort vehicle and driver furnished, for the time and distance said vehicle and driver are engaged in such ser- vice. (See Notes 1 and 2) 	
(b) A charge shall be made equal to the actual cost of any bridge or ferry tolls incurred for each escort car.	
NOTE 1Service shall commence with departure of each escort vehicle from its point of dispatch and terminate with the return of each escort car to its point of dispatch, excluding off-duty hours.	ø150
NOTE 2Charges for fractions of an hour shall be determined in accordance with the following table:	
MINUTES But Over Not Over 0 8 omit 8 23 shall be ½ hour 23 38 shall be ½ hour 38 53 shall be ½ hour 53 60 shall be 1 hour	
CHARGES FOR PERMIT SHIPMENTS	
In addition to all other applicable rates and charges named in this tariff, the following charges shall be assessed on shipments requiring transportation permits: (a) A charge of 0\$9.25 shall be made for the service	ø160
of securing each permit, and (b) A charge shall be made equal to the fee, if any, assessed by the governmental agency for issuing each permit.	
ø Change) ◇ Increase) Decision No. 72950	
EFFECTIVE SEPTEMBER 23, 196	
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MINIMUM RATE TARIFF NO. 9-B

SECTION NO	. 1 - RULES AND REGU	LATIONS (Continued)	Item No.
shipment shall k	MINIMUM CHARG otherwise provided, t be as follows: (See Chipment_ (In Pounds)	he minimum charge per	
<u>Over</u> 0 25 50 75 100	But <u>Not Over</u> 25 50 75 100 150	<u>Charge (In Cents)</u> 220 255 295 315 340	
150 200 250 300 400 500 600 700 800 900	200 250 300 400 500 600 700 800 900	365 385 410 445 480 530 575 615 675 740	\$210
NOTE Will visions of Item	not apply on shipme No. 420. Decision No. 72	nts made under the pro-	
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MINIMUM RATE TARIFF NO. 9-B

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
SPLIT DELIVERY	,
The rate for transportation of a split delivery ship- ment shall be the rate applicable for the rate base deter- mined as follows:	
 (a) When point of origin and all points of destina- tion are within a single zone, apply rate for rate basis B, subject to Notes 1, 2, and 3; 	
(b) When point of origin and all points of destina- tion are within the area encompassed by two adjoining Metropolitan Zones, apply rate for rate basis C, subject to Notes 1, 2, and 3 (Metropolitan Zone 305 does not adjoin any other zone, except Metropolitan Zone 311, for the purposes of this rule);	
(c) For all other shipments, apply rates for rate basis F, subject to Notes 1, 2, and 3.	
NOTE 1For each split delivery shipment a single bill of lading or shipping order shall be issued. It shall des- cribe the kind and quantity of property for the entire shipment, and bear the date such property is physically accepted by the carrier. At the time of or prior to the tender of the shipment the carrier shall be furnished with written instructions showing the name of each con- signee, the point or points of destination, and a des- cription of the kind and quantity of property in each component part of the split delivery shipment.	& <u>3</u> 00
NOTE 2If shipping instructions do not conform with the requirements of Note 1 hereof, each component part of the split delivery shipment shall be rated as a separate shipment under other provisions of this tariff. When shipping instructions do conform with the requirements of Note 1 hereof, component parts of split delivery shipments shall not be treated as separate shipments.	
NOTE 3In addition to the rate for transportation, the following additional charges shall be assessed for split delivery service:	
Weight of Component \diamond Split DeliveryParts (Pounds)Charge for EachOver But Not OverComponent Part in Cents	
0 500 165 500 1000 195 1000 2000	

NOTE 4.-Rates provided in this tariff do not apply to transportation of split delivery shipments unless point of origin and all points of destination are within the San Diego Drayage Area. When point of origin or one or more points of destination are located outside of the San Diego Drayage Area, rates in Minimum Rate Tariff No. 2 shall apply.

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MINIMUM RATE TARIFF NO. 9-B

_	SECTIO	ON NO.	2 -	RATE	BASES	and I	VATES	(Cont	inue	1)			Item No.
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B	92	83	74	65	74	66	59	52	55	50	44	39	
С	104	94	83	73	82	74	65	57	65	58	52	45	
a	116	104	93	81	91	82	73	64	73	65	58	51	
E	124	112	99	87	102	91	81	71	79	71	63	55	
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D	54	49	43	38	42	38	34	294	33	297	264	23	
E	62	56	50	43	46	42	37	32	37	33	295	26	
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MINIMUM RATE TARIFF NO. 9-B

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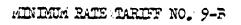
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 Weight in Pounds) (See Note 2) (See Note 2) (
action covers a period in excess of one day, time consumed in driving from last point of destination to the carrier's terminal at the close of one day's business, and from the carrier's ter- minal to the point of origin at the beginning of the next day's business will not be included in computing the chargeable time. (b) In computing time for trailer shuttle service no time shall be charged for the movement of truck tractors without load or for trailers or semitrailers without power unit except when such trailers are being loaded or unloaded.

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(c) In computing time under the basis outlined in paragraphs (a) and (b) hereof the various time factors shall not be less than the actual time involved in minutes. After the total time has been determined under the provisions of paragraph (a) hereof, it shall be converted into hours and fractions thereof. Fractions of an hour shall be determined in accordance with the following table:

Less than 8 minutes ----- omit. 8 minutes or more but less than 23 minutes shall be ½ hour. 23 minutes or more but less than 38 minutes shall be ½ hour. 38 minutes or more but less than 53 minutes shall be ½ hour. 53 minutes or more shall be 1 hour.

NOTE 2.-The normal carrying capacity of each vehicle unit shall be determined by the carrier based upon that amount of property in pounds, which physically can be loaded therein and safely transported under normal conditions.

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