

ORIGINAL

Decision No. 79427

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, and highway)
 carriers relating to the transpor-)
 tation of trailer coaches and related)
 items as provided in Minimum Rate)
 Tariff No. 18.)

Case No. 8808

Petition for Modification No. 9
 (Filed April 2, 1970;
 Amended April 26, 1971)

Petition for Modification No. 14
 (Filed April 26, 1971)

Milton W. Flack, Attorney at Law, and Don B. Shields,
 for Highway Carriers Association; and Carl H. Fritze,
 Attorney at Law, for National Trailer Convoy, Inc.,
 Morgan Drive Away, Inc., and Transit Homes, Inc.;
 petitioners.

Henry F. Lippett, Attorney at Law, and Voegelin & Barton,
 by James P. Watson, Attorney at Law, for Trailer Coach
 Association, protestant.

R. A. Lubich, in propria persona; and Arlo D. Poe and
R. W. Smith, Attorneys at Law, and H. F. Kollmyer,
 for California Trucking Association; interested
 parties.

Ronald I. Hollis and Norman Haley, for the Commission
 staff.

O P I N I O N

These matters were heard May 11 through May 14, 1971 at Los Angeles before Examiner Thompson and were submitted on briefs due June 10, 1971. By Petition No. 9, Highway Carriers Association and intervenors Morgan Drive Away, Inc., National Trailer Convoy, Inc., and Transit Homes, Inc., seek the revision of minimum rates for the transportation of trailer coaches exceeding 10 feet 4 inches in width (hereinafter called 12-wides). Hearing on this petition had been scheduled for July 8, 1970; however, upon petition filed by Trailer Coach Association, the Commission, on June 16, 1970,

issued its Decision No. 77371 postponing hearing and directing its staff to prepare studies of the transportation of 12-wides which can be utilized for the establishment of just and reasonable rates. Said studies were prepared, were distributed to all known interested parties prior to the hearings, and were introduced in evidence at the hearings herein. By Petition No. 14, Highway Carriers Association and the aforesaid intervenors seek upwards adjustments in the rates and charges in Minimum Rate Tariff 18 to offset increases in operating costs which have been incurred since the said rates and charges were last adjusted. Petitions Nos. 9 and 14 were consolidated for hearing and decision.

There are three principal issues in these proceedings:

(1) Modification of the rule for computation of distances for the application of the minimum rates; (2) the establishment of a separate rate structure for the transportation of 12-wides; and (3) adjustment of the minimum rates to offset increases in operating costs. We shall consider said issues in the order stated.

Computation of Distances

Most all of the minimum rate tariffs are governed by a Distance Table of constructive mileages. Constructive mileages reflect the actual distance between any two points adjusted to give effect to normal truck speeds, grades, curves and traffic conditions on the road or highway routes between said points. The Distance Table lists the constructive mileage of the shortest route between points in California. The shortest constructive mileage routes for the most part, and particularly through the metropolitan areas, are via the freeways. The route of movement of 12-wides is regulated by State and local authorities and the prescribed routes for the towing of 12-wides are circuitous in relation to the shortest constructive mileage routes utilized in the Distance Table.

The problem of circuitous routings imposed by State and local agencies upon the development and application of minimum rates based upon distance was before the Commission at the time that minimum

rates for the transportation of trailer coaches were established. In the instance of the establishment of minimum rates for hauling trailer coaches the circuitous routings were given consideration in the cost study that was the foundation for said rates. The same was not true regarding towing trailer coaches under special permits. In order to give effect to circuitous routings in the case of towing, the Commission, by rule in Item 70 of Minimum Rate Tariff 18 (MRT 18), prescribed:

"When a permit shipment is required to be towed by a circuitous route because of conditions imposed by a governmental agency, distances shall be computed along the shortest legal route available to the carrier in accordance with the method provided in the Distance Table."

It is readily apparent that the rules of the Distance Table require some interpretation for application over particular routes. The tables and the maps consider only the normal truck routes available to for-hire carriers without regard to special restrictions of routing. For example, Rule 3 of the Distance Table provides that the constructive mileages between two Red Points shown on the maps shall be the mileage tabulated in Section 3 of the Distance Table regardless of route of movement. This rule obviously conflicts with the premise that when a carrier is required by law to operate via a circuitous routing between two points he should receive compensation for the additional expense involved. In some instances, the Distance Table maps show the roads or highways used in the circuitous routings and in such cases the constructive mileages can be computed directly from the maps. In other instances, the roads and highways are not shown on the maps so that some other method of calculating constructive mileages is required. A somewhat strained interpretation of Rule 4 of the Distance Table would permit the constructive mileage over a circuitous route to be determined by taking 1.3 times the actual highway mileage over said route. This,

however, poses the problem of how "actual highway mileage" should be determined. In normal trucking operations this problem is of little significance because the use of "actual highway mileage" ordinarily involves very short distances and the trucks actually traverse the route so that odometer readings are suitable. In the case of 12-wide hauling the distances often are great and, in addition, under one interpretation of MRT 18 the actual route used by the carrier may not be the "shortest legal route available to the carrier". The Division of Highways, and in most instances the local governmental agencies, have established patterns of routings for the movement of loads requiring special permits and in many cases there are two or more routes that may be taken between two points. The carriers are generally familiar with the routing requirements and when they apply for a special permit will designate the routing that they prefer. Unless there are unusual circumstances or conditions the permit will be issued authorizing said routing. The carrier may not select the shortest route from the standpoint of actual mileage because said route may not be the shortest from the standpoint of time, efficiency and cost of operations. Where the "shortest legal route available to the carrier" is not traversed some method other than odometer readings must be utilized to determine the "actual highway mileage". The Commission has not adopted or approved any highway mileage table or map for reference in computing actual highway mileage over highway routes.

An even more perplexing problem is reconciling the rules in the Distance Table, and the manner in which the tables of mileages are constructed, to routings in or through the metropolitan zones and metropolitan zone groups described therein. It is not necessary herein to describe that structure in detail. The establishment of zones, zone groups, extended areas and mileage territories in the Distance Table was intended to reflect cost and economic factors in rate making for the transportation of freight between points and

between areas of identical commercial interests via the shortest routes available for normal trucking operations. This structure does not permit the taking off of mileages along any specific route within or through the metropolitan zones. In cases of transportation between mileage territories and where the metropolitan zone groups are utilized for the computation of constructive mileages, it was found that any consistent interpretation of the rules in the Distance Table for application in determining constructive mileages over a particular route into or through an area of metropolitan zones provided peculiar and unrealistic results.

The Commission was made aware of the problem of determining constructive mileages along specified routes through metropolitan zone groups and by Decision No. 78316, dated February 17, 1971, the Commission, without hearing, amended Item 70 of MRT 18 to provide that for the towing of 12-wides from, to or through a metropolitan zone the distance for the application of rates shall be 1.1 times the actual highway mileage from point of origin to point of destination along the shortest legal route available to the carrier. This amendment removed one problem, namely, the application of the rules in the Distance Table to compute constructive mileage along a specified route from, to or through a metropolitan zone; however, it magnified the problem of ascertaining "actual highway mileage along the shortest legal route available to the carrier". It also resulted in a number of anomalies such as the constructive mileage for the movement of 12-wides over streets and secondary highways being less than the constructive mileage for towing 8-wides, or of hauling general freight over freeways between the same points. The latter was not intended by the Commission as Decision No. 78316 states that the modification of Item 70 was to clarify the uncertainty then existing regarding the proper determination of mileages under the provisions of MRT 18 in instances where a permit shipment of trailer coaches and campers is towed by a circuitous route because of conditions imposed by a governmental agency.

An associate transportation rate expert of the Commission's Transportation Division testified that he had made a study of the application of rates by carriers engaged in towing trailer coaches and had given consideration to the problems mentioned hereinabove. It is his opinion that the Distance Table is a necessary instrument for the application of rates and therefore what is required are rules or adjustments in the rates which will permit the use of the short-line or so-called point-to-point constructive mileages determined in accordance with the present rules and procedures in the Distance Table. He stated that a simple method of accomplishing said result would be the application of factors which would increase the constructive mileages determined under the procedures of the Distance Table to give effect to the circuitous routings. He directed the preparation of a traffic flow study under which thirty-four carriers were selected by a statistically acceptable random sampling method from all carriers with 1969 annual revenues of \$10,000 or more engaged in transporting mobile homes. All of the freight bills covering 12-wide mobile home towing for the last quarter of 1969 were obtained from the 34 carriers and said freight bills reflected 1,542 shipments of 12-wides in initial movement and 230 shipments in secondary towing. He obtained from the State Division of Highways and local agencies the patterns of authorized routings for 12-wide towing and routed the shipments in the freight bill sample via said routes. He found that in the metropolitan areas of San Francisco, Los Angeles and San Diego the carriers were unable to utilize the primary thoroughfares, whereas in other areas portions of the routings followed primary roads and highways or secondary highways more or less parallel thereto. He developed constructive mileages for the various authorized routings to determine the distance between point of origin and point of destination of each shipment. This was then compared with the shortest constructive mileage prescribed in the Distance Table between the said points.

The total constructive miles via the authorized routings for the 1,772 shipments transported was 382,682 which compared to the total Distance Table mileage of 333,993, the authorized routings representing a circuitry of 14.58 percent.

The rate expert delineated five territories and compared the constructive mileages via the authorized routings with the short-line constructive mileages provided in the Distance Table with respect to each shipment within and between the territories. Said comparisons are set forth in Exhibit 9-4. The territories are:

- MZ 100 Series. This includes all of the area in the San Francisco Bay Area within established metropolitan zones and generally coincides with the area embraced in San Francisco Territory described in MRT 2.
- MZ 200 Series. This includes the area in Los Angeles and Orange Counties within established metropolitan zones and generally coincides with the area embraced in Los Angeles Territory described in MRT 2.
- MZ 300 Series. This includes all of the area in the San Diego Area within established metropolitan zones and generally coincides with the San Diego Drayage Area described in MRT 9-B.
- Group A. Includes the area of the Counties of Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego except the areas encompassed by MZ 200 Series and MZ 300 Series.
- Group B. This includes the area in all counties of the State except those included in Group A and also excluding the area in MZ 100 Series.

The rate expert proposes factors be established conforming generally to the ratios of the constructive mileages via the authorized routes with the short-line constructive mileages disclosed in his study. For example, his study disclosed that for the transportation of 12-wide trailer coaches between metropolitan zones within

MZ 100 Series territory the weighted average percent increase of constructive miles via authorized routes as compared to the shortest constructive mileages set forth in Distance Table 7 between the points was 27.33 percent; he proposes the MRT 18 rates be applied to 125 percent of the Distance Table 7 shortest constructive miles for transportation of 12-wides between metropolitan zones within MZ 100 Series territory. For transportation within a single metropolitan zone he proposes that the rate for 10 constructive miles be applied.

Trailer Coach Association opposes the establishment of the proposed rule contending that it will result in substantial increases in rates. In support of its protest it presented Exhibit 9-14 showing increases in constructive mileages and the increases in rates that would result if the proposal of the rate expert is adopted. The witness sponsoring this exhibit stated that the situations set forth therein represented extreme cases of increases. The case of a movement of a 12-wide from Riverside to Redondo Beach provides the most "extreme" case set forth in the exhibit and it will be helpful to analyse that case in evaluating the Association's contentions.

An examination of maps indicates that the most direct route from Riverside to Redondo Beach follows the general route of State Highway 91. Examination of Distance Table 7 discloses that such routing provides the basis for the short-line constructive mileage set forth therein. This record does not contain a precise description of the authorized routings for 12-wides between the points. Portions of SR 91 are freeways and are not available for the movement of 12-wides. According to protestant's witness the actual

highway mileage between the points is 67 miles.^{2/} Under the provisions of Decision No. 78316, the application of the percentage factor of 1.1 to 67 actual miles results in a constructive mileage of 74 for the application of the rates in MRT 18 to a movement of a 12-wide trailer coach. Distance Table 7 prescribes 75 constructive miles from Riverside to Redondo Beach. This latter is applicable to the towing of an 8-wide trailer coach so that Decision No. 78316 has resulted in the anomaly of the constructive miles for a movement of a large trailer coach over a circuitous route being less than the constructive miles for the transportation of a small trailer coach over the most expeditious routing. Under the rate expert's proposal a factor of 135 percent would be applied to the Distance Table mileage of 75 to arrive at a constructive mileage of 101. Protestant compares the proposed 101 constructive miles with the 74 constructive miles it developed by applying the 1.1 factor prescribed in Decision No. 78316 to its measured 67 actual miles. The aforementioned anomaly indicates that this may not be a reasonable comparison.

There is no fixed relationship between actual miles and constructive miles prescribed in the Distance Table. The latter

^{2/} It is not clear how this actual mileage was determined nor is the precise point of origin or the precise point of destination described. The constructive mileage set forth in Distance Table 7 is measured from the intersection of Highways U.S. 60 and SR 91 in Riverside to the intersection of Pacific Avenue with Emerald Street in Redondo Beach. It is not known, therefore, whether the 67 actual miles is comparable with the constructive miles set forth in the Distance Table. We utilize the 67 miles only for the purpose of analyzing protestant's contentions.

takes into account operating conditions involving cost considerations encountered by a carrier in transporting property between points via the routes available to it. Most of the cost considerations involve time variables.^{3/} In general, it might be reasonably anticipated that a fully laden truck moving between a pair of points 100 constructive miles apart will require approximately the same time as would be required for it to operate between some other pair of points 100 constructive miles apart even though the distance between the first pair of points may only be 50 highway miles and the actual highway distance between the latter points may be 95 miles. Looking at the circuitry factor from the standpoint of time, is it reasonable to anticipate that the movement of a 12-wide from Riverside to Redondo Beach via an authorized route would require 35 percent more time than if the 12-wide could be transported via the shortest constructive mileage route, namely via the Riverside Freeway? This record does not specify the authorized routings between Riverside and Redondo Beach; however, the descriptions in the record regarding the general practices and requirements of municipalities strongly indicate that the movement of a 12-wide would be diverted from the primary thoroughfare to secondary highways and streets at least in Riverside, Corona, and one-half of the way between Peralta Junction and Redondo Beach. On such secondary highways and city streets the carrier is faced with more stringent speed restrictions and more traffic controls let alone a greater distance to traverse. We are of the opinion that a 35 percent increase factor is reasonable under such circumstances.

3/ Foreword of Distance Table 7:

"Distances different from actual miles have been developed by making adjustments for variations in motor vehicle operating conditions caused by the following:

- (1) Elements of highway design, such as grades and alignment.
- (2) Elements of highway traffic, such as congestion and controls."

Not having the precise descriptions of the authorized routes between Riverside and Redondo Beach, or information regarding actual highway mileages between segments over said routes, we are unable to ascertain the constructive mileage between said points over those authorized routes computed under the procedures utilized by the rate expert. There is no doubt, however, that such constructive mileage would be in excess of the short-line distance of 75 constructive miles. Keeping in mind the elements considered in the development of constructive mileages (see Footnote 3), it is reasonable to believe that if an engineering study were to be made of the constructive mileages over the authorized routes the end result would provide distances much closer to the 101 constructive miles proposed by the rate expert than to the 75 constructive miles provided by the short-line route.

The rate expert tested his proposal against the 1,772 freight bills of the 34 sample carriers. Such test is summarized in Exhibit 9-8. Under the proposal the constructive miles for rating purposes would be reduced in the cases of eleven of the carriers and would be increased in the cases of the others. In the overall, the proposal would result in increasing the total constructive miles for rating purposes from 382,682 to 388,264, an increase of 1.5 percent. This test with respect to 1,772 actual movements of 12-wides shows that although in individual instances the factors recommended by the expert may provide too great or too little compensation for circuitry, in the overall they represent the cumulative experience in the transportation of 12-wides.

The rate expert's proposal that for transportation within a single metropolitan zone the distance shall be 10 constructive miles is not consistent with his development of the other constructive mileage increase factors. Distance Table 7 (Rule 5a) prescribes that constructive mileage within a single metropolitan zone shall be 3 miles. The suggested 10 miles represent an increase of over

300 percent which increase is not reflected in the traffic flow study. Furthermore, the adoption of 10 constructive miles for transportation within a single metropolitan zone would result in a greater distance, and hence a greater rate, for transportation within a single metropolitan zone than the distance, and the rate, for transportation from that zone to another zone.^{4/} We note that the distance of 3 constructive miles prescribed in Rule 5a of the Distance Table conforms to the initial mileage bracket in the scale of rates prescribed in some of the minimum rate tariffs governed by the Distance Table. The distance for transportation of 12-wide trailer coaches within a single metropolitan zone should conform to the initial mileage bracket in the scale of rates for 12-wides in MRT 18, namely, 5 constructive miles.

Except for the 10 constructive miles for transportation within a single metropolitan zone, the factors proposed by the rate expert for increasing the constructive mileages set forth in Distance Table 7 generally reflect and compensate for the additional actual highway mileages traversed and the lesser degree of enroute performance resulting from the routings prescribed by the Division of Highways and local agencies for the movement of 12-wides as compared to the routes considered in the establishment of the constructive mileages in Distance Table 7. We recognize that there now may be, and because of changes in authorized routings in the future there may be, situations where the additional highway mileage and degree of enroute performance caused by routings prescribed by governmental authorities could be substantially greater or substantially less than reflected by the constructive mileage factors. As indicated by the test of the factors to the freight bill sample, such situations are exceptional. If and when it appears that significant traffic

^{4/} A movement between MZ 113 and MZ 114 provides one example.

will move between points where there are exceptional conditions, appropriate adjustments in the constructive mileage or in the rates can be made to reflect said exceptional conditions.

Minimum Rates for 12-Wides

Estimates of the costs of transporting 12-wides were presented by petitioner Highway Carriers Association (Exhibit 9-2), by the staff (Exhibit 9-3), and by Trailer Coach Association (Exhibit 9-12). The cost development methods in Exhibits 9-2 and 9-3 are substantially the same but the estimates of cost factors differ in a number of respects. Exhibit 9-12 is in an entirely different format and the estimates therein are intended to reflect the cost to a manufacturer of trailer coaches of engaging in proprietary transportation operations to distribute its products.

Exhibit 9-12 was prepared by the traffic manager of a mobile home manufacturer with five plants in California. He estimates that it would cost his company 54.45 cents per mile to conduct a proprietary operation. This estimate is based upon an average trip in California of 296 actual miles or a round trip of 612 constructive miles, an equipment annual use factor of 2,000 hours and 95,000 miles, and labor time based upon 40 hours per week straight time and 12.75 hours per week overtime for 50 weeks per annum. It is estimated that 147 loads would be transported during a year. Petitioner, intervenor and the staff take issue regarding the estimates in Exhibit 9-12. We do not discuss every contention made in connection therewith. The exhibit does not purport to show, nor was it intended to show, an estimate of the cost incurred by highway carriers transporting 12-wides. It was intended to reflect an estimate of the cost of a single manufacturer of transporting its own trailer coaches and thereby show that if the minimum rates were increased above certain levels that it would be advantageous to said manufacturer to obtain equipment to transport a portion of its production, and that said portion would be diverted from highway

carriers. It has been shown that this estimate is substantially lower than the cost the manufacturer would reasonably incur in engaging in proprietary operations. The principal reason for the low estimate lies in the development of the cost of labor. It was assumed that the base pay of the driver would be \$3.50 per hour and that "fringe benefits" would cost 15 percent of the base pay. The base pay amount is predicated upon the traffic manager's investigations made some 18 months before the hearing. If the 15 percent is intended to reflect provisions of labor contracts with unions, as well as taxes and other payroll costs, that factor is substantially underestimated. The allocation is barely sufficient to cover payroll taxes and compensation insurance. The exhibit and the testimony of the traffic manager in connection therewith, however, provide data helpful to the evaluation of the estimates made by petitioner and by the staff.

The principal differences between petitioner's estimates and the staff's estimates lie in the development of the fixed and depreciation expense per hour of motor vehicle equipment. The staff considered the typical vehicle utilized to be a light gasoline-engined tractor with a service life of eight years. Petitioner based its estimates on a heavier tractor with a service life of five years. Staff's cost estimates for 10-wide towing introduced in 1966 reflected a six-year service life of a tractor. The evidence shows that in recent years the lengths of haul of the towing of 12-wides have been increasing which, in turn, increase the requirement for greater power for efficiency of operations. The data utilized by the staff in the development of its estimate of the equipment costs disclose the trend for heavier equipment and, in fact, support petitioner's contention. We also note that in the preparation of his estimates in Exhibit 9-12, the traffic manager considered that a diesel heavy-duty tractor with a service life of five years would be more efficient for its proprietary operations. We accept petitioner's estimate of

the historical cost of equipment together with a service life of five years. Petitioner's estimate of a salvage value of 10 percent appears to be inordinately low in conjunction with a 5-year service life. Staff's study of equipment shows a salvage value of equipment with eight-year service lives to be on the order of 12-1/2 percent. Petitioner estimates that the equipment will be operated on the order of 90,000 miles per year (which conforms generally to the estimate of the traffic manager in Exhibit 9-12). We are of the opinion that a salvage value of 15 percent is reasonable for the equipment considered herein. This adjustment results in a total fixed and depreciation expense per year of \$2,622.

Petitioner utilized 1,800 annual use hours to convert the annual expense to an hourly cost. Staff estimated 2,000 use hours for initial towing and 1,810 for secondary towing. Petitioner asserts that 2,000 hours is excessive in that 12-wides are prohibited from moving on weekends and holidays and operating hours are restricted to those between sunrise and sunset. It asserts that there is, therefore, a maximum potential use hours per annum of 2,032. Said argument assumes that the use hours involve only the time when the tractor is towing the trailer. That is not the case. As shown in Exhibit 9-2 the time considered in the development of costs includes not only loaded enroute time but also empty enroute time, dead-head (terminal to origin) time, and pickup and delivery time. In view of the fact that the average miles per trip have increased substantially, and the total highway miles per year have also increased (petitioner estimates 90,000 miles per tractor per year), the estimate of 2,000 hours per year does not appear to be excessive. Carriers engaged in secondary towing also transport trailer coaches in initial movement. The tractors used are the same. Under the circumstances, 2,000 hours is reasonable as a use factor for secondary as well as initial towing. The record as a whole shows such estimate not only to be feasible but also to be reasonable. With such use factor the estimated total fixed and depreciation cost per hour is \$1.311.

Staff and petitioner disagree in their estimates of the running costs per mile. We have already stated that the heavier type equipment should be considered for rate-making purposes herein. We therefore consider the reasonableness of petitioner's estimate of running costs. The estimates to a large extent are based upon studies made by the Commission staff for presentation in other cases, particularly Case No. 6322. The estimated maintenance and repair cost of \$0.063 per mile is identical with the figure in the staff report in Case No. 6322, which figure was an estimate for a tractor hauling 30,000 pounds with a service life of eight years and with a relatively high mileage use factor. The type of equipment considered in Exhibit 9-2 is a tractor towing a trailer weighing substantially less than 30,000 pounds, with a service life of five years, and with the relatively low annual use factor of 90,000 miles. Maintenance and repair costs increase as the load increases, as the age of the equipment increases and as the mileage operated increases. In addition, the effect of the warranties on equipment purchased new is greater in considering the average maintenance and repair cost of equipment over a five-year period as compared to eight years. The evidence shows petitioner's estimate of running costs to be unreasonably high. Although the equipment under consideration is different from those considered in Exhibits 9-3 and 9-12, the testimony in connection with the estimates in those exhibits, together with the testimony regarding the estimates in Exhibit 9-2, permits a reasonable estimate of running costs for the equipment under consideration here. Considering the power of the tractor, the weights of the loads transported, the fact that when traveling without a load the tractor is unencumbered but when transporting a trailer the operating conditions are at varying speeds rather than at more or less constant speeds as is the case of tractors and trailers transporting general freight, an estimate of 6 cents per mile for fuel and 1/2 cent per mile for oil appears to be reasonable. Considering the weight of the tractor and the type of operations

conducted, one cent per mile for tire expense is a reasonable estimate. Considering all of the elements discussed hereinabove regarding the estimate of maintenance and repair expense, and particularly the relatively short service life of the equipment both in terms of years and mileage, three cents per mile for maintenance and repair costs is a reasonable estimate. The aforementioned total is \$0.105 per road mile. By the formula used by petitioner and the staff, this converts to a cost of \$0.0954 per constructive mile. Petitioner's estimate is \$0.136 per constructive mile and staff's estimate is \$0.089 per constructive mile.

Both petitioner and staff estimated total labor cost at \$5.02 per hour. This figure includes fringe benefits, payroll taxes and all other expenses related to labor. Approximately two-thirds of the carriers, with 50 percent of the vehicle units, are owner-operators and therefore do not show labor costs on their books. Employed drivers are paid on a basis ranging from 30 percent to 40 percent of gross revenue or on an hourly basis ranging from \$2.70 to \$4.00 per hour. Overtime premium is paid by a few carriers. Employed drivers generally do not receive benefits or payments in addition to the wage scales indicated. The engineer who prepared Exhibit 9-3 stated that \$5.02 is the hourly rate of pay for long-line operations effective July 1, 1971 under the terms of the Teamster "Western States Area Over-The-Road Motor Freight Supplemental Agreement" for the period of April 1, 1970 to June 30, 1973. He stated that it is desirable to relate the labor costs in the towing of 12-wides to current provisions of a collective bargaining agreement of truck drivers performing similar work in order to be able to measure any changes in wages in future proceedings regarding adjustment in the minimum rates. Petitioner agrees with that concept.

In cost finding for minimum rate purposes the Commission has included for consideration in the development of reasonable labor costs the hourly wage rates, fringe benefits and working conditions prevailing in the State, or in the particular area involved, together with all other expenses relating to the employment of the driver, that are prescribed by law or by public policy. In towing of 12-wides the compensation of the drivers of well over 50 percent of the towing vehicles is not in terms of wages per hour. The prevailing method of compensating employed drivers is on the basis of 30 to 40 percent of the gross revenue per trip. Exhibit 9-4 indicates that the average length of tow of 12-wides is around 150 miles. The relationship of labor costs to total costs at 93 percent operating ratio for 150 constructive miles in the estimates in Exhibit 9-2 is 38.76 percent, and the relationship in the estimates in Exhibit 9-3 is 45.62 percent.^{5/} In view of the fact that expenses related to social security, unemployment insurance and workmen's compensation insurance are consistent with public policy if not required by law, the aforesaid relationships indicate that the \$5.02 labor cost compares with the cost of engaging drivers on the basis of a percentage of gross revenue. Two-thirds of the carriers are owner-operators. It is reasonable that they receive compensation per hour for their labor as drivers at least equal to the base pay they would receive from doing the same work for someone else. The estimated labor cost of \$5.02 is reasonable.

^{5/} Full cost at 93 percent operating ratio is developed by use of the formula appearing on page 4 of Exhibit 9-3. The curve of full costs at 93 percent operating ratio has been utilized in a number of instances as the initial point in the consideration or development of a minimum rate structure. We do not imply that reasonable minimum rates are necessarily equated with full costs at 93 percent operating ratio.

In the development of costs per constructive mile for the towing of 12-wides, petitioner and the staff applied the cost elements of vehicle cost per hour, running cost per mile and labor cost per hour to performance factors. The enroute performance of tractors returning without loads utilized by petitioner and by the staff does not reflect the rule which we are adopting herein regarding the determination of constructive mileages in the application of the minimum rates for 12-wide towing. What is reflected in Exhibits 9-2 and 9-3 are cost developments for a tractor proceeding a number of dead-head miles from its terminal to origin, picking up the trailer and towing it the revenue constructive miles to destination, delivering it and returning the same number of constructive miles as the revenue miles. In actual practice, only the towing movement is restricted to the authorized routing; on its return trip the tractor may proceed via any truck routing and normally would take the shortest constructive mileage route. Utilizing the Riverside-Redondo Beach example hereinbefore discussed as an illustration, the Distance Table specifies 75 constructive miles as the shortest distance, the rule provides that said distance is to be increased by 35 percent to 101 constructive miles upon which the rate is to be applied. Because of the circuitry and reduced performance level of the authorized routing, for cost purposes it may be considered that the distance for the outbound tow is equivalent to 101 constructive miles; however, on its return without the tow the tractor would be able to follow the normal route which is 75 constructive miles. As applied to the foregoing illustration, the petitioner and the staff considered the return trip to be the equivalent of 101 constructive miles.

The evidence shows the magnitude of the adjustment necessary to relate the cost estimates to the new rule. Exhibit 9-4 (Table B Revised) shows that the total Distance Table 7 constructive

miles for the 1,772 shipments transported by the 34 sample carriers was 333,993. Exhibit 9-8 (Page 1) shows 388,264 total constructive miles under the circuitous mileage rule for said 1,772 shipments, a difference in constructive mileage of 16.25 percent. The amount of the difference between loaded constructive miles and unloaded constructive miles varies between origins and destinations. For short hauls the constructive mileage percentage increase factors range from 155 (within MZ 200 Series) to 110 (within MZ 300 Series), for intermediate hauls they range between 160 (between MZ 200 and MZ 300) and 110 (between Group A & Group B), and for long hauls they range from 130 (between Group B and MZ 300) to 105 (between Group A and MZ 100). It is apparent from the record that the mileage increase factors are greater for the average shorter movements than for the average longer movements. The evidence permits the determination of reasonable corrections to the performance factors to offset the overstatement of "empty miles" resulting from the circuitous mileage rule. They are shown in the table below which sets forth our estimates of the costs of towing 12-wides.

Data from the same 34 carriers comprising the sample used in the freight bill study were used by the staff in the development of the performance factors utilized in Exhibit 9-3. In view of the fact that we have considered the freight bill study in arriving at the correction factors for "empty miles", it is desirable to use Exhibit 9-3 as a model to estimate the costs per constructive mile of towing 12-wides. Substituting the cost elements hereinbefore found to be reasonable, and applying the correction factors for "empty miles" referred to above, recalculation of the estimates in Exhibit 9-3 provides the following results:

TABLE I

TOTAL COST PER CONSTRUCTIVE MILE AT
100 PERCENT OPERATING RATIO FOR THE
TOWING OF 12-WIDE TRAILER COACHES

Revenue Miles ^{1/}	<u>5</u>	<u>30</u>	<u>75</u>	<u>150</u>	<u>300</u>	<u>500</u>	<u>700</u>
Correction % ^{2/}	30	30	20	18	16	15	12
Initial Towing							
Cost per Trip	\$ 30.018	38.934	60.785	98.061	179.211	284.971	391.799
Cost per Mile	\$ 6.004	1.298	0.811	0.654	0.597	0.570	0.560
Secondary Tow							
Cost per Trip	\$ 29.549	40.436	63.636	100.036	185.499	297.482	409.997
Cost per Mile	\$ 5.910	1.349	0.848	0.667	0.618	0.595	0.586

- (1) Constructive miles after application of constructive mileage percentage increase factor in the circuitous mileage rule to the Distance Table 7 constructive miles.
- (2) Correction factor relating Distance Table 7 constructive miles to revenue miles. For example, 112 percent of 625 Distance Table 7 constructive miles equals 700 revenue constructive miles.

There were a number of arguments presented by the parties regarding the level and structure of rates aside from those concerning the cost of performing the service. Trailer Coach Association recommended that the structure of rates be revised to provide for a greater number of mileage brackets so as to lessen the differential in rates between adjacent mileage blocks. In its brief staff supported this proposal and revised its rate proposal to reflect 36 mileage blocks for distances up to 600 constructive miles. Petitioner did not oppose this modification of the rate scales. It will be adopted.

Staff's suggested rate scales assertedly were designed to reflect costs at 100 percent operating ratio (no profit) in the case of initial towing, and at 95 percent operating ratio (5 percent before taxes) in the case of secondary towing. It was stated that such level of rates were desirable because of the large increases in rates involved and also because of proprietary competition in the case of initial towing. In some instances the rates for initial towing were proposed at a level lower than the full costs in order to preserve a smooth progression of rates.

Trailer Coach Association presented a suggested schedule of rates for initial towing under which the rates for 300 miles and up reflect a cost of 54 cents per mile. The staff's suggested rates for distances up to 125 miles were followed generally. For distances between 125 miles and 300 miles the scale represents an attempt to maintain a constant percentage of increase over the present rates. Except for the shorter distances the rates are well below the full costs estimated by the staff. In essence, the Association recommends that in establishing a scale of rates for 12-wide towing the Commission give great weight to: (1) the threat of proprietary competition, and (2) amelioration of the impact of large increases in rates in portions of the rate structure.

There are three reasons underlying what appear to be large increases in rates throughout the rate structure: (1) the present rates are based upon costs for the towing of 10-wides in that 12-wide towing was not permitted until after the submission of the case in which the establishment of minimum rates for the transportation of trailer coaches was considered; (2) the determination of constructive mileage over "the shortest legal route of movement" proved to be difficult if not impossible and the Commission's Decision No. 78316 resulted in instances where the rate for 10-wide and 12-wide towing is to be applied to fewer constructive miles for the towing of 10-wides than for 12-wides between the same points; and (3) the rates for towing 10-wides (and hence 12-wides) were last adjusted effective July 18, 1970 pursuant to Decision No. 77336, dated June 9, 1970. Petition No. 9, herein, was filed April 2, 1970 and was set for hearing for July 8, 1970. The petition was removed from the calendar at the request of and on representations by Trailer Coach Association. Petitioner opposed the request. It cannot be found that petitioner has been dilatory in attempting to seek upwards adjustments in the rates of 12-wides.

The reason for what may appear to be disproportionate increases in rates for distances around 200 miles is that the present rate structure changes from a "grasshopper scale" to a rate in cents per mile at that distance. The break in the rate scale was fixed at that point because at the time the minimum rates were established there was very little movement of trailer coaches for distances exceeding 200 miles. In a rate structure that prescribes charges for a number of mileage blocks and thereafter prescribes a rate per mile, the latter is affected by the cost per mile for all distances beyond the break point (i.e., beyond 200 miles), and the rate per mile affects the charges in the last, or the last few, mileage blocks. The present rate structure with the break from the grasshopper scale at 200 miles is ill-suited to present day conditions where 45 percent of the shipments of 12-wides are towed over 200 constructive miles.

We have considered all of the contentions and arguments presented by the parties. We are of the opinion that the rate structures should provide for a smooth progression of rates generally following the same curve as the curve of the costs of providing the service without adjustment to lessen the percentages of increase in rates that may result in connection with any particular mileage bracket. Potential proprietary competition does not warrant the establishment of rates less than full costs in this case. In some transportation operations the establishment of certain rates at levels between out-of-pocket costs and full costs may be justified in order to maintain high load factors and lower unit costs. That is not the case here where each tow is a shipment involving a round trip by the towing vehicle.

We are of the opinion that the rates for initial towing of 12-wides should be established at a level which will provide a slight return over full cost and that the rates for secondary towing should be established close to costs at 95 percent operating ratio. Said levels give proper consideration to the impact of the increases in rates, to the fact that the circuitous mileage rule will be disruptive of present rate relationships, and to the fact that carriers encounter serious competition from the proprietary operations of dealers in connection with initial movements. Comparisons of the rate schedules which will be established herein with those proposed by the parties are set forth in Appendix A, attached hereto.

Offset Increases in Other Rates

The minimum rates for the transportation of trailer coaches and accessorial charges in connection therewith were established by the Commission in Minimum Rate Tariff 18 pursuant to its Decision No. 72418, dated May 16, 1967. Said rates were based upon cost studies introduced by the Commission staff, which cost data reflected 1964 and 1965 expense levels. By Decision No. 77336, dated June 9, 1970, the levels of the minimum rates were adjusted upwards by the "Wage

(Cost) Offset" procedure to January 1970 expense levels. Said adjustments were based upon labor costs of \$4.085 per hour for towaway service and \$4.21 per hour for haulaway service. Said labor costs were related to the wage rates of drivers in local operations set forth in Western States Teamster's Union Agreement for Joint Councils 38 and 42 and in effect in January 1970. Since said date the wage rates for local drivers under said agreement were increased as of July 1, 1971 to \$5.235 per hour and \$5.36 per hour, respectively. Petitioner asserts that the wage rate of \$5.02 per hour prescribed for line drivers effective July 1, 1971 in the Over-the-Road Teamsters Union Agreement relates to the labor cost prevailing in the transportation of trailer coaches and campers in towaway and haulaway services. It requests the Commission to make upwards adjustments in the minimum rates which will reflect, by use of the "Wage Offset" procedure,^{6/} the following changes in expenses in said operations:

Labor Cost of \$5.02 per hour instead of \$4.085 for towaway operations and instead of \$4.21 for haulaway operations.

P.U.C. fee reduced from 0.30 percent to 0.25 percent.

Uniform Business Tax added at 0.10 percent.

Exhibit 14-1 sets forth the percentages of increases in costs resulting from the substitution of the aforementioned expense factors in the prior cost study. It shows increases in costs centering about 14 percent in towing trailer coaches, about 10 percent in the hauling of 12-wides, and around 11-1/2 percent in the case of the hauling of vacation trailers and campers.

^{6/} The various "offset" procedures are described in Decision No. 76353, dated October 28, 1969, in Case No. 5432. In general the "Wage Offset" procedure differs from other procedures in that only those items of indirect expense related directly to labor are considered in the expansion of direct costs.

Trailer Coach Association states that there is presently little or no 8-wide or 10-wide initial movement of trailer coaches since those smaller sizes of mobile homes are no longer being manufactured in any substantial volume. Its interest in the rates for the smaller coaches and the rates for secondary movements is to be assured that the rate structure for all transportation of trailer coaches is balanced and that the level of rates will be sufficiently low as to provide a continuing market for mobile homes. It points out that the rates for towing narrower, shorter, lighter 10-wide trailer coaches should not exceed the rates for towing the wider, longer and heavier 12-wide mobile homes.

It is the position of the staff that with certain exceptions, petitioner's cost data and rate proposals in Exhibits 14-1 and 14-2 reasonably reflect increases in costs that have occurred since the rates and charges in Minimum Rate Tariff 18 were last adjusted. It asserts that adjustments should be made in the 10-wide towaway rates proposed in Exhibit 14-2 so that in no instance will they exceed the 12-wide towaway rates, and, in order to lessen the rate differences between mileage blocks, it recommends that adjustments be made in the rates for towing 8-wides and 10-wides to reflect the same mileage blocks in the 12-wide rate structure.

While there is comparatively little movement of 8-wide and 10-wide trailer coaches, the rate structure for the towing of mobile homes should be cohesive and logical, and therefore follow the pattern of the towing rates for 12-wides. At present, the grasshopper scale extends only to distances up to 200 miles. The mileage rates for distances over 200 miles represent that rate which will provide a charge for 200 miles slightly in excess of the charge for the 175 to 200 mile bracket. In order to extend the grasshopper scale from 200 miles to 600 miles, petitioner's proposed mileage rate for distances over 200 miles will be utilized as the basis for the

mileage bracket "Over 200 miles but not over 225 miles". Charges for mileage brackets for greater distances up to 600 miles will be fixed so as to follow the same general rate curve pattern as the 12-wide rate structure. Adjustments in the proposed charges for 10-wides for distances less than 200 miles are necessary to provide for proper relationships of rates.

Effects of the Adjustments in the Minimum Rates

The adjustments in the rates for 12-wides for particular distances result in no increase in some instances, and an increase as high as 30.6 percent in the case of distances over 70 but not over 75 constructive miles. Those extremes result primarily from the changes in the mileage blocks. Exhibit 9-7 shows that the total revenue derived by the 34 carriers from the 1,772 shipments of 12-wides transported during the last quarter of 1969 would be increased by 17.2 percent had the shipments been rated under the staff's proposal. From the comparisons in Appendix A it may be observed that the staff's proposed schedule of rates for towing 12-wides in initial movement is close to the rates which will be adopted herein for distances up to about 400 constructive miles; for longer distances the adopted rates are somewhat higher. The general levels of the rates for secondary towing are close.

Exhibit 9-8 shows that the circuitous mileage rule for application of rates for the towing of 12-wides will reduce the constructive mileages for a number of the carriers and will increase them as to others, the overall effect being an increase of 1.5 percent in the total constructive mileages upon which the rates are based. We estimate that the overall effect of the adjustments in the 12-wide towing rates is an increase in revenues of between 18 and 20 percent from the level of rates in effect in January 1971. As we mentioned earlier herein, the modification of the method of determining constructive mileages prescribed in Decision No. 78316, dated February 17, 1971, resulted in inadvertently reducing constructive

mileages on some towing movements from, to or through metropolitan zones. Our estimate of the effect of the adjustments in the rates does not give effect to that circumstance.

A portion of the revenues derived from transporting mobile homes is from charges for accessorial services such as obtaining special permits (no increase) and special services (17.5 percent increase). These same carriers in many cases hold themselves out to tow 8-wides, to tow 10-wides and to haul 12-wides. We estimate that the increases in said rates average about 10 percent. The record indicates that there are few calls for such services. In the overall, the adjustments in rates will increase the total revenues derived from the transportation of mobile homes by around 18 percent. The increases in charges received by some carriers, and borne by some shippers, will be greater or less than said average depending mainly upon the origins and destinations of the traffic received or tendered.

It is recognized that said increase is substantial and we are fully aware of the threat of proprietary competition in the towing of 12-wides in initial movement. There is nothing in this record, however, which justifies the establishment of minimum rates for the transportation of mobile homes lower than the full costs of providing the service.

The carriers engaged in transporting vacation trailers and campers utilize special equipment not used in the transportation of mobile homes. The effect of the rate adjustments applicable to said transportation is an increase of about 11-1/2 percent.

Findings

1. Minimum Rate Tariff 18 prescribes minimum rates and charges for the transportation of trailer coaches and campers over the public highways. The rates for towing trailer coaches set forth therein are distance rates for constructive miles.

2. The routes of movements of the towing of 12-wide trailer coaches are regulated by the Department of Public Works of the State of California and by county and municipal governments, and the prescribed routings are circuitous in relation to the routes which are the bases of the constructive mileages prescribed in Distance Table 7.

3. The rules for the determination of constructive miles for application of the rates for the towing of 12-wides are uncertain and ambiguous, result in unreasonable charges, and make enforcement of the minimum rates prescribed for the towing of 12-wides difficult if not impossible.

4. The circuitous mileage rule described in the opinion herein, and which will be adopted in the ensuing order, gives reasonable effect to the carrier operating conditions resulting from circuitous routings imposed by governmental agencies for the towing of 12-wide trailer coaches, and is necessary to the application and enforcement of the minimum rates established for the towing of 12-wide trailer coaches.

5. The minimum rates, and the adjustments thereto, described in the foregoing opinion and which will be established in the order that follows, are, and for the future will be, the just, reasonable and nondiscriminatory minimum rates and charges for the transportation of trailer coaches and campers by highway carriers over the public highways of the State of California and for accessorial services related thereto.

6. Increases in rates and charges resulting from the adjustments in rates described in the preceding opinion and which will be established in the ensuing order are justified.

7. The movement of trailer coaches via routes prescribed by governmental authorities and the computation of distances under the newly established circuitous mileage rule for the application of minimum rates for such transportation may result in situations wherein a greater charge is prescribed for a shorter distance in actual miles

than for a longer distance in actual miles. In such situations authority to depart from the long- and short-haul prohibitions of Section 460 of the Public Utilities Code is required and is justified.

We conclude that Minimum Rate Tariff 18 should be amended by incorporating the adjustments in the minimum rates found herein to be reasonable and as provided in the ensuing order. In all other respects Petitions for Modification Nos. 9 and 14 should be denied.

The rates authorized herein are minimum and the transportation, involving wide loads and circuitous routing, should reflect the full costs of providing the service. Such charges are consistent with the purposes of the Federal Governments' economic stabilization program and, in our opinion, are justified.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 18 (Appendix B to Decision No. 72418, as amended) is further amended by incorporating therein, to become effective January 8, 1972, the revised pages attached hereto and listed in Appendix B also attached thereto which pages and appendix are made a part hereof. ✓

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 72418, 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 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 shall be made effective not later than January 8, 1972. ✓

4. 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.

5. In all other respects Decision No. 72418, as amended, shall remain in full force and effect.

6. In all other respects Petitions for Modification Nos. 9 and 14 are denied.

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

Dated at San Francisco, California, this 20th
day of NOVEMBER, 1971.

William J. Quinn Chairman
Alvin J. [Signature]
Veronica L. [Signature]
[Signature] Commissioners

L. A. [Signature]
[Signature]

Chairman

APPENDIX A

Comparison Of Present Rates For Towing 12-Wide Trailer Coaches
With Those Approved Herein And Those Proposed By
Highway Carriers Association, The Commission Staff,
And Trailer Coach Association

CONSTRUCTIVE MILES *		INITIAL TOWING					SECONDARY TOWING				
Over	Not Over	** Pres	H.C.A.	Staff	T.C.A.	Appvd	** Pres	H.C.A.	Staff	T.C.A.	Appvd
0	5	25	32	30	30	31	28	41	31	34	33
5	10	29	34	32	35	33	31	46	34	37	35
10	15	34	41	35	37	35	36	53	37	39	37
15	20	34	42	38	40	36	36	53	40	42	39
20	25	34	42	41	42	38	36	53	43	44	41
25	30	39	55	44	43	41	43	67	46	46	43
30	35	39	55	47	44	43	43	67	49	48	46
35	40	39	55	50	46	45	43	67	52	50	49
40	50	39	55	53	50	50	43	67	57	54	54
50	60	49	73	56	54	55	55	88	62	60	59
60	70	49	73	59	59	60	55	88	67	65	64
70	75	49	73	63	64	65	55	88	72	71	70
75	80	59	89	63	64	65	68	107	72	71	70
80	90	59	89	66	69	69	68	107	77	76	75
90	100	59	89	69	73	73	68	107	82	82	80
100	115	70	105	78	80	81	81	124	88	89	87
115	125	70	105	87	87	88	81	124	94	98	95
125	130	81	120	87	87	88	93	142	94	98	95
130	145	81	120	96	92	96	93	142	101	105	103
145	150	81	120	105	99	104	93	142	108	113	111
150	160	91	137	105	99	104	105	161	108	113	111
160	175	91	137	114	107	114	105	161	120	122	121
175	180	101	157	114	107	114	117	181	120	122	121
180	200	101	157	124	116	124	117	181	132	132	132
200	225	108	184	137	125	137	125	211	147	142	143
225	250	121	184	150	139	151	140	211	162	157	159
250	275	134	221	163	152	165	155	252	177	172	175
275	300	147	221	176	162	179	170	252	192	184	190
300	325	159	259	189	169	192	184	293	207	194	205
325	350	172	259	202	182	205	199	293	222	209	222
350	375	185	297	215	195	218	214	335	237	225	237
375	400	198	297	227	209	231	229	335	252	240	252
400	425	210	335	239	223	244	243	377	267	256	267
425	450	223	335	251	236	256	258	377	282	271	282
450	475	236	373	263	250	269	273	418	297	287	297
475	500	249	373	275	263	282	288	418	312	302	312
500	525	261	386	287	277	295	302	455	327	318	327
525	550	274	386	299	290	308	317	455	342	333	341
550	575	287	436	311	304	321	332	488	357	349	356
575	600	300	436	322	317	334	347	488	371	364	370
600 and over											
per mile		0.51	0.72	0.54	0.54	0.56	0.59	0.81	0.62	0.61	0.62

* The mileage blocks shown below are necessary to compare the various rate proposals and do not reflect the mileage blocks in the present or approved rate structures. For example, the present rate structure for initial towing provides a rate of \$70 for distances over 100 but not over 125 miles, and the approved rate structure provides a rate of \$81 for distances over 100 but not over 115 miles and a rate of \$88 for distances over 115 but not over 130 miles.

** The present rates shown for distances over 200 miles represent the charge at the mileage rate for the midpoint distances of the mileage block; i.e. in the case of the mileage bracket for over 400 but not over 425 miles for initial towing it represents 412½ miles @ .51 per mile and for secondary towing 412½ miles @ .59 per mile.

APPENDIX B

LIST OF ORIGINAL AND REVISED PAGES TO
MINIMUM RATE TARIFF 18

SECOND REVISED PAGE 9

SECOND REVISED PAGE 15

SECOND REVISED PAGE 16

SECOND REVISED PAGE 17

SECOND REVISED PAGE 18

SECOND REVISED PAGE 19

SECOND REVISED PAGE 24

SECOND REVISED PAGE 30

ORIGINAL PAGE 30-A

ORIGINAL PAGE 30-B

SECOND REVISED PAGE 31

SECOND REVISED PAGE 32

(END OF APPENDIX B LIST)

SECTION 1--RULES (Continued)						ITEM
ACCESSORIAL CHARGES NOT TO BE OFFSET BY TRANSPORTATION CHARGES						60
Accessorial charges set forth in this tariff for accessorial services not included in the rate for actual transportation shall be assessed and collected when such services are performed, regardless of the level of the transportation rate assessed. Such accessorial charges may not be waived on the basis that a higher-than-minimum transportation rate serves as an offset.						
COMPUTATION OF DISTANCES						670
Distances to be used in connection with distance rates named herein shall be the shortest resulting mileage via any public highway route, computed in accordance with the method provided in the Distance Table. (See Exceptions 1 and 2)						
EXCEPTION 1.--Except as provided in Exception 2, when a permit shipment is required to be towed by a circuitous route because of conditions imposed by a governmental agency, distances shall be computed along the shortest legal route available to the carrier in accordance with the method provided in the Distance Table.						
EXCEPTION 2.--When a permit shipment, exceeding 10 feet 4 inches in width, is required to be towed by a circuitous route because of conditions imposed by a governmental agency, distances shall be determined by multiplying the constructive mileage in the Distance Table by the percentage increase factors set forth in the following table. Fractions of 1/2 or over shall be rounded to the next whole mile. Fractions of less than 1/2 mile shall be dropped.						
*CONSTRUCTIVE MILEAGE PERCENTAGE INCREASE FACTORS						
Between	and	MZ 100 Series(1)	MZ 200 Series(1)	MZ 300 Series(1)	Group A Group B	
MZ 100 Series		125	115	115	105 120	
MZ 200 Series		-	155	160	135 115	
MZ 300 Series		-	-	110	125 130	
Group A		-	-	-	115 110	
Group B		-	-	-	- 115	
GROUP A - Counties of Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego, excluding that area encompassed by the 200 series and 300 series Metropolitan Zones.						
GROUP B - All counties not included in Group A, and not including area encompassed by the 100 series Metropolitan Zones.						
(1) When transportation is performed entirely within a single metropolitan zone the distance shall be 5 miles.						
Change * Addition o Increase, except as noted o Reduction o No Change		Decision No. 79427				
EFFECTIVE						
Correction						
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.						

SECTION 1--RULES (Continued)	ITEM						
<p style="text-align: center;">DELAYS IN DELIVERY</p> <p>Whenever a carrier is unable to make delivery of a shipment for which a confirmation of shipping instruction document has been issued (See Items 130, 131 and 132) on the date or during the period specified in the receipt or shipping order, the carrier shall notify the consignor, or person designated, by the consignor, by telegram or telephone, at the carrier's expense, of the reason for the delay and of the date on which delivery of the shipment will be made; such notification to be given as soon as possible but in no event later than the agreed delivery date, provided, that the requirement of this paragraph shall not apply where the carrier is unable to obtain from the consignor an address or telephone number for such notification.</p>	160						
<p style="text-align: center;">CHARGES FOR DELAYS</p> <p>In addition to all other applicable charges, the following charges shall be assessed by the carrier for delays resulting from the consignee's inability to accept immediate delivery: (Subject to Note)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;"></td><td style="text-align: right; border-bottom: 1px solid black;">◊ Rates in Cents per Hour</td></tr> <tr> <td>a. Trailers or campers hauled under Items 351 and 352</td><td style="text-align: right;">735</td></tr> <tr> <td>b. Trailers towed under Item 350 *and 350.5</td><td style="text-align: right;">705</td></tr> </table> <p>NOTE.--For the purpose of applying this item, the following provisions will be applicable:</p> <ol style="list-style-type: none"> (1) When the carrier tenders delivery at the time specified on the confirmation of shipping instructions, the time for compiling such delay charges shall commence at the specified time. (2) When the shipping instructions provide the carrier with a telephone number which may be called in order to notify the consignee of the estimated time of arrival and such notification is made at least one hour prior to arrival, the time for computing the charge for delays shall commence upon the tender of delivery by the carrier, but not earlier than the notified estimated time of arrival. (3) In other cases, upon arrival the carrier shall attempt to locate the consignee and upon locating him and notifying him of the arrival at destination, the time for computing delay charges shall commence 30 minutes after such notification. 		◊ Rates in Cents per Hour	a. Trailers or campers hauled under Items 351 and 352	735	b. Trailers towed under Item 350 *and 350.5	705	◊ 170
	◊ Rates in Cents per Hour						
a. Trailers or campers hauled under Items 351 and 352	735						
b. Trailers towed under Item 350 *and 350.5	705						
<p>◊ Change) ◊ Increase) Decision No. 79427 * Addition)</p>							
EFFECTIVE							
<div style="display: flex; justify-content: space-between;"> Correction ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA </div>							

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">INABILITY TO MAKE DELIVERY</p> <p>(a) In all instances where carrier is unable to locate the consignee one hour after arrival on the date specified on the confirmation of shipping instructions in order to effect delivery, notification of inability to make delivery will be mailed or telegraphed to the consignee, consignor or debtor, or written notice delivered to the premises where actual delivery was to be effected or to other notifying address, and the shipment will be placed in the nearest storage facility of the carrier, or at the option of the carrier at the nearest public storage facility, and upon such placement the carrier's liability shall cease and liability shall thereafter be that of the warehouseman in possession.</p> <p>(b) In all instances where the consignee is unable to take delivery or declines to accept delivery of the shipment, or where the shipment remains in carrier's possession, pursuant to instructions of the consignor or consignee, and is not stored in transit under the provisions of Item 250 the shipment will be placed in the nearest storage facility of the carrier, or at the option of the carrier at the nearest public storage facility; and upon such placement the carrier's liability shall cease and liability shall thereafter be that of the warehouseman in possession.</p> <p>(c) When storage is performed at carrier's storage facility the rates for storage provided in Item 250 will apply.</p> <p>(d) In cases where a "subsequent delivery" is made, charges will be assessed for such "subsequent delivery," on the basis of charges lawfully applicable from carrier's storage facility or from public storage facility (as the case may be) to the point of destination, but in no event more than the charge applicable for 25 constructive miles.</p>	180
<p style="text-align: center;">DIVERTED SHIPMENTS</p> <p>Charges upon a shipment transported under rates provided in Items 350, *350.5, 351 and 352 which has been diverted shall be computed at the applicable rate or charge in effect on date of shipment for the distance from point of origin via each point where diversion occurs to final destination, plus an additional charge of \$6.70 for each diversion in transit.</p>	\$190
<p> ◊ Change) ◊ Increase) Decision No. * Addition) </p> <p style="text-align: center; font-size: 1.5em;">79427</p>	
EFFECTIVE	
<div style="display: flex; justify-content: space-between;"> Correction ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA. </div>	

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">RETURNED SHIPMENTS (See Note)</p> <p>Trailer coaches or campers refused by consignee may be returned to original consignor and to original point of shipment at one-half the rate (applicable to the number of trailer coaches or campers returned) current at time of returned movement, as provided in Items 350, *350.5, 351 and 352 of this tariff.</p> <p>Rates or charges which may be assessed in connection with a returned movement, other than transportation charges published in Items 350, *350.5, 351 and 352, shall be those rates or charges which are published in individual items of this tariff.</p> <p>NOTE.--Shipments may not leave possession of carrier at original billed destination.</p>	<p style="text-align: center;">6200</p>
<p style="text-align: center;">SPECIAL SERVICES</p> <p>In addition to all other applicable rates and charges named in this tariff, the following charges shall be assessed by the carrier for special services involved in preparing each trailer for transportation and/or preparing each trailer coach for occupancy: (Subject to Notes 1 and 2)</p> <p>(a) The time consumed by one man in performing such services shall be charged for at the rate of \$7.05 per hour.</p> <p>(b) The time consumed for each additional man in performing such services shall be charged for at the rate of \$5.50 per hour.</p> <p>NOTE 1.--Charges do not include furnishing of materials. When such materials are furnished by carrier, a charge equaling the actual cost to carrier of such materials shall be made.</p> <p>NOTE 2.--Charges for special services may be quoted and assessed based upon a unit of measurement different from that set forth in this item provided:</p> <p>(a) That the charge collected shall not be less than the charge applicable under the hourly rates in this item.</p> <p>(b) That the carrier shall set forth and maintain on the accessorial service document required to be issued pursuant to Items 340 and 341, the times, dates and locations at which the carrier commenced and completed the special services, the number of hours and fractions thereof involved and a description of all of the services rendered.</p>	<p style="text-align: center;">0210</p>
<p>o Change) o Increase) Decision No. 79427 * Addition)</p>	
EFFECTIVE	
<p>Correction</p> <p style="text-align: right;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA</p>	

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">REPAIRS OR REPLACEMENTS IN TRANSIT</p> <p>When it becomes necessary to repair or replace, while in transit, any part such as undercarriage, wheels, wheel bearings, hitches, springs, frame, or any other part, except as otherwise provided in Item 230, such repairs or replacements will be made and the debtor will be charged for all parts and other expenses, including tow truck service, incurred. In addition to expenses incurred, the following service charge shall be assessed by the carrier: (See Note)</p> <div style="text-align: right; margin-right: 100px;"> ♦ Rates in Cents <u>per Hour</u> </div> <p>a. Trailers or campers hauled under Items 351 and 352 735</p> <p>b. Trailers towed under Item 350 *and 350.5 705</p> <p>NOTE.--All charges covering expenses to become due and payable upon presentation of paid receipts or other evidence.</p>	♦220
<p style="text-align: center;">TIRE AND TUBE REPAIR AND/OR REPLACEMENT</p> <p>When carrier repairs or replaces any of the tires or tubes of the trailer coach due to failure, the following charges shall be applied in addition to all other applicable charges provided in the tariff:</p> <p>1. A charge of ♦\$3.55 for removing and replacing wheel plus</p> <p>(a) A charge of 2 cents a mile when carrier uses his own tire as a replacement. The actual miles shall be computed from point of tire failure to the point where the faulty tire is repaired or replaced.</p> <p>♦(b) When the carrier is required to unhook carrier's equipment from trailer coach to find and obtain a tire and/or tube replacement or repair, an additional charge of either \$16.50 or 48 cents per mile, whichever is lower, subject to a minimum charge of \$3.55 shall be assessed. The charge of 48 cents per mile shall be based on the round trip distance traveled without a load.</p>	♦230
<div style="display: flex; justify-content: space-between;"> <div> ♦ Charge) ♦ Increase) * Addition) </div> <div style="text-align: center;"> Decision No. 79427 </div> </div>	
EFFECTIVE	
<div style="display: flex; justify-content: space-between;"> <div>Correction</div> <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA</div> </div>	

MINIMUM RATE TARIFF 18

SECTION 1--RULES (Continued)		ITEM																					
<p align="center">CHARGES FOR ESCORT SERVICE</p> <p>In addition to all other applicable rates and charges named in this tariff, the following charges shall be assessed on shipments requiring escort service:</p> <p>(a) When carrier arranges for escort service from an independent contractor not associated with the carrier and escort service is provided by said independent contractor, the charges paid by carrier to independent contractor for escort service shall be added to the transportation charges.</p> <p>(b) When carrier, or its subsidiary or affiliate, provides escort service, the following additional charges shall be assessed:</p> <ol style="list-style-type: none"> 1. A charge of \$7.35 per hour, plus 8½ cents per mile computed in accordance with the provisions of Item 70 shall be made for each escort vehicle and driver furnished for the time and distance said vehicle and driver are engaged in such service. (See Note) 2. A charge shall be made equal to the actual cost of any bridge or ferry tolls incurred for each escort car. 3. A charge of \$7.25 per twenty-four (24) hour period shall be assessed for subsistence for each escort driver if service requires overnight delay. <p>NOTE.--Charges for fractions of an hour shall be determined in accordance with the following table:</p> <table border="0"> <thead> <tr> <th align="left" colspan="2">MINUTES</th><th></th></tr> <tr> <th align="left">Over</th><th align="left">But Not Over</th><th></th></tr> </thead> <tbody> <tr> <td>0</td><td>8</td><td>----- omit</td></tr> <tr> <td>8</td><td>23</td><td>----- shall be ¼ hour</td></tr> <tr> <td>23</td><td>38</td><td>----- shall be ½ hour</td></tr> <tr> <td>38</td><td>53</td><td>----- shall be ¾ hour</td></tr> <tr> <td>53</td><td>60</td><td>----- shall be 1 hour</td></tr> </tbody> </table>		MINUTES			Over	But Not Over		0	8	----- omit	8	23	----- shall be ¼ hour	23	38	----- shall be ½ hour	38	53	----- shall be ¾ hour	53	60	----- shall be 1 hour	6240
MINUTES																							
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<p>o Change) o Increase) Decision No.</p> <p align="center">79427</p>																							
<p align="right">EFFECTIVE</p>																							
<p>Correction</p>		<p align="center">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>																					

SECTION 1--RULES (Continued)		ITEM
ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES		
In the event under the provisions of Items 290 and 300 a common carrier rate is used in constructing a rate for highway transportation, and such rate does not include accessorial services performed by the highway carrier, the following charges shall be added:		
(a) For attaching and detaching, or loading and unloading carrier's equipment, a charge not less than that provided below shall be assessed for each trailer coach or camper.		
	<u>Dollars per Unit</u>	0310
Trailer coaches or campers not exceeding 8 feet 4 inches in width (Minimum, two units)	\$ 7.00	
Trailer coaches over 8 feet 4 inches in width, but not exceeding 10 feet 4 inches in width	15.00	
Trailer coaches over 10 feet 4 inches in width, but not exceeding 12 feet 4 inches in width	23.85	
COLLECT ON DELIVERY (C.O.D.) SHIPMENTS (Items 320 and 321)		
1. A collect on delivery shipment, hereinafter referred to as a C.O.D. shipment, means a shipment upon which the consignor has attached, as a condition of delivery, the collection of a specific sum or sums of moneys by the carrier making delivery thereon and the return of said moneys to the consignor or other payee designated by the consignor.		
2. Every carrier handling C.O.D. shipments shall:		320
(a) Establish and maintain a separate bank account or accounts wherein all moneys (other than checks or drafts payable to consignor or payee designated by consignor) collected on C.O.D. shipments will be held in trust until remitted to payee, except C.O.D. moneys which are remitted within five days after delivery.		
(Continued in Item 321)		
o Increase, Decision No.		
79427		
EFFECTIVE		
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA		
Correction		

SECTION 2--RATES						ITEM
DISTANCE TOWAWAY RATES IN DOLLARS PER TRAILER COACH AND IN CENTS PER MILE OVER 600 MILES *(Items 350 and 350.1)						
Miles		Not over 8 feet 4 inches in width, nor over 40 feet in length (See Note 1)		Over 8 feet 4 inches in width, or over 40 feet in length *, but not over 10 feet 4 inches in width (See Notes 1 and 2)		
Over	But Not Over	COL. A	COL. B	COL. A	COL. B	
0	5	21	26	28	29	
5	10	24	31	30	32	
10	15	26	34	33	35	
15	20	28	36	34	37	
20	25	30	38	36	39	
25	30	32	40	38	41	
30	35	34	43	41	44	
35	40	36	46	43	47	
40	50	39	50	46	52	
50	60	42	55	51	57	
60	70	46	60	55	62	
70	80	49	65	60	68	
80	90	53	69	64	72	
90	100	57	74	68	77	
100	115	62	81	75	84	
115	130	67	88	82	92	
130	145	73	95	88	99	
145	160	79	103	95	107	
160	180	86	112	104	117	
180	200	96	122	112	127	0350
200	225	102	132	123	139	
225	250	113	146	135	154	
250	275	123	160	148	169	
275	300	134	174	161	184	
300	325	144	188	173	198	
325	350	154	201	186	213	
350	375	163	214	198	227	
375	400	172	227	209	240	
400	425	182	239	221	254	
425	450	191	252	232	267	
450	475	201	264	243	281	
475	500	211	275	00 255	00 295	
500	525	00 220	287	00 267	00 309	
525	550	00 230	298	00 278	00 323	
550	575	00 239	00 309	00 290	00 336	
575	600	00 248	00 320	00 301	00 350	
600	-	0 42 cents per mile or frac- tion thereof	0 54 cents per mile or frac- tion thereof	0 51 cents per mile or frac- tion thereof	0 59 cents per mile or frac- tion thereof	
*(Continued in Item 350.1)						
(1) Notes 1 and 2 formerly shown on this page transferred to Original Page 30-A.						
0 Change) * Addition) 0 Increase, except as noted) Decision No. 0 Reduction) 0 No change)						79427
EFFECTIVE						
Correction						ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.

SECTION 2--RATES	ITEM
<p data-bbox="536 383 1180 450">DISTANCE TOWAWAY RATES IN DOLLARS PER TRAILER COACH AND IN CENTS PER MILE OVER 600 MILES (Concluded) (Items 350 and 350.1)</p> <p data-bbox="411 521 1243 741">NOTE 1.--Col. A rates apply to (a) shipments when either the point of origin or point of destination is: (1) a place of manufacture or a manufacturer's storage facility; (2) an established place of business of a trailer coach dealer, as defined in Section 320 of the Vehicle Code of the State of California, or a trailer coach dealer's storage facility, and the bill of lading or other shipping document contains certification by the consignor or consignee that the trailer coach is for sale, exchange, lease or rent; and (3) a trailer coach show, or (b) transportation of all special purpose trailers.</p> <p data-bbox="411 757 1158 804">Col. B rates shall apply to all shipments not subject to Col. A rates.</p> <p data-bbox="411 819 1209 866">NOTE 2.--The computation of distances for permit shipments shall be computed in accordance with Exception 1 of Item 70.</p>	350.1
<p data-bbox="394 1003 1243 1028">(1) Provisions on this page transferred from First Revised Page 30.</p> <p data-bbox="365 1048 667 1072">* Addition, Decision No.</p> <p data-bbox="775 1093 918 1140">79427</p>	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA	

Correction

SECTION 2--RATES							ITEM
DISTANCE TOWAWAY RATES IN DOLLARS PER TRAILER COACH AND IN CENTS PER MILE OVER 600 MILES (See Notes 1 and 2)							
OVER 10 FEET 4 INCHES IN WIDTH							
MILES Over	But Not Over	COL. A	COL. B	MILES Over	But Not Over	COL. A	COL. B
0	5	31	33	200	225	137	143
5	10	33	35	225	250	151	159
10	15	35	37	250	275	165	173
15	20	36	39	275	300	179	190
20	25	38	41	300	325	192	205
25	30	41	43	325	350	205	221
30	35	43	46	350	375	218	237
35	40	45	49	375	400	231	252
40	50	50	54	400	425	244	267
50	60	55	59	425	450	256	282
60	70	60	64	450	475	269	297
70	80	65	70	475	500	282	312
80	90	69	75	500	525	295	327
90	100	73	80	525	550	308	341
100	115	81	87	550	575	321	356
115	130	88	95	575	600	334	370
130	145	96	103	600	-	56 cents per mile or frac- tion thereof	62 cents per mile or frac- tion thereof
145	160	104	111				
160	180	114	121				
180	200	124	132				
<p>NOTE 1.--Col. A rates apply to (a) shipments when either the point of origin or point of destination is: (1) a place of manufacture or a manufacturer's storage facility; (2) an established place of business of a trailer coach dealer, as defined in Section 320 of the Vehicle Code of the State of California, or a trailer coach dealer's storage facility, and the bill of lading or other shipping document contains certification by the consignor or consignee that the trailer coach is for sale, exchange, lease or rent; and (3) a trailer coach show, or (b) transportation of all special purpose trailers.</p> <p>Col. B rates shall apply to all shipments not subject to Col. A rates.</p> <p>NOTE 2.--The computation of distances for permit shipments shall be computed in accordance with Exception 2 of Item 70.</p>							* 350.5
<p>* Addition, new item } ◊ Increase } Decision No.</p> <p style="text-align: center;">73427</p>							
EFFECTIVE							
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>							
Correction							

MINIMUM RATE TARIFF 18

SECTION 2--RATES (Continued)				ITEM
DISTANCE HAULAWAY RATES IN DOLLARS PER TRAILER COACH AND IN CENTS PER MILE OVER 200 MILES				0351
Miles		Over 8 feet 4 inches in width (See Note)		
Over	But Not Over	COL. A	COL. B	
0	5	39	45	
5	10	46	51	
10	25	56	65	
25	50	71	86	
50	75	90	108	
75	100	110	130	
100	125	129	153	
125	150	148	178	
150	175	168	201	
175	200	188	224	
200	-	94 cents per mile or frac- tion thereof	111 cents per mile or frac- tion thereof	
<p>NOTE.--Col. A rates apply to (a) shipments when either the point of origin or point of destination is: (1) a place of manufacture or a manufacturer's storage facility; (2) an established place of business of a trailer coach dealer, as defined in Section 320 of the Vehicle Code of the State of California, or a trailer coach dealer's storage facility, and the bill of lading or other shipping document contains certification by the consignor or consignee that the trailer coach is for sale, exchange, lease or rent; and (3) a trailer coach show, or (b) transportation of all special purpose trailers.</p> <p>Col. B rates apply to all shipments not subject to Col. A rates.</p>				
♦ Increase, Decision No.				
79427				
EFFECTIVE				
Correction		ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.		

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