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Decision No. 80294

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
into the rates, rules, regulations,
charges, allowances and practices
of all common carriers, highway
carriers and city carriers relating
to the transportation of property
by vacuum-type and pump-type tank
vehicles (including transportation
for which rates are provided in
Minimum Rate Tariff No. 13).

Case No. 6008
Petition for Modification
No. 17
(Filed November 15, 1971)

(For List of Appearances see Appendix A)

O P I N I O N

Minimum Rate Tariff 13 (MRT 13) names rates and rules for the statewide transportation of property in vacuum and pump-type tank vehicles. In Petition 17 the California Trucking Association (CTA) seeks a general revision of the rates and rules named in this tariff.

Public hearings were held in Los Angeles and San Francisco before Examiner Gagnon, and on March 3, 1972 the matter was submitted for decision.

Minimum Rate Tariff 13 was established, effective November 1, 1957, by Decision No. 55584, dated September 24, 1957, in Case No. 5432 and Application No. 38489 of the CTA. Said tariff applies to the transportation of liquids and commodities in semi-plastic form and in suspension in liquids, other than petroleum products for which rates are provided in MRT 6-A, when such transportation is incidental to the construction, operation or maintenance

of oil or gas wells, oil pipelines or oil storage facilities. Except for increases in the level of the minimum rates, there have been no significant changes in the MRT 13 rates and rules since they were originally established.^{1/}

In Decision No. 66114, dated October 1, 1963 (Petition for Modification No. 5) in Case No. 6008, the Commission stated:

"Should petitioner undertake to seek in a subsequent phase of this proceeding further increases in the rates in Minimum Rate Tariff No. 13, it should undertake to establish that the data upon which it relies are reasonably representative of the circumstances then applicable to the transportation performed."

In April, 1969 the CTA presented its first full-scale cost and rate studies in support of a proposed general revision of MRT 13 (Petition 8). Except for a labor cost offset rate increase, the rate proposals in Petition 8 were not adopted by Decision No. 75522 (69 Cal. P.U.C. 414). In Petition 17 the CTA has, in effect, re-introduced its prior Petition 8 rate proposals that fell short of adoption in Decision No. 75522. In so doing, petitioner now contends its evidence in this proceeding fully justifies the proposed general revision of MRT 13. While the CTA suggests a number of tariff changes in specific items of MRT 13, the overall objectives of petitioner's proposals are, as in Petition 8, to (1) make MRT 13 applicable to all commodities and services when transportation is performed in vacuum-type tank vehicles; (2) provide for the computation of the applicable hourly rates on the basis of round-trip terminal time; and (3) establish a level of rates and charges which reflect up-dated costs of operations, including labor and allied payroll expenses as of January 1, 1972.

^{1/} The MRT 13 Territory A (Southern California) and Territory B (Northern California) hourly rates were last increased by Decisions Nos. 78842 and 78117, effective July 1, 1971 and January 1, 1971, respectively.

Proposed Rule Changes

The Assistant Director for CTA's Division of Transportation Economics determined, from his 1970-1971 productivity, cost and rate studies, that 37 percent of the vacuum tank truck movement came under the current exemption provisions of MRT 13. Petitioner maintains that, except for leased or off-highway vacuum tank traffic, the exempted traffic should be brought under the governing provisions of MRT 13. Such action would assertedly enhance the equality of competitive opportunity between the regulated and current non-regulated vacuum tank truck operators. The major revisions of MRT 13 recommended by the CTA to accomplish the aforementioned objective are hereinafter discussed:

1. Item 30 of MRT 13 currently provides that rates named in this tariff apply to the transportation of shipments between all points within the State of California except transportation within incorporated cities. The CTA suggests that this latter provision of Item 30 be cancelled.

The petitioner submits that the uniform application of MRT 13 hourly rates to both intra and intercity vacuum-type tank traffic will have a stabilizing effect upon the competition for said traffic. It will also tend to reduce undesirable discriminations as between exempt and non-exempt vacuum tank traffic.

The CTA's proposed amendment of Item 30 was generally unopposed, has merit and should be adopted.

2. Item 40 of MRT 13 provides that the tariff shall apply to the transportation of the following commodities:

"Commodities in semi-plastic form; Commodities in suspension in liquids; and, Liquids;

when such transportation is incidental to the construction, operation or maintenance of oil or gas wells, oil pipe lines or oil storage facilities ..."

Under the CTA's proposal the current restriction placed upon the application of MRT 13 to specified type of movements, as underscored above, would be cancelled; thereby making the tariff applicable to all commodities and services when transportation is performed in vacuum tank vehicles.

The petitioner presented evidence designed to show that certain shippers of commodities in vacuum tank equipment, currently exempt from MRT 13 regulation, also ship commodities in vacuum tank equipment that are subject to the provisions of Minimum Rate Tariff 13. Much of petitioner's evidence presented in support of its rate proposals in this proceeding has been shown to contain the same infirmities observed in its presentation in Decision No. 75522. For example, the CTA's present proposal for the application of MRT 13 to the statewide transportation of all commodities in vacuum tank vehicles is supported by cost and rate economic studies confined to the Southern California area and carriers whose primary scope of operations are currently within the regulatory scheme of MRT 13. It is also clear that CTA's efforts to broaden the scope of application of MRT 13 requires, in the first instance, a re-assessment of the general commodity description set forth in Item 40 of the tariff. While such a commodity description was determined to be suitable and proper when confined to the type of movements set forth in Item 40 of the tariff, it certainly does not suffice for petitioner's proposed unrestricted statewide application of MRT 13.

Several shippers of commodities ranging from foodstuffs, chemicals, waste materials and products incidental to various levels of petroleum production appeared in opposition to CTA's efforts to broaden the scope of application of MRT 13. Their opposition centered on the assertions that (1) there was no need shown for bringing under minimum rate regulation the present unregulated movement of commodities in vacuum tank equipment; (2) the CTA's study was inconclusive and did not reflect several of the commodities proposed to be brought under the governing provisions of MRT 13; and (3) the CTA's proposal would place the regulated vacuum-type tank operators at a competitive disadvantage with competing pump tank truck carriers.

During the course of the proceeding petitioner amended its proposed revision of MRT 13 by suggesting that the current reference therein to transportation by pump-type tank vehicles be cancelled; thereby restricting the scope of application of said tariff to transportation by vacuum-type tank vehicles. It was explained that the studies conducted by the CTA revealed that no vacuum tank truck operator performed like transportation in pump-type tank equipment. The CTA witness also explained that reference to pump tank equipment was included in the tariff more or less as an apology for the lack of a clear definition for a vacuum-type tank vehicle. The real significance of petitioner's amended proposal, however, was to eliminate the opposition of several shipper protestants of commodities in pump-type tank vehicles which are now exempt from minimum rate regulation. It is evident that petitioner's proposed expansion of MRT 13 to all commodities in vacuum tank vehicles has not been shown to be justified by transportation conditions. In addition, CTA's proposed elimination of all reference to pump tank operations from MRT 13 has not been persuasive or otherwise shown to be justified.

3. Item 80 of MRT 13 provides, in part, that the hourly rates named in the tariff will be applied for the amount of time driver and vehicle report for service pursuant to shipper's order to the time of completion of service under such order. Petitioner proposes that the hourly rates now be applied on a terminal-to-terminal basis, similar to that employed when computing the hourly rates for Oil, Water or Gas Well Outfits and Supplies named in Item 720-1 of Minimum Rate Tariff 2.

In rejecting a like CTA proposal (Petition 8) the Commission stated in Decision No. 75522, in part, as follows:

"Petitioner proposes that hourly rates be applied on a terminal-to-terminal basis. . . . In Decision No. 55584 we stated,

' . . . Applicant proposed that charges be assessed for the time of the departure of vehicles from the carriers' terminals to the time of return thereto. It

appears...that...carriers do not return to their terminals with the completion of each job but frequently proceed from job to job. Thus, under the rules...which applicant proposes, charges would be assessed on a basis which from the standpoint of the actual experience does not appear to be in accord with efficient operating practices. The rule which will be prescribed will be similar to that which the Commission has heretofore found reasonable in circumstances similar...to the transportation involved herein.'

"... At best, the record shows that the carriers ordinarily charge for time on a terminal-to-terminal basis... The difficulty is attempting to reconcile prescribing terminal-to-terminal charges for...minimum rates for those instances, which are not infrequent, when such computation of time is not reflective of the service performed and is not reasonable or suitable for such service..."

Petitioner's studies conducted in the Southern California area shows that the secondary dispatch beyond carrier's terminal does not occur in vacuum tank operations. Parties in opposition to CTA's rate proposal did, however, present testimony designed to show that secondary dispatch beyond carrier's terminal does, in fact, occur in the operations of vacuum tank vehicles by for-hire carriers. Petitioner's evidence presented in support of this phase of its rate proposal is generally subject to the same infirmities noted in Decisions Nos. 55584 and 75522, wherein the CTA's like suggestion that the minimum hourly vacuum-type tank rates be applied on a terminal-to-terminal basis was not adopted. In addition, the CTA, in this proceeding, recommends that such terminal-to-terminal time basis for determining the hourly rates be adopted for Northern California vacuum-type tank movements based solely upon its evaluation of such operations in Southern California. Finally, it should be noted that when examples of secondary dispatch were brought to the attention of CTA's witness, he had no specific recommendations as to precisely how the minimum hourly vacuum tank rates should be applied

under petitioner's terminal-to-terminal rate proposal. In the circumstances, while petitioner's proposal in this particular instance is not totally without merit, it has not been shown to be justified in the form in which it has been presented in this proceeding.

4. Other revisions in MRT 13 rules are either for tariff clarification purposes or to implement the aforementioned proposed major tariff rule changes, not all of which have been shown to be fully justified.

Proposed Hourly Rates

The minimum hourly rates for the transportation of property in vacuum tank vehicles are set forth in Item 200 of MRT 13. Said hourly rates, together with the proposed revisions thereto by CTA are summarized in Table 1 below:

TABLE I
MRT 13-Item 200: Hourly Rates

Capacity of Equipment (in barrels)	<u>Rates in Dollars Per Hour</u>			
	<u>Territories</u>			
	A (1)		B (2)	
	<u>Present</u>	<u>Proposed</u>	<u>Present</u>	<u>Proposed</u>
0 - 35	\$ 15.35	\$ 20.50	\$ 14.85	\$ 16.25
35 - 45	15.35	20.50	15.10	16.25
45 - 60	16.65	20.50	16.25	16.25
0 - 60	(3)	20.50	(3)	16.25
60 - 80	17.60	22.10	17.20	17.95
60 - 95	(3)	22.10	(3)	17.95
80 - 95	18.50	22.10	17.95	17.95
95 - over	19.55	22.70	19.05	19.05

- (1) Territory A consists of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.
- (2) Territory B consists of all counties in California other than those included in Territory A.
- (3) Equipment capacities suggested by petitioner are underscored.

From Table 1 above it will be noted that, while CTA recommends substantive upward adjustments in the present hourly rates prescribed for the Southern California area (Territory A), no direct increase is requested in the level of the hourly rates published for Northern and Central California (Territory B). This is partly due to the fact that CTA's cost and rate economic studies, introduced in support of its rate proposal, were conducted only in the Southern California area and do not necessarily reflect the experiences of vacuum-type tank carriers operating elsewhere in California. Additionally, the CTA's witness explained that the costs of operations for vacuum tank carriers in Central California are comparatively lower than the like costs experienced by such carriers operating in Southern California. Consequently, it was determined that an increase in MRT 13 Territory B hourly rates could not be justified at this time. It will be noted from Table 1 above, however, that increases in Territory B hourly rates do, in fact, occur under petitioner's proposed cancellation of Territories A and B rates currently published for certain designated capacities of equipment.

CTA's Cost Study: The petitioner's regional MRT 13 (Territory A) cost study reflects vacuum tank carrier performance and operating cost data developed during 1970-1971. In addition, the CTA's cost study includes the level of carrier's wage costs and allied payroll expenses in effect generally as of January 1, 1972. A summary of the total hourly costs developed by CTA are set forth below:

TABLE 2

Development of Total Hourly Costs for
Vacuum-Type Tank Vehicles Operating
Within MRT 13-Territory A

Hourly Costs	Type of Vehicles			
	3-Axle Truck	3-Axle Gas(1)	3-Axle Tractor(2)	Weighted: 3-Axle Diesel Tractor(2)
Equipment	\$ 5.273	\$ 6.320	\$ 7.233	\$ 6.249
Labor	8.462	8.462	8.462	8.462
Total Direct	13.735	14.782	15.695	14.711
Total Direct & Indirect @ 37%	18.817	20.251	21.502	20.154
Gross Rev. Expenses @ 3.31% & 95%				
Operating Ratio	20.522	22.086	23.451	21.981
Total Cost Used	20.50	22.10		\$ 22.70

Additional Helper

Labor	\$ 7.740
Direct & Indirect	10.604
Gross Rev. Exp. & 95% Operating Ratio	11.565 (used \$11.55)

(1) Includes 2-Axle Trailer - 95 Barrels and Under

(2) Includes 2-Axle Trailer - Over 95 Barrels

From Table 2 above it will be observed that petitioner recommends its hourly costs developed for various sizes of equipment be expanded, for rate-making purposes, to reflect a so-called operating ratio of 95, in lieu of 90 as originally proposed. The resulting reduction in the original sought rate increase reflects petitioner's effort to bring its overall rate proposal within the guidelines of the Federal Government's wage-price economic stabilization program.

The Commission's Transportation Division staff conducted extensive cross-examination of petitioner's cost evidence. Such staff efforts developed that CTA's cost study is largely predicated upon the operations of only two carriers and that supporting carrier performance data reflects only three days' operations of these two

vacuum tank carriers during September 1971. The staff has demonstrated that CTA's equipment cost factor is overstated due to the methods employed for determining (1) annual equipment use hours and (2) historical equipment costs. Questions were also raised by the staff with respect to other cost elements employed by petitioner. The staff agrees that the vacuum tank carriers' labor costs and allied payroll expenses as of January 1, 1972 are reasonably set forth in petitioner's cost study.

The CTA's witness concurs with the staff's contention that, if the rate proposal to make all commodities moving in vacuum tank vehicles subject to MRT 13 is not adopted, the equipment cost factors set forth in his study would be overstated. The witness also explained that his hourly cost factors would be understated to some degree if CTA's proposal for the application of MRT 13 hourly rates on a terminal-to-terminal basis was not approved.

Since Minimum Rate Tariff 13 was established in 1957 there has been no new full-scale cost or rate economic studies conducted in order to update the minimum rate provisions of the tariff. In the meantime, the transportation of property in vacuum or pump-type tank equipment has undergone substantial changes in both volume of traffic and character of movement. These changes are not reflected adequately in the current governing provisions of MRT 13. The Commission's Transportation Division staff has no immediate plans to conduct such MRT 13 full-scale productivity, cost and rate studies. The CTA's studies presented in evidence in this proceeding, while susceptible to the allegation of superficiality and somewhat overstated as to levels of costs and rates, do provide a reasonable basis for updating certain rules and rates contained in MRT 13 at this time. In the circumstances, the suggested rates set forth in Table 3 below are deemed appropriate:

TABLE 3
MRT 13-Item 200: Hourly Rates

Capacity of Equipment (in barrels)	Rates in Dollars Per Hour				
	Territory A		Territory B		
	(1)	(2)	(1)	(2)	(3)
0 - 35	\$ 20.50	\$ 17.50	\$ 16.25	\$ 14.85	
35 - 45	20.50	17.50	16.25	15.10	
45 - 60	20.50	18.75	16.25	16.25	
60 - 80	22.10	19.50	17.95	17.20	
80 - 95	22.10	20.00	17.95	17.95	
95 - Over	22.70	21.00	19.05	19.05	

- (1) Petitioner's rate proposal.
- (2) Suggested rates.
- (3) Present rates.

Under the hourly rates suggested herein it is estimated that the carriers will experience a weighted average increase in rates of approximately 8.8 percent, in lieu of the overall increase of approximately 15 percent sought by petitioner. Based on estimated revenues of \$5,800,000 earned under MRT 13 by carriers operating within Territory A of said tariff (Southern California), the increase suggested herein should provide said carriers with approximately \$510,400 in additional annual revenues. Such increase in rates will enable carriers to realize an operating ratio of approximately 95 percent, before federal income taxes.

The Commission finds that:

1. Minimum Rate Tariff 13 was established by Decision No. 55584, dated September 24, 1957, and applies to the transportation of specified commodities in vacuum and pump tank vehicles when such transportation is incidental to the construction, operation or maintenance of oil or gas wells, oil pipelines, or oil storage facilities.

2. The productivity, cost and rate economic studies underlying the provisions of Minimum Rate Tariff 13 have not been generally revised subsequent to the establishment of the tariff in 1957. Since

that time the transportation of property in vacuum or pump tank equipment has undergone substantial changes in both volume of traffic and character of movement. Such changes are not reflected adequately in the current governing provisions of Minimum Rate Tariff 13.

3. Petitioner presented productivity, cost and rate economic studies in support of its proposed general revision of Minimum Rate Tariff 13. Such studies were developed from 1970-1971 regional field investigations and analysis of a relatively few vacuum tank carrier operations within Southern California area described as Territory A in Minimum Rate Tariff 13.

4. Petitioner's regional studies have been shown to be deficient of the proof required to justify:

- (a) The statewide application of Minimum Rate Tariff 13, as amended by petitioner, to the transportation of all commodities in vacuum tank equipment.
- (b) The proposed application of Minimum Rate Tariff 13 hourly rates based upon the computation of time on a terminal-to-terminal basis.
- (c) The suggested exemption of traffic moving in pump tank equipment from the otherwise governing provision of Minimum Rate Tariff 13.

5. Petitioner's proposed intracity application of Minimum Rate Tariff 13 has been shown to be justified by transportation conditions.

6. The petitioner's study of the cost of transporting property in vacuum tank vehicles within the Southern California area (MRT 13-Territory A) reflects, in addition to vacuum tank carrier performance and basic cost data developed during 1970 and 1971, the carrier's wage costs and allied payroll expenses as of January 1, 1972.

7. It has been demonstrated that various cost elements contained in petitioner's study of the cost of operations for vacuum tank carriers are excessive or otherwise inconclusive. The resulting increase in rates sought by petitioner, in light of its cost evidence, has likewise not been shown to be totally justified.

8. Petitioner's sought increase in the minimum hourly rates for vacuum tank operations in Northern California (MRT 13-Territory B) has not been shown to be justified.

9. Except for the level of certain cost elements contained in petitioner's cost evidence and the excessive sought increase in rates resulting therefrom, petitioner's productivity, cost and rate studies provide a reasonable basis for adjusting the provisions of Minimum Rate Tariff 13.

10. A weighted average increase of 8.8 percent in the existing hourly rates and charges named in Minimum Rate Tariff 13 has been shown to be justified.

11. The rates, charges and rules in Minimum Rate Tariff 13, as modified by the order herein, are the just, reasonable and non-discriminatory minimum rates, charges and rules for the transportation governed thereby.

The Commission concludes that:

1. Petition for Modification No. 17, in Case No. 6008, should be granted to the extent set forth in the order herein and that Minimum Rate Tariff 13 should be amended accordingly.

2. To the extent not granted herein, Petition for Modification No. 17 should be denied.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 13 (Appendix B of Decision No. 55584, as amended) is further amended by incorporating therein, to become effective September 2, 1972, First Revised Pages 4 and 5, Eleventh Revised Page 7 and Tenth Revised Page 12, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to said Decision No. 55584, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. Any provisions currently maintained in common carrier tariffs which are more restrictive than, or which produce charges greater than, those contained in Minimum Rate Tariff 13 are authorized to be maintained in connection with the increased rates and charges directed to be established by ordering paragraph 2 hereof.

4. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 13 are authorized to increase such rates by the same amounts authorized for Minimum Rate Tariff 13 rates herein.

5. Common carriers maintaining rates on the same level as Minimum Rate Tariff 13 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 13 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff 13 rates herein.

6. Common carriers maintaining rates at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 13 are authorized to increase said rates by the same amounts authorized for Minimum Rate Tariff 13 rates herein.

7. 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 fifth day after the effective date of this order, on not less than five days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than September 2, 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.

8. 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.

9. In all other respects said Decision No. 55584, as amended, shall remain in full force and effect.

10. To the extent not granted herein Petition for Modification No. 17 is denied.

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

Dated at San Francisco, California, this 25th
day of JULY, 1972.

William Symon Jr. President
[Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

LIST OF APPEARANCES

Petitioner: Richard W. Smith and A. D. Poe, Attorneys at Law, and H. F. Kollmyer, for California Trucking Association.

Respondents: James E. Lyons, Attorney at Law, for Wm. H. Hutchinson & Sons Service Co., East Bay Oil Recovery Corp., Winton Jones Contractor, Inc., Industrial Tank, Inc., and Oscar E. Erickson; T. A. L. Loretz, for Routh Transportation, Fix & Brain Vacuum Truck Service and Kyle O. Mayes Co.; Winton Jones, for Winton Jones Contractor, Inc.; Donald C. Brain, for Fix & Brain Vacuum Truck Service, Inc.; Ottis E. Pittman, for Ott's Vacuum Truck Service; Nelson Ragle, for Crosby & Overton Transportation; Roy D. Owen, for Routh Transportation and Kyle O. Mayes Company, Inc.; Bill Shearer, for Chancellor & Ogden, Inc.; and F. P. Lucas, for Alliya Transportation Company.

Protestants: J. W. Bohannon, for Mobil Oil Corporation; Otha B. Brooks, for Shell Oil Company; Jack M. Sandell, for Collier Carbon & Chemical Corp., and Union Oil Company; Steve Michels, for FMC Corporation; Charles C. Fording, for PPG Industries, Inc.; Edward A. Guldaman, for Stauffer Chemical Company; and Henry W. Simonsen, for Industrial Tank, Inc.

Interested Parties: Charles H. Bolstad and Gary B. Arvin, for Atlantic Richfield Company; R. S. Greitz, for Western Motor Tariff Bureau, Inc.; W. G. Hatcher, for Standard Oil Co. of California and Chevron Chemical Co.; Bob Justice, for Oscar E. Erickson, Inc.; D. R. Ranche and C. D. Gilbert, for Standard Brands, Inc.; Norman Olkein, for CPC International, Inc.; Wayne R. Tinker, for Diamond Shamrock Corporation; Karl L. Mallard, for C & H Sugar Refining Company; Asa Button, for Amstar Corporation, Spreckels Sugar Division; E. R. Chapman, for Foremost Foods Company; R. J. Kreps, for Chevron Chemical Company and California Fertilizer Association; Jess Butcher, for California Manufacturers Association; J. R. Collingwood, Standard Oil of California, Western Operations, Inc., for R. Canham; Lloyd H. Shanks, for Union Carbide Corporation; Bennie R. Reagan, for Ecology Control, Inc., dba J. C. Oilwell Service; Gordon A. Rodgers, for Allied Chemical Corporation; G. B. Fink, for Dowell Division - The Dow Chemical Company; Raymond E. Healy, Del Monte Corporation, for Canners League of California; and Robert T. Blair, for City of Long Beach, Department of Oil Properties.

Commission Staff: Leonard Diamond and Robert W. Stich.

APPENDIX B
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Certificate of the Public Utilities Commission
of the State of California Relative to Increases
in Rates for Certain Transportation Services
Performed by For-Hire Highway Carriers in
Vacuum or Pump Tank Vehicles 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 does hereby certify to the Federal Price Commission as follows:

1. The California Public Utilities Commission has established minimum rates for the California intrastate transportation of property in vacuum or pump tank vehicles of for-hire highway carriers. Said minimum rates are published in Minimum Rate Tariff 13.

2. The decision of the California Public Utilities Commission, to which this certification is appended, authorizes increases in the hourly rates and rules published in Minimum Rate Tariff 13 pursuant to full-scale productivity, cost and rate economic studies introduced in evidence by the California Trucking Association. In lieu of an increase of about 15 percent as sought by the trucking association, the decision authorizes a weighted average increase of 8.8 percent in the minimum rates applicable within Southern California only. Said increase reflects cost of operations, including labor and allied payroll expenses effective generally as of January 1, 1972.

3. Based on estimated revenues of \$5,800,000 earned under Minimum Rate Tariff 13 by carriers operating within the Southern California area, the increase suggested herein should provide said carriers approximately \$510,400 in additional annual revenues.

4. The adjusted minimum rates are set at levels intended to return to a reasonably efficient carrier engaged in the transportation involved an operating ratio of approximately 95 percent before income taxes.

APPENDIX B
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5. The minimum rates are determined upon carrier productivity and operating cost considerations. The amount of capital invested by all carriers engaged in the transportation of property subject to Minimum Rate Tariff 13 is not known. To the extent that any carrier engaged in vacuum or pump tank transportation subject to the aforementioned minimum rate tariff will achieve net earnings under said minimum rates it is believed that its rate of return will be minimal.

6. Sufficient evidence was taken in the course of these proceedings to determine:

- (1) The increases are cost based, include productivity gains, if any, and do not reflect inflationary expectations.
- (2) The adjusted minimum rates are the minimum rates required to assure continued, adequate, and safe service.
- (3) The adjusted minimum rates will provide revenues sufficient to meet the cost of providing the service but not necessarily enough to permit carriers to attract capital at reasonable costs.

7. The rates and rules provided in Minimum Rate Tariff 13 are minimum rates. Under California law the highway carriers may charge rates greater than the minimum for the transportation subject to said tariff. Evidence taken in this and prior proceedings regarding the transportation of commodities in vacuum or pump tank vehicles governed by Minimum Rate Tariff 13 show that, because of competitive conditions, the carriers engaged in this transportation do not generally charge and assess rates in excess of the minimum. Decision No. 55584, as amended by the decision appended hereto, does not require increases in rates in excess of those prescribed in Minimum Rate Tariff 13.

SECTION 1--RULES OF GENERAL APPLICATION	ITEM
<p style="text-align: center;">DEFINITION OF TECHNICAL TERMS</p> <p>CARRIER means a radial highway common carrier or a highway contract carrier, or a petroleum contract carrier, as defined in the Highway Carriers' Act.</p> <p>CARRIER'S EQUIPMENT means (1) vacuum-type tank vehicles which are loaded ordinarily by the force of atmospheric pressure acting upon a vacuum within the vehicles; or (2) pump-type vehicles which are loaded ordinarily by a pumping process in which the material being loaded passes through the pumps.</p> <p>ENGAGEMENT means the employment of one or more unit(s) of equipment with driver and/or helper by one shipper on one shipping document.</p> <p>*HOLIDAYS mean New Year's (January 1), Washington's Birthday (the third Monday in February), Good Friday, Memorial Day (the last Monday in May), Fourth of July, Labor Day (the first Monday in September), Thanksgiving Day, the day after Thanksgiving, December 24th and Christmas Day (December 25). When a holiday falls on Sunday, the following Monday shall be considered as a holiday.</p> <p>INDEPENDENT-CONTRACTOR SUBHAULER means any carrier who renders service for a principal carrier, for a specified recompense, for a specified result, under the control of the principal as to the result of the work only and not as to the means by which such result is accomplished.</p> <p>RATE includes charge, also rules and regulations governing, and the accessorial charges applying in connection therewith.</p> <p>SHIPMENT means the engagement of one or more unit(s) of equipment with driver and/or helper by one shipper on one shipping document.</p> <p>SUNIT OF EQUIPMENT means a *tractor, vacuum or pump-type tank truck, trailer or semitrailer, or any combination of the foregoing operated in a train.</p>	610
<p> * Change) * Addition) Decision No. 80294 </p>	
EFFECTIVE	
Correction	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA

SECTION 1--RULES OF GENERAL APPLICATION (Continued)		ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--CARRIERS</p> <p>Rates provided in this tariff are minimum rates established pursuant to the Highway Carriers' Act and apply for transportation by vacuum-type tank vehicles and by pump-type tank vehicles of property by radial highway common carriers, highway contract carriers and petroleum contract carriers as defined in said Act.</p> <p>Rates, rules and regulations named in this tariff shall not apply to transportation by independent-contractor subhaulers when such transportation is performed for other carriers defined in this tariff or for common carriers defined in the Public Utilities Act.</p>		20
<p style="text-align: center;">APPLICATION OF TARIFF--TERRITORIAL</p> <p>Rates in this tariff apply for the transportation of shipments between all points within the State of California.**</p>		230
<div><div><div>Change</div><div>Eliminated</div></div><div>)</div><div>Decision No. 80294</div></div>		
<p style="text-align: right;">EFFECTIVE</p>		
<div>Correction</div> <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA</div>		

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">ACCESSORIAL CHARGES</p> <p>When carrier furnishes help in addition to the driver, an additional charge of (1) \$10.12 or (2) \$8.80 per man per hour shall apply. The time for computing the additional charge shall be not less than the actual time in minutes the helper or helpers are engaged in performing the services. The total time so computed shall be converted into hours and fractions thereof. Fractions of an hour shall be determined in accordance with the table provided in Item 80.</p> <p>(1) Applies when the accessorial service is performed in Territory "A" consisting of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Applies when the accessorial service is performed in Territory "B" consisting of all counties in California other than those included in Territory "A".</p>	660
<p style="text-align: center;">MINIMUM CHARGE</p> <p>1. The minimum charge per shipment shall be that for two hours of service at the applicable rate.</p> <p>2. When service is provided under the provisions of Items 60 or 200 on holidays, an additional charge shall be assessed for each driver or helper so furnished, as follows:</p> <p>(a) On New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day, twice the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p> <p>(b) On Washington's Birthday, *Good Friday, *the day after Thanksgiving and December 24th, the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p>	670
<p> <input type="checkbox"/> Change) <input type="checkbox"/> Increase) Decision No. 80294 <input type="checkbox"/> 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 2--HOURLY RATES				ITEM
Capacity of Equipment (In Barrels)		Rates in Dollars per Hour (See Note)		
More Than	But Not More Than	Territory "A"(1)	Territory "B"(2)	
0	35	\$17.50	\$14.85	6200
35	45	17.50	15.10	
45	60	18.75	16.25	
60	80	19.50	17.20	
80	95	20.00	17.95	
95		21.00	19.05	
(1) Territory "A" consists of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.				
(2) Territory "B" consists of all counties in California other than those included in Territory "A".				
NOTE.--The rates named are for transportation by vacuum-type tank vehicles. Where the transportation is performed by pump-type tank vehicles, the applicable rates are \$1.00 per hour less than those for transportation in vacuum-type tank vehicles.				
6 Change) o Increase) Decision No. 86294				
EFFECTIVE				
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