

ORIGINAL

Decision No. 78801

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 household goods carriers,)
 common carriers, highway carriers,)
 and city carriers, relating to the)
 transportation of used household)
 goods and related property.)

Case No. 5330
 Petition for Modification
 No. 57
 (Filed May 18, 1971)

O P I N I O N

In this petition California Moving Storage Association seeks the establishment in Minimum Rate Tariff 4-B (MRT 4-B) of surcharge increases, effective July 1, 1971, of 5 percent in the Territory A and 7 percent in the Territory B hourly rates and charges for household goods moving set forth in Items 330 and 350 of said tariff.

The petition alleges as follows: The current minimum hourly rates for household goods moving in Territories A and B were established pursuant to Decision No. 78593, dated April 20, 1971, in Case No. 5330, Petition No. 51.¹ Said decision indicates that the rates established therein reflect carriers' wages and related costs as of January 1, 1971. Effective July 1, 1971 and January 1, 1972, household goods carriers will incur additional increases in wages pursuant to current collective bargaining agreements.

¹ Territory A consists of the Counties of Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and a portion of Sonoma County.

Territory B consists of the Counties of Del Norte, Fresno, Humboldt, Madera, Mendocino, Merced, Napa, Sacramento, Solano, San Joaquin, Stanislaus, Yolo, and the balance of Sonoma County.

A comparison of the basic wage rates effective January 1, 1971 with those which will become effective July 1, 1971 (some increases become effective August 1 rather than July 1) are set forth in Exhibit A to the petition. Said comparisons show that in Territory A, drivers' and packers' wages will be increased, depending on the contract area, by 7.3 to 10.0 percent. Similarly Territory B wages for drivers and packers will be increased from 3.6 to 10.8 percent. The petition seeks an order increasing rates to offset said increases in drivers', packers' and helpers' wages.

The petition states that in the intervening period between the consideration of this petition and January 1, 1972, petitioner proposes to present to the Commission for its consideration specific rates covering both the July 1, 1971 and January 1, 1972 wage increases so that the Commission may place into effect as of January 1, 1972 specific rates reflecting not only the basic wage increases but also allied cost increases including, among other things, indirect costs based upon the wage cost offset method adopted in and by Decision No. 78593. The petition indicates that the request for interim rate relief as aforesaid is made with the knowledge that time does not permit either the affected carriers or the Commission staff to complete precise rate studies to take care of the July 1, 1971 increases. Furthermore, petitioner submits that neither the carriers nor the Commission should be burdened with the time and cost required to make such studies in view of the fact that further increases are scheduled to become effective January 1, 1972.

Preliminary analysis of the wage information submitted with the petition and the cost data considered by the Commission in prior proceedings indicate that the surcharges requested may be greater than required to offset the increases in direct costs resulting from the higher wage rates effective July 1 and August 1, 1971, and sought to be recovered by the petition herein.

The Commission finds:

1. Household goods carriers subject to collective bargaining agreements with Teamsters Union locals will incur increases in wages for drivers, packers and helpers effective July 1 and August 1, 1971. Said wage costs are not reflected in the current hourly household goods rates for Territories A and B set forth in Minimum Rate Tariff 4-B.
2. Surcharge increases of 4 percent in Territory A rates to become effective July 1, 1971 and 5 percent in Territory B rates to become effective August 1, 1971 will be sufficient to offset the increases in direct costs of operation resulting from said labor cost increases, pending consideration of the precise studies contemplated by petitioner in a subsequent proceeding.
3. The increases resulting from the rates established by the order which follows are justified.

The Commission concludes that Petition No. 57 should be granted to the extent provided by the order which follows, and that Minimum Rate Tariff 4-B should be amended to incorporate the minimum rates found reasonable herein.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 4-B (Appendix C of Decision No. 65521, as amended) is further amended by incorporating therein Supplement 15 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 said Decision No. 65521, 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 not earlier than July 1, 1971 for Territory A and August 1, 1971 for Territory B, on not less than three days' notice to the Commission and to the public.

4. In all other respects said Decision No. 65521, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 15th day of JUNE, 1971.

~~William J. ...~~
 _____ Chairman
 William J. ...

 Vernon L. Sturgeon

 _____ Commissioners

*I dissent
H. ...*

I do not believe that an increase in rates should be granted to offset wage increases & other increased costs on the basis of a "preliminary analysis", without a hearing.

SUPPLEMENT 15

(CANCELS SUPPLEMENT 14)

(SUPPLEMENT 15 CONTAINS ALL CHANGES)

TO

MINIMUM RATE TARIFF 4-B

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF USED PROPERTY, VIZ.:

HOUSEHOLD GOODS, PERSONAL EFFECTS AND
OFFICE, STORE AND INSTITUTION FURNITURE,

FIXTURES AND EQUIPMENT OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

HOUSEHOLD GOODS CARRIERS

APPLICATION OF SURCHARGES

(See Page 2 of This Supplement)

Decision No. **78801**

EFFECTIVE JULY 1, 1971)
(Except as Noted)

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

APPLICATION OF SURCHARGES

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 the following percentages:

- o(a) 4 percent under the Territory A rates in Items 330 and 350;
- o(1) (b) 5 percent under the Territory B rates in Items 330 and 350;
- (2) (c) 10 percent under the remaining rates in the tariff.

The surcharge authorized herein shall be computed to the nearest 5 cents. In computing the surcharge, 2½ cents and 7½ cents shall be considered as being nearer to the next 5 cents.

EXCEPTION.--The surcharges herein shall not apply on charges resulting under:

- (A) Item 45
- (B) Note 1 of Item 110
- (C) Paragraphs (d) and (e) of Item 120
- (D) Item 187
- (E) Item 330 (Territory C only)
- (F) Item 350 (Territory C only)
- (G) Paragraph 2(a) of Item 360

- (1) Effective August 1, 1971.
- (2) Reissued from Supplement 14.

THE END

o Change)
o Increase) Decision No. 78801