

Decision No. 74869**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 sand, rock,)
 gravel, and related items (commodities)
 for which rates are provided in)
 Minimum Rate Tariff No. 7).

Case No. 5437
 Petition for Modification
 No. 165
 (Filed May 21, 1968; Amended
 September 18, 1968)

Richard W. Smith, K. F. Kollmyer, and A. D. Poe, for California Trucking Association, petitioner.
E. O. Blackman, for California Dump Truck Owners Association; Scott J. Wilcott, for Southern California Rock Products Association; C. Fred Imhof, for Industrial Asphalt, Inc.; Harry C. Phelan, Jr., for California Asphalt Pavement Association; G. Ralph Grago, for Associated Independent Owner-Operators, Inc.; David K. Graham and S. A. Moore, for Kaiser Cement & Gypsum Corp.; E. J. Bertana, for Pacific Cement & Aggregates; Jack Cedarblade and E. J. Bertana, for Northern California Ready Mixed Concrete & Materials Association, interested parties.
Robert E. Walker and Robert W. Stich, for the Commission staff.

O P I N I O N

In Section 4 of Minimum Rate Tariff No. 7 (MRT 7) minimum hourly rates are provided for the transportation of property in dump truck equipment by for-hire carriers from, to, and between California points located within Southern and Northern Territories as described in Items 100 and 110, respectively, of MRT 7.^{1/} The

1/ Southern Territory includes the counties of Santa Barbara, Ventura, Los Angeles, Orange, San Diego, Imperial, Riverside, San Bernardino, Inyo and Mono. All other counties comprise the Northern Territory which is subdivided into two districts (Item 315 of MRT 7) as follows:

- (a) Upper Northern District - Includes all of the Northern Territory except Kern and San Luis Obispo Counties;
- (b) Lower Northern District - Kern and San Luis Obispo Counties.

hourly dump truck rates include drivers' wages and apply to specified commodities transported for one shipper in one unit of dump truck equipment.

The hourly rates in Section 4 of MRT 7 were last revised by Decision No. 73257, effective December 10, 1967. In this proceeding the California Trucking Association requests that the hourly rates for straight time be increased 71 cents per hour (Upper Northern District) and 65 cents per hour (Lower Northern District and Southern Territory), with related increases in premium time rates, as an offset for like increases in wage costs and allied payroll expenses, which became effective subsequent to the last upward adjustment in the minimum hourly dump truck rates.

Public hearings on the petition were held before Examiner Gagnon at Los Angeles and San Francisco on July 31 and August 1, 1968, respectively. The matter was submitted subject to the receipt of (1) late-filed Exhibit No. 3 by the California Dump Truck Owners Association, which was received on August 5, 1968; and (2) late-filed Exhibit No. 4 by the California Trucking Association which was received on September 18, 1968.

Evidence in support of the petition was presented by the Assistant Director for the Division of Transportation Economics of the California Trucking Association. Petitioner's evidence shows that straight-time wages and so-called fringe benefits for dump truck drivers were increased 57 cents per hour in the Lower Northern District and Southern Territory as of August 1, 1968, and will be raised by 62 cents per hour in the Upper Northern District as of November 1, 1968, pursuant to (1) collective bargaining agreements between teamster unions and the Associated General Contractors; (2) upward adjustments in workmen's compensation insurance rates; and (3) other

allied payroll taxes and expenses. The proposed upward adjustment in rates reflects, in addition to increases in direct wage costs, an increment for increased indirect expenses attributable to higher wages involved therein, based upon an indirect expense ratio to direct costs of 5.1 percent. The increases in total direct and indirect costs thus determined were then further expanded by the established factor of 5.49 percent, to cover increases in taxes and insurance based upon gross revenues, and an operating ratio of 93 percent (before income taxes).

As in the case of the household goods rates under consideration in Decision No. 74678 of September 17, 1968, "the effect of the treatment of indirect expense upon rates in the instant case is not significant. We recognize, however, that the method of estimating indirect expenses in other proceedings involving minimum rates would have greater effect upon the determination of reasonable minimum rates. This case is not one in which the Commission should enunciate any policy or make any determination of any cost-finding procedure that should be followed in evaluating indirect expenses in the so-called offset proceedings in minimum rate cases." Accordingly, no such policy or determination will be made here.

The California Dump Truck Owners Association supports petitioner's rate proposal, subject to the amendments recommended in the former's late-filed Exhibit No. 3. Under the provisions of Items 366 and 368 of MRT 7 additional charges are provided which are to be added to the basic hourly rates named in Items 365 and 367 of the tariff when transportation services in Southern Territory are performed at times when "double time" and "time and one-half" wage rates are applicable. In Exhibit No. 3 the dump truck association notes that petitioner's proposed increases in the additive charges

set forth in Items 366 and 368 erroneously include the proposed increases in the basic hourly rates. The suggested correction to petitioner's rate proposal is proper and will be adopted.

The Associated Independent Owner-Operators, Inc., also indicated its support for the sought increase involved herein. No one appeared in opposition to petitioner's rate proposal.

The Commission finds that:

1. The present hourly dump truck rates set forth in Section 4 of Minimum Rate Tariff No. 7 do not reflect the increases in wage and allied payroll costs which have or will become effective generally as of November 1, 1968.

2. The increases in the minimum rates established on this record as necessary to compensate for increases in labor and allied payroll costs which have been incurred since the hourly dump truck rates were last increased effective December 10, 1967, pursuant to Decision No. 73257, are as follows:

Increase in Rates and Charges
(In cents per hour)

Items Nos. 360 and 367 (Upper Northern District)

Column M (straight time)	71
Column O (Sundays and Holidays)	106
Column P (Saturdays)	88

Items Nos. 361 and 367 (Lower Northern District)

Column M (straight time)	65
Column O (Sundays and Holidays)	88
Column P (Saturdays)	76

Items Nos. 365, 366, 367 and 368 (Southern Territory)

Straight time	65
Sundays and Holidays	22
Saturdays and over 8 hours	11

3. The increases in the minimum hourly rates and charges for dump truck transportation, as set forth in paragraph 2 hereof, have been justified and said rates and charges as so increased will be the just, reasonable, and nondiscriminatory minimum rates and charges for the services to which they apply.

The Commission concludes that Minimum Rate Tariff No. 7 should be amended as provided by the order which follows.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 7 (Appendix A of Decision No. 32566, as amended) is hereby further amended by incorporating therein, to become effective December 7, 1968, 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. In all other respects said Decision No. 32566, as amended, shall remain in full force and effect.
3. Except as otherwise provided herein, Petition for Modification No. 165, as amended, in Case No. 5437 is denied.

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

Dated at San Francisco, California, this 29th day of OCTOBER, 1968.

William Sproull
President
William Beards
Augusta

Commissioners
Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A TO DECISION NO. 74869

List of Revised Pages to Minimum Rate Tariff No. 7
Authorized by said Decision

Twenty-sixth Revised Page 42

Twentieth Revised Page 42-A

Twenty-first Revised Page 42-C

Fifth Revised Page 42-D

Third Revised Page 42-E

Second Revised Page 42-F

(END OF APPENDIX A)

Item No.	SECTION NO. 4--HOURLY RATES (Continued)						
360	COMMODITIES, as described in Item No. 320 (Items Nos. 360 and 361). (For Application of Rates see Item No. 362.)						
	Number of Axles Per Unit of Equipment	NORTHERN TERRITORY (See Item No. 110) (1) Rates in Cents per Hour (See Item No. 300)					
		Upper Northern District (See Item No. 315)					
		COLUMN A			COLUMN C		
		M	O	P	M	O	P
	2	1237	1767	1501	1174	1704	1438
3	1367	1925	1645	1291	1850	1570	
4	1492	2034	1763	1392	1934	1663	
5(2)	1614	2179	1896	1501	2066	1783	
5 or more (3)	1667	2232	1949	1545	2110	1827	
(1) Minimum charge shall be the rate for one hour. (2) Applies to units of equipment not meeting with the legal requirements for the maximum allowed load. (3) Applies to units of equipment meeting with the legal requirements for the maximum allowed load. (Continued in Item No. 361)							
Change) Increase) Decision No. 74869							
EFFECTIVE DECEMBER 7, 1968							
Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 1279							

Cancels

Item No.	SECTION NO. 4--HOURLY RATES (Continued)						
361	COMMODITIES, as described in Item No. 320 (Items Nos. 360 and 361). (For Application of Rates see Item No. 362.)						
	Number of Axles Per Unit of Equipment	NORTHERN TERRITORY (See Item No. 110) (1) Rates in Cents per Hour (See Item No. 300)					
		Lower Northern District (See Item No. 315)					
		COLUMN A			COLUMN C		
		M	O	P	M	O	P
	2	1188	1686	1436	1119	1615	1367
	3	1298	1802	1549	1217	1722	1469
4	1426	1920	1672	1317	1811	1564	
5(2)	1558	2083	1920	1428	1953	1690	
5 or more (3)	1609	2136	1873	1471	1996	1733	
<p>(1) Minimum charge shall be the rate for one hour. (2) Applies to units of equipment not meeting with the legal requirements for the maximum allowed load. (3) Applies to units of equipment meeting with the legal requirements for the maximum allowed load.</p>							
<p>∅ Change) ◊ Increase) Decision No. 74869</p>							
EFFECTIVE DECEMBER 7, 1968							
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 1280</p>							

Cancels

Item No.	SECTION NO. 4--HOURLY RATES (Continued)		
365	COMMODITIES, as described in Items Nos. 320 and 322. (For Application of Rates see Item No. 366)		
	Number of Axles Per Unit of Equipment	SOUTHERN TERRITORY (See Item No. 100) (1) Rates in Cents Per Hour (See Item No. 300) (See Note 1 in Item No. 366)	
		Column A	Column C
	2	1108	1072
	3	1206	1156
	4	1339	1282
5(2)	1458	1388	
5 or more (3)	1539	1469	
(1) Minimum charge shall be the rate for one hour. (2) Applies to units of equipment not complying with the legal requirements for the maximum allowed load. (3) Applies to units of equipment complying with the legal requirements for the maximum allowed load.			
Change) Increase) Decision No. 74869			
EFFECTIVE DECEMBER 7, 1968			
Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 1281			

Cancels

Item No.	SECTION NO. 4 - HOURLY RATES (Continued)
ø366	<p style="text-align: center;">APPLICATION OF RATES NAMED IN ITEM NO. 365</p> <p>COLUMN "A" rates apply where the loading is performed by power loading device, excepting processed sand, gravel or crushed stone in stock piles at a commercial producing plant, at point of consumption or at intermediate point of transfer. A hopper chute or bunker shall not be deemed to be a power loading device.</p> <p>COLUMN "C" rates apply where transportation or loading is under conditions other than described under application of Column "A" rates.</p> <p>NOTE 1.--(a) For transportation service furnished under this item on Sundays and/or New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, add to the applicable hourly rate shown above: ø\$6.61 per hour.</p> <p>(b) Except as otherwise provided in paragraph (a) of this note and in the Exception set forth below, for transportation service furnished under this item on Saturdays or during periods in excess of 8 hours in any one shift, add to the applicable hourly rate shown above: ø\$3.98 per hour. Subject to Paragraph 3 of Item No. 300, "periods in excess of 8 hours in any one shift" means the time which exceeds 8 hours from the time the driver with dump truck equipment reports for service, during which time said driver is continuously engaged by one shipper or overlying carrier, irrespective of the number of loads transported within the period.</p> <p>EXCEPTION.--The additional rates set forth in paragraph (b) shall not apply to transportation service performed on days, other than Saturdays, except when service is performed by one driver with dump truck equipment for a period in excess of 8 hours in any one shift.</p>
	<p>ø Change) o Increase) Decision No. 74869</p>
EFFECTIVE DECEMBER 7, 1968	
<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California. Correction No. 1282</p>	

Item No.	SECTION NO. 4 - HOURLY RATES (Continued)									
	COMMODITIES, as described in Item No. 321 (For Application of Rates see Item No. 368)									
	Level Capacity of Dump Truck Body in Cubic Yards. (See Note 1 in Item No. 368)	(1) Rates in Cents per Hour (See Item No. 300)								
		NORTHERN TERRITORY (See Item No. 110)						SOUTHERN TERRITORY (See Item No. 100) (See Note 2 in Item No. 368)		
	But Not Over	Upper Northern District (See Item No. 315)			Lower Northern District (See Item No. 315)					
	Over	M	O	P	M	O	P			
ø367	0	6	1106	1608	1356	1079	1569	1323	1010	
	6	7	1178	1701	1438	1130	1620	1374	1053	
	7	8	1221	1744	1481	1178	1668	1422	1102	
	8	9	1297	1845	1570	1229	1724	1476	1145	
	9	10	1341	1889	1614	1273	1768	1520	1183	
	10	11	1382	1930	1655	1314	1809	1561	1221	
	11	12	1421	1969	1694	1353	1848	1600	1269	
	12	13	1461	2013	1737	1396	1899	1647	1312	
	13	14	1492	2044	1768	1427	1930	1678	1339	
	14	15	1521	2073	1797	1454	1957	1705	1366	
	15	16	1547	2099	1823	1482	1976	1733	1404	
	16	17	1584	2149	1866	1528	2053	1790	1431	
	17	18	1614	2179	1896	1558	2083	1820	1458	
	18	19	1633	2198	1915	1577	2102	1839	1485	
	19	20	1650	2215	1932	1592	2119	1856	1512	
	20	21	1667	2232	1949	1609	2136	1873	1539	
	21	22	1684	2249	1966	1626	2153	1890	1566	
	22	23	1701	2266	1983	1643	2170	1907	1593	
	23	24	1718	2283	2000	1660	2187	1924	1620	
	24	25	1735	2300	2017	1677	2204	1941	1647	
	25	26	1752	2317	2034	1717	2267	1993	1697	
	26	(2)	ø17	ø17	ø17	ø17	ø17	ø17	ø27	
	(1) Minimum charge shall be the rate for one hour. (2) Add to the rate for 26 cubic yard capacity, the amount shown opposite this reference mark for each additional cubic yard or fraction thereof.									
	ø Change) ø Increase, except as noted) Decision No. 74869 ø No change)									
	EFFECTIVE DECEMBER 7, 1968									
	Issued by the Public Utilities Commission of the State of California, San Francisco, California.									
Correction No. 1283										

Item No.	SECTION NO. 4 - HOURLY RATES (Concluded)
ø368	<p style="text-align: center;">APPLICATION OF RATES NAMED IN ITEM NO. 367</p> <p>SUBCOLUMN "M" rates apply on all days except the days on which the subcolumn "O" or "P" rates apply.</p> <p>SUBCOLUMN "O" rates apply on every Sunday and on January 1, February 22, May 30, July 4, (1) September 9, (2) November 11, December 25, the day each year proclaimed by the President of the United States to be celebrated as Labor Day and the day so proclaimed as Thanksgiving Day.</p> <p>(1) Applies within Upper Northern District only. (See Item No. 315)</p> <p>(2) Applies within Lower Northern District only. (See Item No. 315)</p> <p>SUBCOLUMN "P" rates apply on every Saturday.</p> <p>NOTE 1.--Level capacity of Dump Truck body means the cubical content of the body (including the bodies of all trailers, or semitrailers in the unit of equipment) in cubic yards calculated by multiplying the inside length by the average inside width and the average inside height of the sides of the body, including temporary side boards and end boards, if such boards are used, with no allowance for the crown of the load or for low head board or low tailgate.</p> <p>In the case of a Dump Truck body not constructed for use of a tailgate (such as the so-called "rock body"), the inside length shall be deemed to mean the average of the measurement along the top of the sides from the inside of the head board to the point of the angle where the sides are diverted downward to meet the floor, and the measurement along the floor from the inside of the head board to the end of the body.</p> <p>NOTE 2.--(a) For transportation service furnished under this item on Sundays and/or New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, add to the applicable hourly rate shown above: ø\$6.61 per hour when the level capacity is less than 25 cubic yards; ø\$7.07 per hour when the level capacity is 25 cubic yards or more.</p> <p>(b) Except as otherwise provided in paragraph (a) of this note and in the Exception set forth below, for transportation service furnished under this item on Saturdays or during periods in excess of 8 hours in any one shift, add to the applicable hourly rate shown above: ø\$3.88 per hour when the level capacity is less than 25 cubic yards;</p>

or \$4.23 per hour when the level capacity is 25 cubic yards or more. Subject to Paragraph 3 of Item No. 300, "periods in excess of 8 hours in any one shift" means the time which exceeds 8 hours from the time the driver with dump truck equipment reports for service, during which time said driver is continuously engaged by one shipper or overlying carrier, irrespective of the number of loads transported within the period.

EXCEPTION.--The additional rates set forth in paragraph (b) shall not apply to transportation service performed on days, other than Saturdays, except when service is performed by one driver with dump truck equipment for a period in excess of 8 hours in any one shift.

Ø Change)
◊ Increase) Decision No. **74869**

EFFECTIVE DECEMBER 7, 1968

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 1284