

ORIGINAL

Decision No. 77703

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 cement and related products (com-)
modities for which rates are provided)
in Minimum Rate Tariff No. 10).)

Case No. 5440
(Petition for Modification
No. 68)
(Filed August 5, 1970;
Amended August 7, 1970)

OPINION AND ORDER

Minimum Rate Tariff No. 10 names minimum rates and rules for the transportation of cement and related commodities by highway permit carriers between points in the State of California. By this petition, as amended, California Trucking Association seeks to have the rates for the transportation of the aforementioned commodities between points in Southern Territory increased by 1 cent per 100 pounds.¹ Petitioner asks that the sought increases in rates be made effective September 8, 1970, and that common carriers be directed to establish in their respective tariffs all such modifications as may be prescribed by the Commission's order in this proceeding, including relief from the long- and short-haul provisions of Section 460 of the Public Utilities Code.

¹ Southern Territory as defined in Item 80 of Minimum Rate Tariff No. 10 includes all points south of the following boundary line: Beginning at a point on the shore line of the Pacific Ocean due south of Gaviota, thence northeasterly along an imaginary straight line to the junction point of Santa Barbara, Ventura and Kern County boundaries, northerly and westerly along the westerly boundary of Kern County to the junction point of Kern, San Luis Obispo and Kings Counties, thence easterly along the northerly boundary lines of Kern and San Bernardino Counties to the California-Nevada boundary line.

Petitioner states that the rates for the transportation involved were last adjusted on January 1, 1970, and that the new labor contracts substantially increase retroactively effective to July 1, 1970, the wage rates and fringe benefits payable to truck drivers and maintenance and clerical employees. Petitioner avers that such increase in labor costs, which amounts to 65.3 cents per hour, is the largest one-year increase ever experienced by the cement carriers. Petitioner asserts that immediate rate relief is essential to preserve and maintain carrier service to the public without a serious depletion of carrier assets and further deterioration of carrier profitability.

Copies of the petition, as amended, were mailed to various cement shippers on or about August 5 and 7, 1970. The petition and amendment were listed on the Commission's Daily Calendar of August 7 and 10, 1970. Riverside Division of American Cement Corporation, California Portland Cement Company, Monolith Portland Cement Company, Pacific Western Industries, Inc. and Southwestern Portland Cement Company have informed the Commission by letters that they support petitioner's proposal. No objection to the granting of the petition has been received.

The Transportation Division staff has reviewed the petition, as amended, and the supporting data included therein and recommends that the petition, as amended, be granted by ex parte order.

In the circumstances, it appears, and the Commission finds, that petitioner's proposal is reasonable and that the resulting rates and charges will be just, reasonable and non-discriminatory minimum rates and charges for the transportation

involved, and, to the extent that said rates and charges will result in increases, such increases are justified. A public hearing is not necessary. The Commission concludes that the petition, as amended, should be granted to the extent indicated in the order which follows.

IT IS ORDERED that:

1. Minimum Rate Tariff No. 10 (Appendix A to Decision No. 44633, as amended) is further amended by incorporating therein, to become effective October 10, 1970, Third Revised Page 12-B 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 to Decision No. 44633, as amended, are hereby directed to establish in their tariffs the increases 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. 10 are authorized to increase such rates by the same amounts authorized for Minimum Rate Tariff No. 10 rates herein.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff No. 10 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff No. 10 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff No. 10 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. 10 are

authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff No. 10 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 tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and such tariff publications shall be made effective not later than October 10, 1970; 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 tenth day after the effective date of this order, and may be made effective on not less than ten 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 page 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 Decision No. 44633, 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 15th day of September, 1970.

Chairman

W. J. McGowan

William J. McGowan

[Signature]

James L. Livingston

Commissioners

I abstain
[Signature]
I abstain
Thomson

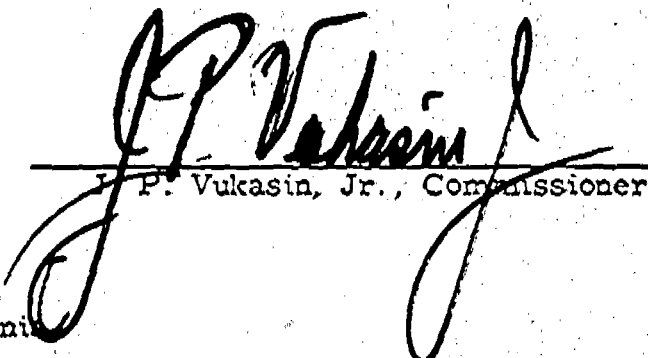
SECTION 2--RATES IN CENTS PER 100 POUNDS				ITEM
SOUTHERN TERRITORY RATES				
MILES		ORATES		
Over	But Not Over	(1) Bulk	(2) Sack	
0	3	7	8½	
3	5	7½	8½	
5	10	7½	8½	
10	15	8½	9	
15	20	8½	9½	
20	25	9½	10½	
25	30	9½	11½	
30	35	10½	11½	
35	40	11	12½	
40	45	11½	13½	
45	50	12½	13½	
50	60	13½	14½	
60	70	14½	16½	
70	80	15½	17½	
80	90	17	18½	
90	100	18½	19½	
100	110	19½	20½	6210
110	120	20½	21½	
120	130	21½	22½	
130	140	23½	23½	
140	150	24½	24½	
150	160	25½	26	
160	170	27	27½	
170	180	28½	28½	
180	190	29½	29½	
190	200	30½	30½	
200	220	32½	32½	
220	240	34½	34½	
240	260	36½	36½	
260	280	38½	38½	
280	300	40½	40½	
300	320	42½	42½	
320	340	44½	44½	
340	360	46½	46½	
360	380	48½	48½	
380	400	50½	50½	
400	420	52½	52½	
420	440	54½	54½	
440	460	56½	56½	
460	480	58½	58½	
480	500	60½	60½	
500	---	(Add to the rate for 500 miles, 4 cents per 100 pounds for each 25 miles or fraction thereof)		
(1) Rates apply on shipments in bulk. (2) Rates apply on shipments in packages.				
Change } Decision No. 77703 Increase }				
EFFECTIVE				
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.				
Correction 137				

C. 5440 Pet. 38 D. 77703 MJ

COMMISSIONER J. P. VUKASIN, JR., ABSTAINING

I abstain.

The foregoing order repeats petitioner's allegation that the cement carriers' present increase in labor costs is the largest one-year increase ever experienced by those carriers. However, the Opinion contains no finding that this "largest one-year increase" was prudently incurred. We should avoid automatic rate adjustments, without hearing, to offset increased costs which are wholly or partly within the control of the carrier.



J. P. Vukasin, Jr., Commissioner

San Francisco, California

September 1, 1970