

ORIGINAL

Decision No. 80210

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 uncrated new furniture)
(commodities for which rates are)
provided in Minimum Rate Tariff)
11-A).

Case No. 5603
Petition for Modification
No. 98
(Filed May 10, 1971; Amended
January 3, 1972; January 14,
1972, and February 7, 1972)

Richard W. Smith, Attorney at Law, H. F. Kollmyer
and A. D. Poe, Attorney at Law, for California
Trucking Association, petitioner.
Dennis Firestone, for KKW Trucking, and Harry E.
Smith and Sam O. Sciortino, for Lad's Furniture
Freight, Inc., respondents.
R. C. Fels, for Furniture Manufacturers Association,
Interested party.
George L. Hunt and C. R. L'Ecluse, for the Commission
staff.

O P I N I O N

On May 10, 1971, California Trucking Association
(petitioner) filed Petition for Modification No. 98 seeking
adjustments in the minimum rates and charges in Minimum Rate
Tariff 11-A (MRT 11-A).

On June 2, 1971 the Commission issued Decision No. 78768
which established a 7 percent interim increase in all rates and
charges in MRT 11-A. Said 7 percent increase was authorized because
of an increase in labor costs as of July 1, 1971. The decision
stated that "Public hearings will be scheduled to receive additional
evidence in this matter and to consider rate scales appropriate to
replace the interim surcharge".

Public hearing was held before Examiner O'Leary on February 24, 1972 at Los Angeles. The matter was submitted subject to the filing of Exhibit 6 which was filed February 28, 1972.

Evidence was presented by petitioner's assistant director of its division of economics. Two representatives from the Commission's Transportation Division staff assisted in the development of the record through cross-examination of petitioner's witness.

The last decision prescribing specific rates for MRT 11-A was Decision No. 77547 dated July 28, 1970. Said specific rates were based on costs including labor and allied costs effective August 1, 1970.

Evidence presented by petitioner (Exhibit 1) discloses that since July 1, 1971 the hourly labor costs of terminal employees, local drivers and long line drivers have increased by 19.34 percent, 19.01 percent and 18.46 percent, respectively, pursuant to current labor agreements with Teamster Unions. Evidence was also presented (Exhibit 3) which shows that hourly labor costs of terminal employees, local drivers and long line drivers will increase by an additional 8.22 percent, 8.20 percent and 7.97 percent, respectively. Said additional increases include an 8 cent per hour cost of living allowance.

Petitioner's witness also presented Exhibits 2 and 4 which contain proposed revised rates. Petitioner requests that the proposed rates set forth in Exhibit 2 become effective immediately to expire June 30, 1972 and that the proposed rates set forth in Exhibit 4 become effective July 1, 1972. The proposed rates contemplate the cancellation of the 7 percent interim surcharge authorized by Decision No. 78768.

The witness explained in detail the method utilized in developing the proposed rates set forth in Exhibits 2 and 4.

The witness further testified that the 7 percent interim surcharge authorized by Decision No. 78768 was not sufficient for carriers to recover the additional labor costs effective July 1, 1971. The witness testified that the operating ratios for two of the principal carriers who transport new furniture for the first 10 months of 1971 were 100.44 percent and 101.39 percent.

The Commission takes official notice that the contracts calling for the wage increases are national contracts which will go into effect unless protested by members of the pay board or parties to the contract. No such protests have been made.

Based on the evidence adduced the Commission finds that:

1. The present minimum rates and charges governing rules for transportation subject to Minimum Rate Tariff 11-A are not responsive to current transportation conditions and requirements and should be amended.

2. The transportation costs of highway carriers in the transportation of uncrated new furniture have significantly increased effective January 1, 1972 and will further increase July 1, 1972.

3. Under the provisions of Phase II of the Federal Government's stabilization program the proposed increases in rates based upon additional costs incurred on January 1, 1972 and July 1, 1972 should be authorized.

4. To the extent that the provisions of Minimum Rate Tariff 11-A have been found heretofore to constitute reasonable minimum rates and rules for common carriers as defined in the Public Utilities Act, said provisions, as hereinafter adjusted, are, and will be, reasonable minimum rate provisions for said common carriers. To the extent that the existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for said carriers, to that same extent the rates and charges of said carriers are hereby found to be, now and for the future, unreasonable, insufficient, and not justified by the actual competitive rates of competing carriers or by the costs of other means of transportation.

The Commission concludes that:

1. The rates and charges in MRT 11-A should be increased as hereinafter provided in order that said rates and charges may be just, reasonable and nondiscriminatory minimum rates and charges for the transportation and related services to which they apply. The increases granted fall within the guidelines established pursuant to the Federal Government's economic stabilization program as more specifically set forth in Appendix B attached hereto.

2. The 7 percent interim surcharge authorized by Decision No. 73768 should be cancelled.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 11-A (Appendix A of Decision No. 50114, as amended) is further amended by incorporating therein to become effective August 5, 1972, the revised pages attached hereto and listed in Appendix A also attached hereto, which revised pages and appendix by this reference 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. 50114, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 11-A are authorized to increase such rates only to the level of Minimum Rate Tariff 11-A rates authorized herein.

4. Tariff publications required or authorized 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; such tariff publications as are required shall

be made effective not later than August 5, 1972; and as to tariff publications which are authorized but not required, the authority herein granted shall expire unless exercised within sixty days after the effective date hereof.

5. 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.

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

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

Dated at San Francisco, California, this 27th
day of JUNE, 1972.

Chairman

William L. Stinson, Jr.

William L. Stinson

Commissioners

I dissent

J. B. Williams, Chairman

Commissioner Thomas Moran, being
-5- necessarily absent, did not participate
in the disposition of this proceeding.

APPENDIX A

LIST OF REVISED PAGES TO MINIMUM RATE TARIFF 11-A

SUPPLEMENT 9:

SEVENTEENTH REVISED PAGE 6

SIXTEENTH REVISED PAGE 7

NINETEENTH REVISED PAGE 15

SEVENTH REVISED PAGE 15-A

SEVENTEENTH REVISED PAGE 16

(END OF APPENDIX A LIST)

SUPPLEMENT 9
(Cancels Supplement 8)

(SUPPLEMENTS 7 AND 9 CONTAIN ALL CHANGES)

TO
MINIMUM RATE TARIFF 11-A
MOVING
MINIMUM RATES AND RULES
FOR THE
TRANSPORTATION OF UNCRATED NEW FURNITURE
OVER THE
PUBLIC HIGHWAYS WITHIN THE
STATE OF CALIFORNIA
BY
RADIAL HIGHWAY COMMON CARRIERS
AND
HIGHWAY CONTRACT CARRIERS

The surcharge set forth in Supplement 8 is canceled.

Decision No. 80210

EFFECTIVE

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

SECTION 1--RULES (Continued)		ITEM												
<p align="center">APPLICATION OF RATES</p> <p>Rates provided in this tariff are for the transportation of shipments from point of origin to point of destination and include loading into and unloading from carrier's unit of equipment, subject to Notes 1, 2 and 3.</p> <p>NOTE 1.--When the point of origin is other than an established depot, the additional rate provided below shall be added to the rate for the corresponding minimum weight as set forth in Section 3. The sum of these rates shall be the rate applicable to a single shipment from point of origin to point of destination.</p> <table><tr><td><u>Minimum Weight</u></td><td><u>◊ Rates in Cents Per 100 Pounds</u></td></tr><tr><td>Any Quantity-----</td><td>230</td></tr><tr><td>500 Pounds-----</td><td>185</td></tr><tr><td>2,000 Pounds-----</td><td>150</td></tr></table> <p>NOTE 2.--When the actual weight of a single shipment exceeds 5,000 pounds, the provisions of Note 1 shall not apply.</p> <p>NOTE 3.--When shipments are transported for persons, companies or corporations upon whose premises established depots are located, the provisions and charges of Note 1 shall be applied.</p>		<u>Minimum Weight</u>	<u>◊ Rates in Cents Per 100 Pounds</u>	Any Quantity-----	230	500 Pounds-----	185	2,000 Pounds-----	150	#60				
<u>Minimum Weight</u>	<u>◊ Rates in Cents Per 100 Pounds</u>													
Any Quantity-----	230													
500 Pounds-----	185													
2,000 Pounds-----	150													
<p align="center">ACCESSORIAL SERVICES</p> <p>When carrier performs any accessorial or incidental service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges shall be assessed as provided in Item 90. The charge therein provided for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.</p>		70												
<p align="center">DELAYS TO EQUIPMENT</p> <p>When consignor or consignee is responsible for delay to carrier's equipment at or in vicinity of either point of loading or point of unloading in excess of 30 minutes (exclusive of time actually involved in loading or unloading) additional charges for delay time in excess of 30 minutes shall be assessed as provided in Item 90.</p>		80												
<p align="center">CHARGES FOR ACCESSORIAL SERVICES OR DELAYS</p> <p>For accessorial services or delays under the conditions specified in Items 70 and 80, charges shall be assessed for each period or fraction thereof, as follows:</p> <table><tr><td></td><td align="center" colspan="2"><u>Charges in Cents</u></td></tr><tr><td></td><td align="center"><u>For First 30 Minutes</u></td><td align="center"><u>For each Additional 15 Minutes</u></td></tr><tr><td>(a) For driver, helper or other employee, per man-----</td><td align="center">◊590</td><td align="center">◊295</td></tr><tr><td>(b) For unit of equipment-----</td><td align="center">90</td><td align="center">45</td></tr></table>			<u>Charges in Cents</u>			<u>For First 30 Minutes</u>	<u>For each Additional 15 Minutes</u>	(a) For driver, helper or other employee, per man-----	◊590	◊295	(b) For unit of equipment-----	90	45	#90
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	<u>For First 30 Minutes</u>	<u>For each Additional 15 Minutes</u>												
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(b) For unit of equipment-----	90	45												
<p>◊ Change } Decision No. 80210 ◊ Increase }</p>														
<p align="center">EFFECTIVE</p>														
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;">MINIMUM CHARGE</p> <p>The minimum charge per shipment shall be the charge for 100 pounds at the applicable rate but not less than:</p> <p>(a) 0630 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.</p> <p>(b) 0735 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles.</p>	1100
<p style="text-align: center;">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p>When shipments in continuous through movement are transported by two or more carriers, the rates (including minimum charges) provided herein from point of origin to point of destination shall be the minimum rates for the combined transportation.</p>	110
<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.</p>	120
<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>Common carrier rates may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation and for the same accessorial services, than results from the application of the rates herein provided. (See Note)</p> <p>NOTE.—In applying the provisions of this item, a rate no lower than the common carrier rate and a weight no lower than the actual weight or published minimum weight (whichever is the higher) applicable in connection with the common carrier rate shall be used.</p>	130
<p style="text-align: center;">ACCESSORIAL CHARGES NOT TO BE OFFSET BY TRANSPORTATION CHARGES</p> <p>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.</p>	135
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> Change) Increase) </div> <div> Decision No. 80210 </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>	

SECTION 3--RATES								ITEM:
DISTANCE RATES IN CENTS PER 100 POUNDS (See Note 1)								
MILES		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds		
Over	Not Over	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	
0	5	396	341	273	235	216	186	
5	10	409	352	286	246	229	197	
10	15	422	363	299	257	242	208	
15	20	435	374	312	268	255	219	
20	25	448	385	325	280	268	230	
25	30	461	396	337	290	280	241	
30	35	473	407	349	300	292	251	
35	40	485	417	361	310	304	261	
40	45	497	427	373	321	316	272	
45	50	509	438	385	331	328	282	
50	60	524	451	400	344	343	295	
60	70	539	467	415	357	358	308	
70	80	554	476	430	370	373	321	
80	90	569	489	445	383	388	334	
90	100	584	502	460	396	403	347	
100	110	598	514	474	408	417	359	
110	120	612	526	488	420	431	371	
120	130	626	538	502	432	445	383	
130	140	640	550	516	444	459	395	
140	150	654	562	530	456	473	407	0400
150	160	666	573	542	466	485	417	
160	170	678	583	554	476	497	427	
170	180	690	593	566	487	509	438	
180	190	702	604	578	497	521	448	
190	200	714	614	590	507	533	458	
(Continued in Item 405)								
<p>NOTE 1.--Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p>NOTE 2.--Column A rates apply to shipments of articles which have an LTL class rating of 175 or higher in the Governing Classification. (See Notes 4, 5 and 6)</p> <p>NOTE 3.--Column B rates apply to shipments of articles which have an LTL class rating of less than 175 in the Governing Classification. (See Notes 4, 5 and 6)</p> <p>NOTE 4.--When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 6)</p> <p>NOTE 5.--The LTL class ratings applicable under Notes 2, 3 and 4 above are not subject to the provisions of Items (Rules) 423 and 687 of the Governing Classification.</p> <p>NOTE 6.--The provisions of Notes 2, 3 and 4 herein do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.</p>								
<p>◇Increase. Decision No. 80210</p>								
EFFECTIVE								
<p>Correction</p> <p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>								

SECTION 3--RATES (Continued)								ITEM
DISTANCE RATES IN CENTS PER 100 POUNDS (See Note 1)								
MILES But Over Not Over		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds		
		Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	
200	220	731	629	607	522	550	473	
220	240	748	643	624	537	563	484	
240	260	765	658	641	551	584	502	
260	280	782	673	658	566	601	517	
280	300	799	687	675	581	618	531	
300	325	822	707	698	600	641	551	
325	350	845	727	721	620	664	571	
350	375	868	746	744	640	687	591	
375	400	891	766	767	660	710	611	
400	425	914	786	790	679	733	630	
425	450	937	806	813	699	756	650	
450	475	960	826	836	719	779	670	
475	500	983	845	859	739	802	690	
500	525	1006	865	882	759	825	710	
525	550	1029	885	905	778	848	729	
550	575	1052	905	928	798	871	749	
575	600	1075	925	951	818	894	769	
600	625	1098	944	974	838	917	789	
625	650	1121	964	997	857	940	808	
650	---	(See Note 6)		(See Note 6)		(See Note 6)		0405
<p>NOTE 1.--Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p>NOTE 2.--Column A rates apply to shipments of articles which have an LTL class rating of 175 or higher in the Governing Classification. (See Notes 4, 5 and 7)</p> <p>NOTE 3.--Column B rates apply to shipments of articles which have an LTL class rating of less than 175 in the Governing Classification. (See Notes 4, 5 and 7)</p> <p>NOTE 4.--When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 7)</p> <p>NOTE 5.--The LTL class ratings applicable under Notes 2, 3 and 4 above are not subject to the provisions of Items (Rules) 423 and 687 of the Governing Classification.</p> <p>NOTE 6.--For each 25 miles (or fraction thereof) in excess of 650 miles, add to the rate for 650 miles the following:</p> <p style="text-align: center;">Column A: 23 cents per 100 pounds Column B: 20 cents per 100 pounds</p> <p>NOTE 7.--The provisions of Notes 2, 3 and 4 do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.</p>								
♦ Increase, Decision No. 80210								
EFFECTIVE								
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.								
Correction								

SECTION 3--RATES (Concluded)						ITEM
POINT-TO-POINT RATES IN CENTS PER 100 POUNDS (See Notes 1 and 2)						
BETWEEN: Los Angeles Territory AND: San Francisco Territory (See Item 300)	Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds	
	Column A (See Note 3)	Column B (See Note 4)	Column A (See Note 3)	Column B (See Note 4)	Column A (See Note 3)	Column B (See Note 4)
	591	766	767	660	710	611
<p>NOTE 1.--Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p>NOTE 2.--If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Item 500, are lower than charges accruing under the Distance Rates in Items 400 and 405, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one actual highway mile on either side of the authorized route and at all points located within incorporated cities through which the highway route passes.</p> <p>NOTE 3.--Column A rates apply to shipments of articles which have LTL class rating of 175 or higher in the Governing Classification. (See Notes 5, 6 and 7)</p> <p>NOTE 4.--Column B rates apply to shipments of articles which have LTL class rating of less than 175 in the Governing Classification. (See Notes 5, 6 and 7)</p> <p>NOTE 5.--When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 7)</p> <p>NOTE 6.--The LTL class ratings applicable under Notes 3, 4 and 5 above are not subject to the provisions of Items (Rules) 423 and 687 of the Governing Classification.</p> <p>NOTE 7.--The provisions of Notes 3, 4 and 5 do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.</p>						0410
♦ Increase, Decision No. 80210						
EFFECTIVE						
Correction						
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.						

APPENDIX B
Page 1 of 2

Certificate of the Public Utilities Commission
of the State of California Re Increases in Rates
for Certain Transportation Services Performed by
For-Hire Highway Carriers within California

Pursuant to provisions of Section 300.16 of the Economic Stabilization Act of 1971, as amended, the Public Utilities Commission of the State of California (Cal. P.U.C.) does hereby certify to the Federal Price Commission as follows:

1. The increases in rates which are ordered by the Cal. P.U.C. by this decision apply to rates which the Cal. P.U.C. has heretofore established as minimum rates for transportation of uncrated new furniture within California.
2. Said rate increases approximate 13 percent effective August 5, 1972. ✓
3. Said rate increases are cost-based and do not reflect future inflationary expectations.
4. The dollar amount of increased annual revenue for the carriers collectively, which the increases in rates are expected to produce, is about \$560,000.
5. Said rate increases are not sufficient to return to the carriers additional revenues in excess of the increases in operating costs which the carriers have experienced and which are not reflected in present minimum rates; hence, said rate increases:

APPENDIX B
Page 2 of 2

- a. Will not result in an increase in the level of earnings which the Cal. P.U.C. has heretofore determined to be the minimum required to maintain adequate and safe transportation for the public efficiently performed by for-hire highway carriers transporting uncrated new furniture within California.
 - b. Will not increase the carriers' rate of return on capital.
6. With exception of paragraphs 2 and 4, above, sufficient evidence was taken at public hearings held before the Cal. P.U.C. in connection with said rate increases to support the certification herein made, and that as to the average amount of increase shown in paragraph 2 and the dollar amount of increase shown in paragraph 4, said amounts are estimates inasmuch as more specific information in these respects is not available.