

Decision No. 75150**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 17.)

Case No. 5437  
 Petition for Modification  
 No. 161  
 (Filed February 29, 1968;  
 Amended March 21 and  
 May 27, 1968)

Scott J. Wilcott, for Southern California Rock Products Association, petitioner.  
E. O. Blackman, for California Dump Truck Owners Association; Richard W. Smith, A. D. Poe and H. F. Kollmyer, for California Trucking Association; G. Ralph Grago, for Associated Independent Owner-Operators, Inc.; R. Herman Ohs, for Consolidated Rock Products Company; Harry Phelan, Jr., by C. Fred Imhof, for California Asphalt Pavement Association; C. Fred Imhof, for Industrial Asphalt, Inc., interested parties.  
R. J. Carberry and Ralph J. Staunton, for the Commission staff.

O P I N I O N

Minimum Rate Tariff 17 (MRT 17) provides zone rates for the transportation of property in dump truck equipment by for-hire carriers from defined production areas to designated delivery zones within certain areas in Southern California. By this petition, as amended, Southern California Rock Products Association (SCRPA) seeks the establishment of additional zone rates in said tariff for the transportation of rock, sand and gravel from production areas located in Los Angeles, Orange and Ventura Counties to designated delivery zones in Los Angeles and Ventura Counties. All of the production and delivery areas involved are currently described in the

Commission's governing Southern California Production Area and Delivery Zone Directory 1.

In the interest of tariff uniformity, the California Asphalt Pavement Association has requested that with the establishment of zone rates for rock, sand and gravel, as proposed herein by SCRPA, the existing zone rates for asphaltic concrete be similarly extended. Specifically, it is proposed that zone rates be provided for movements of asphaltic concrete from those production areas listed in Petition 161 (except Production Areas 56-N, O, P and Q) to the various delivery zones set forth in said petition, as amended.

The petitioner requests that the traverse time and distance factors required to establish its zone rate proposal be developed by the Commission's Transportation Division staff. In response to Petition 161 the staff developed the zone entry segments and their related traverse times and distance factors required to link up the delivery zones, for which petitioner requests zone rates be established, with the time and distance traverse network underlying the zone rates named in MRT 17. The results of the staff study were distributed to interested parties on June 13, 1968. Thereafter, the California Trucking Association asked that Petition 161 be set down for hearing in lieu of being considered ex parte as initially requested by petitioner.

Public hearing was held before Examiner Gagnon at Los Angeles on September 6, 1968. The matter was submitted for decision. The Commission staff and petitioner jointly urge that any zone rates established pursuant to this proceeding be computed upon cost and rate factors authorized pursuant to the proceeding involving

Petition 166 in Case No. 5437. It is also recommended that any new or revised zone rates established as a result of Petitions 161 and 166 be consolidated into a single MRT 17 tariff publication.

Petitioner contends that there is an expanding market potential for rock, sand and gravel in certain established delivery zones in Los Angeles and Ventura Counties. The establishment of zone rates as proposed by petitioner would do no more than provide, for the additional delivery zones involved, rates of like kind and character as those currently available to various competing delivery points in the same general area. A member of Southern California Rock Products Association's Transportation Committee presented testimony in support of SCRPA's rate proposal. Petitioner's witness expressed first-hand working knowledge concerning the actual and potential movement of rock, sand and gravel from production areas to delivery zones in Southern California. The witness explained that extensive present and future freeway and residential development make the publication of zone rates for the established delivery zones involved highly desirable. When no zone rate is published for an established delivery zone, Item 260 of MRT 17 provides that the zone rate named to the delivery zone along route of movement nearest the point of destination is to be used in combination with a specified distance factor rate. Computation of distances for dump truck shipments into areas in the process of development is assertedly quite difficult and frequently subject to controversy. Petitioner's witness explained that like movements of rock, sand and gravel from a given production area to various points within the same delivery zone, for which no zone rates are published, are frequently subject to different rates. This lack of rate uniformity

within the same delivery zone makes contract bidding by competing shippers quite difficult. Therefore, the sought zone rates, although producing minor increases and reductions in freight charges generally than those resulting under the existing rate structure, are preferred in that they would establish rate uniformity and tend to promote an opportunity for competitive equality among the various shippers involved.

The Commission staff presented in evidence its report (Exhibit No. 1) concerning the delivery zone entry segments which must first be added to the established MRT 17 time and distance traverse network in order to establish the zone rates proposed by petitioner. The entry segments developed by the staff in response to Petition 161 are demonstrated schematically in the exhibit as they would appear in the established traverse network maps for MRT 17 (Exhibits 156-9 and 7 of record in Decision No. 74654, dated September 11, 1968, in Case No. 5437). A summary of the entry segments proposed to be added to MRT 17 time and distance traverse network within the Expanded Los Angeles Basin Core Area is set forth below:<sup>1/</sup>

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<sup>1/</sup> Production Areas and Delivery Zones in portions of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura Counties (Decision No. 68543 of February 3, 1965, 64 Cal.P.U.C. 30).

TABLE 1  
PROPOSED ZONE ENTRY SEGMENTS

<u>MRT 17 ZONE</u>		<u>Entry Nodes</u>	<u>Terminal Nodes</u>	<u>One-Way Miles</u>	<u>Round- Trip Minutes</u>
Ventura Co.	56095	51141	50950	2.7	14
Ventura Co.	56122	51241	51220	3.6	19
Ventura Co.	56123	51241	51230	2.3	12
Los Angeles Co.	19600	30301	36000	2.7	14
Los Angeles Co.	19601	30351	36010	4.0	21
Los Angeles Co.	19602	30261 30371	36020 36020	3.2 2.9	17 15
Los Angeles Co.	19603	30212 37591	36030 36030	4.8 3.0	25 16
Los Angeles Co.	19604 (see note)	30661 30991 31001	36040 36040 36040	3.6 2.3 1.9	19 12 10
Los Angeles Co.	19605	31102 31111	36050 36050	2.5 2.7	13 14
Los Angeles Co.	19606	30881 31142 31392	36060 36060 36060	4.0 3.6 4.0	21 19 21
Los Angeles Co.	19607	30881 31392	36070 36070	4.8 5.7	25 30
Los Angeles Co.	19608	30872	36080	5.7	30
Los Angeles Co.	19609	30861 30872	36090 36090	4.4 4.0	23 21
Los Angeles Co.	19610	30851 30861	36100 36100	5.3 4.9	28 26

Note: Petitioner withdrew its request for zone rates to Delivery Zone 19604.

The estimated round-trip time and one-way miles provided to enter a zone from the traverse network is represented by a zone entry segment. This segment does not indicate a route of travel.

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It represents a conforming entry time and related distance from a point of entry to a zone terminal node. If a zone contains more than one zone entry segment, all segments are terminated schematically at a common terminal node. The zone terminal node does not represent any geographical location within the zone; it is the terminal point of the final segment used by the computer in accumulating total time and distance from a production area to a zone.

On the network maps the entry segments are shown as a line connecting a network node (the point of entry represented by a five-digit number) to a zone terminal node (the point designated by a triangle and a five-digit number always ending in zero). The round-trip time to the nearest whole minute is shown in a box and the one-way miles to the nearest tenth is written adjacent thereto.

The record reveals that the zone entry segments selected to link up the requested delivery zones with the established MRT 17 time and distance traverse network were selected by the staff engineers on the basis of actual field observations and their overall knowledge of dump truck operations. The method employed was introduced in evidence in a prior proceeding as Exhibit No. 119-19 (Decision No. 73256 of October 27, 1967, in Case No. 5437). In addition, the results of the method employed by the staff herein were initially adopted by the Commission in Decision No. 68543 (64 Cal.P.U.C. 30).

The California Trucking Association (CTA) through cross-examination of petitioner's witness endeavored to develop the volume of the actual and potential traffic destined to points for which zone rates are requested. No substantial volume of traffic is

moving into the delivery zones in question at this time. However, with the commencement of planned freeway construction and residential development, it is contemplated that the volume of dump truck traffic will increase significantly in several of the delivery zones in question.

The Assistant Director for the CTA's Division of Transportation Economics testified concerning his field observations of certain of the delivery zones involved. In addition to the apparent lack of traffic in some of the delivery zones observed, he expressed some concern over several of the zone entry nodes and segments selected by the staff to link up the requested zones with the established MRT 17 time and distance traverse network. He suggested that several entry nodes be revised or otherwise relocated so as to be more reflective of the existing road network or topography of the area. In connection with Los Angeles County Delivery Zone 19604, the witness noted that the staff has proposed three entry nodes shown schematically in Exhibit No. 1 to be linked up via a common terminal node, thereby indicating the possibility to traverse 3.6 miles via one entry node to the selected terminal node and then exit the delivery zone via a second entry node 1.9 miles beyond. According to the witness, such course of action is not possible since the particular entry nodes in question are separated by a mountainous range of hills. The CTA witness contends that the time and distance factors computed for such entry segments are unrealistic for purposes of zone entry from the established MRT 17 traverse network.

While the staff's selected zone entry segments do not reflect an actual route of travel nor the zone terminal node

represent any particular geographical location within the delivery zone, the basic method employed by the staff does contemplate the selection of reasonable entry segments for zone entry purposes. In the case of Los Angeles County Delivery Zone 19604 it would appear that certain of the entry nodes selected by the staff do not reflect a reasonable entry segment for zone entry purposes as contemplated by the basic method employed. In order to obviate the need for further staff field studies and in view of the rather negligible amount of traffic currently involved, petitioner requests that further consideration of its zone rate proposal for Delivery Zone 19604 be withdrawn. The petitioner's request has merit and should be granted.

The Southern California Rock Products Association concurs in the staff's proposed zone entry segments and their integration with the established MRT 17 time and distance traverse network. The petitioner contends that such action will make possible the publication of zone rates as it requested which shall be just, reasonable and nondiscriminatory. The California Asphalt Pavement Association also supports the adoption of the staff's zone entry segments and the resulting minimum zone rates for movements of asphaltic concrete to the extent previously noted herein.

The Commission finds that:

1. Minimum zone rates should now be published in Minimum Rate Tariff 17 for the dump truck transportation of rock, sand and gravel from defined production areas located in Los Angeles, Orange and Ventura Counties to established delivery zones in Los Angeles and Ventura Counties as set forth in Petition 161, as amended and further limited herein.

2. Minimum zone rates should also be established for the dump truck transportation of asphaltic concrete and cold road oil mixture from those production areas listed in Petition 161, as amended (except Production Areas 56-N, O, P and Q), to the various established delivery zones also set forth in said petition, as amended and further limited herein.

3. Minimum zone rates are not now required for the dump truck transportation of property to points located within Los Angeles County Delivery Zone No. 19604.

4. The network segments and related traverse time and distance factors, presently stored in the cost data file as prime variables in the cost formula phase of the computer program underlying the zone rates in Minimum Rate Tariff 17, should be amended so as to include the delivery zone entry segments and their related traverse time and distance factors set forth in Commission staff Exhibit No. 1, except to the extent said exhibit refers to Los Angeles County Delivery Zone 19604.

5. The computer print-outs of the zone rates for rock, sand, gravel, asphaltic concrete and cold road oil mixture resulting from the data processing of the adjusted Minimum Rate Tariff 17 time and distance traverse network, in conjunction with prior accepted incremental cost and rate computerized formulae, should formulate the basis for the zone rates to be established by the order herein.

6. The establishment of zone rates resulting from the computer print-outs referred to in paragraph 5 hereof in Minimum Rate Tariff 17 will provide just, reasonable and nondiscriminatory minimum zone rates for the transportation governed thereby.

In view of the above findings we conclude that:

1. Petition 161, as amended, should be granted as proposed by the Commission staff, except that no zone entry segment and the related traverse time and distance factors should be adopted at this time for the publication of zone rates to the Los Angeles County Delivery Zone 19604.

2. The California Asphalt Pavement Association's request for zone rates on asphaltic concrete should also be granted.

3. Minimum Rate Tariff 17 should be amended in accordance with the above findings.

Decision No. 75149, in Case No. 5437 (Petition for Modification No. 166) issued on this date concerns, among other matters, the revision of zone rates for rock, sand and gravel and asphaltic concrete. In order to avoid dual adjustments in zone rates in Minimum Rate Tariff 17, the tariff amendments required to be made by the order herein are included in said decision.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 17 (Appendix B to Decision No. 69469, as amended) is hereby further amended by incorporating therein, to become effective February 8, 1969, the revised pages as listed in Appendix A hereof, said pages being attached to Decision No. 75149 and by this reference also made a part hereof.

2. In all other respects said Decision No. 69469, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of DECEMBER, 1968.

William J. Lyons, Jr.  
President

John E. Fitzhugh

Stallman B. Bennett

And P. Monroney  
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

List of Revised Pages to Minimum Rate Tariff 17

FIFTH REVISED PAGE 4-A-2  
FIFTH REVISED PAGE 4-CC-1  
FIFTH REVISED PAGE 4-F-2  
FIFTH REVISED PAGE 4-F-3  
FIFTH REVISED PAGE 4-G-2  
FIFTH REVISED PAGE 4-G-3  
FIFTH REVISED PAGE 4-JJ-1  
FIFTH REVISED PAGE 4-L-1  
FIFTH REVISED PAGE 4-L-2  
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FOURTH REVISED PAGE 10-B  
FOURTH REVISED PAGE 10-C  
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FOURTH REVISED PAGE 14-G-2  
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END OF APPENDIX A