

ORIGINAL

Decision No. ~~78788~~

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	)	Case No. 5603
of all common carriers and highway	)	(Petition for Modification
carriers relating to the trans-	)	No. 98)
portation of uncrated new furniture	)	(Filed May 10, 1971)
(commodities for which rates are	)	
provided in Minimum Rate Tariff	)	
No. 11-A).	)	

INTERIM OPINION AND ORDER

Minimum Rate Tariff No. 11-A (MRT 11-A) names minimum rates and rules for the statewide transportation of uncrated new furniture by highway carriers. By this petition, California Trucking Association seeks, with certain exceptions, to have the rates in MRT 11-A increased by approximately 9.5 percent to offset increases in transportation costs. Petitioner asks that the tariff revisions be made effective July 1, 1971, and that common carriers be authorized and directed to establish in their respective tariffs 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.

Petitioner states that the cost of transporting property will be substantially increased by contractual increases in wage rates and allied labor costs on July 1, 1971. Petitioner alleges that such increases will affect all categories of highway carrier employees including drivers and terminal employees.

Petitioner declares that the carriers cannot absorb the increased costs and still maintain their financial stability. Petitioner asserts that the proposed increases in these rates and charges are necessary in order to bring such rates and charges to a reasonable minimum level.

Exhibit B attached to the petition contains a verified statement, which indicates that the increases in labor costs for the transportation in question will exceed 10 percent and that the four principal carriers which transport furniture experienced operating ratios ranging from 93.2 to 99.1 percent for the year 1970.

Copies of the petition were mailed to various chambers of commerce, shipper organizations and carrier representatives on or about May 10, 1971. The petition was listed on the Commission's Daily Calendar of May 12, 1971. No objection to the granting of the petition has been received.

The Transportation Division staff has reviewed the petition and recommends that an interim surcharge increase of 7 percent be granted pending decision on evidence to be adduced at a public hearing. The interim surcharge would yield an estimated additional revenue of \$1,500,000 per year which would offset the increases in labor costs.

The Commission finds that for-hire carriers will incur increased labor costs as of July 1, 1971. The Commission concludes that charges under the minimum rates involved herein should be increased on an interim surcharge basis as set forth in the following order. Public hearings will be scheduled to receive additional evidence in this matter and to consider rate scales appropriate to replace the interim surcharge.

IT IS ORDERED that:

1. Minimum Rate Tariff No. 11-A (Appendix A of Decision No. 50114, as amended) is further amended by incorporating therein to become effective July 1, 1971, Supplement 8 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. 50114, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. 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 shall be made effective July 1, 1971, on not less than five days' notice to the Commission and to the public, and 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 July 1, 1971, 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 supplement incorporated in this order.

4. 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. 11-A are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff No. 11-A rates herein.

5. Common carriers, in establishing and maintaining the rates and charges authorized hereinabove, are 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 and charges published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

6. In all other respects, Decision No. 50114, as amended, shall remain in full force and effect.

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

Dated at San Diego, California, this 2nd day of June, 1971.

*I dissent,  
I cannot sign an order  
granting a 7% <sup>labor effect</sup> <sub>increase</sub> without a hearing.*

*J. R. [Signature], Chairman.*

Chairman  
*William [Signature]*  
Commissioners  
*[Signature]*  
*[Signature]*  
*[Signature]*

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 8

(SUPPLEMENTS 7 AND 8 CONTAIN ALL CHANGES)

TO

MINIMUM RATE TARIFF 11-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF UNCRATED NEW FURNITURE

OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

APPLICATION OF SURCHARGE  
(See Page 2 of This Supplement)

Decision No.

78768

EFFECTIVE

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

APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules in this tariff and increase the amount so computed by seven (7) percent, dropping fractions of less than one-half cent and increasing fractions of one-half cent or greater to one cent.

EXCEPTION.--The surcharge herein shall not apply to:

- (a) Equipment charges in paragraph (b) of Item 90; and
- (b) C.O.D. charges in Item 212.

THE END

o Increase, Decision No.

78768