

ORIGINAL

Decision No. 77442

## 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 highway carriers relating to the  
transportation of fresh or green  
fruits and vegetables and related  
items (commodities for which rates  
are provided in Minimum Rate Tariff  
8).

Case No. 5438  
Petition for Modification No. 77  
(Filed April 10, 1970; Amended  
June 5, 1970)

OPINION AND ORDER

Minimum Rate Tariff No. 8 (MRT 8) contains minimum rates for the transportation of fresh fruits and vegetables and nuts between points in California.

Decision No. 77064, dated April 14, 1970, increased the rates in MRT 8 to reflect the increased wage costs incurred by highway carriers effective April 1, 1970. Said decision established an interim surcharge increasing the charges resulting from the tariff by 6 percent on charges on shipments computed on minimum weights of 20,000 pounds and over, and 8 percent on all other charges (except as to C.O.D. charges and charges resulting from the use of railhead-to-railhead rates applied under alternative application of common carrier rates). Decision No. 77064 indicated that public hearings would be scheduled to receive additional evidence and to consider rate scales appropriate to replace the interim surcharge.

By first amendment to the petition, filed June 5, 1970, California Trucking Association (CTA), petitioner, seeks additional

rate increases in the form of a surcharge, to reflect an additional increase of 15 cents per hour in carrier wage costs effective July 1, 1970 in wage contracts with Teamster unions. CTA requests that the present interim surcharges be replaced by surcharges of 8 percent on charges computed on rates which are subject to minimum weights of 20,000 pounds and greater, and by 9 percent on all other rates and charges (subject to the foregoing exceptions). CTA requests that the proposed surcharge expire with December 31, 1970.

The amended petition herein alleges that, as a result of increases in labor and related costs, the rates and charges now provided by MRT 8 are unreasonably low; that increases are necessary to bring such rates and charges to a reasonable level as required by law; and that no adequate and practical method of increasing carrier revenues is available except by increasing rates in MRT 8.

The amended petition further alleges that normal and ordinary procedures of rate adjustment through cost-offset methods are inadequate. Accordingly, CTA requests an ex parte order granting an increase in the surcharge now provided, to become effective July 1, 1970. The petition states that said surcharge should remain in effect while regular processes are utilized to determine the full impact of the changed cost circumstances, and to determine the precise rate adjustments appropriate in individual tariff items.

Petitioner alleges that the requested method of rate adjustment has been the subject of discussion by the "carrier-shipper" group (as discussed in Decision No. 68921) and has the approval of said group. Petitioner avers that the requested method of rate adjustment will result in minimal disruption of existing marketing practices. Petitioner urges that, because of seasonal characteristics of the transportation involved, and of the desires

of both shippers and carriers for mutually agreeable effective dates, the surcharge expire at the end of the year.

The Commission finds that petitioner's proposal is reasonable, and that the resulting minimum rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved. A public hearing is not necessary. The Commission concludes that the petition, as amended, should be granted and that MRT 8 should be amended accordingly.

IT IS ORDERED that:

1. Minimum Rate Tariff No. 8 (Appendix C of Decision No. 33977, as amended) is hereby further amended by incorporating therein, to become effective August 15, 1970, Supplement No. 30 attached hereto and by this reference made a part hereof. ✓

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 33977, as amended, are hereby directed to establish in their tariffs the increase necessary to conform with the further adjustments ordered herein.

3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff No. 8 are authorized to increase such rates by the same amounts authorized for Minimum Rate Tariff No. 8 rates herein.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff No. 8 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff No. 8 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff No. 8 rates herein.

5. Common carriers maintaining rates at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff No. 8 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff No. 8 rates herein.

6. Tariff publications required to be made by common carriers as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than the fifth day after the effective date of this order on not less than five days' notice to the Commission and to the public and such tariff publications shall be made effective not later than August 15, 1970; and the tariff publications which are authorized but not required to be made by common carriers as a result of the order herein may be made effective not earlier than the fifth day after the effective date of this order, and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

7. 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 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.

8. In all other respects said Decision No. 33977, 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 30<sup>th</sup> day of JUNE, 1970.

William J. ...  
President

...  
Commissioners

I concur

William J. ...

I concur

Vernon L. Sturgeon

C 5441, Pet. #192; C 5432, Pet. #584; C 5432, Pet. #581;  
C 5438, Pet. #77; C 7783, Pet. #25; C 7783, Pet. #23;  
C 5439, Pet. #116

apl

J. P. VUKASIN, JR., COMMISSIONER and  
VERNON L. STURGEON, COMMISSIONER, Concurring:

We concur in these decisions.

The increases are clearly necessary in the public interest to offset wage increases negotiated in the recent labor contracts with the teamsters.

Denial of these increases would pose a serious threat to the movement of goods by truck in California. However, the applicants should be placed on notice that increases of this magnitude contribute to the problems of inflation which beset the national economy and future negotiations should consider the impact on the total economy.

It is our intention in the future to scrutinize such increases very carefully when passing on such applications.

  
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J. P. Vukasin, Jr., Commissioner

  
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Vernon L. Sturgeon, Commissioner

San Francisco, California

June 30, 1970

SPECIAL INCREASE SUPPLEMENT

EXPLANATION OF MATERIALS AND METHODS

SUPPLEMENT 30-

(CANCELS INTERIM SURCHARGE SUPPLEMENT TO THIS TARIFF

ORDERED BY DECISION NO. 77064)

(Supplements 29 and 30 Contain All Changes)

TO

MINIMUM RATE TARIFF 8

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF FRESH FRUITS,

FRESH VEGETABLES AND EMPTY

CONTAINERS OVER THE PUBLIC HIGHWAYS

BETWEEN POINTS IN THE STATE OF

CALIFORNIA AS DESCRIBED HEREIN

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

APPLICATION OF SURCHARGES  
(See Page 2 of This Supplement)

Decision No.

77442

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
State Building, Civic Center  
San Francisco, California 94102

## (E) APPLICATION OF SURCHARGES

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules in this tariff (including any surcharges otherwise applicable) and increase the amount so computed as follows:

- (a) By eight percent (8%) on charges computed upon rates which are subject to minimum weights of 20,000 pounds, and greater; and
- (b) By nine percent (9%) on all other rates and charges (see Exception).

EXCEPTION.--The surcharges herein shall not apply to deductions from rates or to Collect on Delivery (C.O.D.) services, nor to surcharges applicable to deliveries at Golden Gate Produce Terminal and to San Francisco Produce Terminal as set forth in Supplement 29.

THE END

(E) Expires with December 31, 1970.

o-Increase, Decision No.

77442