

ORIGINAL

Decision No. 82370

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 highway carriers relating
to the transportation of uncrated
new furniture (commodities for
which rates are provided in Minimum
Rate Tariff No. 11-A).

Case No. 5603
Petition for Modification
No. 127
(Filed July 16, 1973;
amended September 19, 1973)

Richard W. Smith and A. D. Poe, Attorneys at Law,
and H. Hughes, for California Trucking Association,
petitioner.

Harry Smith, for Lad's Furniture Freight, Inc.,
respondent.

R. C. Fels, for Furniture Manufacturers Association
of California; Jan J. Petersen, for John Breuner
Company; and Jack Aden, for Western Traffic
Conference; interested parties.

Clyde T. Neary and Everest A. Benton, for the
Commission staff.

O P I N I O N

California Trucking Association (petitioner) herein seeks
an increase averaging approximately 5.5 percent in the minimum rates
and charges in Minimum Rate Tariff 11-A (MRT 11-A).

Public hearing was held before Examiner O'Leary on
October 1, 1973 at San Francisco. The matter was submitted subject
to the filing of Exhibit 3 which was filed October 5, 1973.

The last decision authorizing increased rates in MRT 11-A was Decision No. 81412 dated May 22, 1973. Those increased rates were based on costs including labor and allied costs effective January 1, 1973. The increased rates were to become effective June 21, 1973; however, because of an Executive Order of the President of the United States, announced June 13, 1973 imposing a freeze on price increases for 60 days, those rates did not become effective until August 13, 1973.

Evidence was presented by petitioner's Southern California supervisor of its division of economics. Other appearances assisted in the development of the record through cross-examination of petitioner's witness.

The evidence presented by petitioner (Exhibit 1) discloses that effective July 1, 1973 the hourly labor costs of terminal employees and local drivers have increased by 3.31 percent and of long-line drivers have increased by 3.22 percent pursuant to current labor agreements with Teamsters Union Local No. 196. Additionally, the labor agreements provide for increases effective July 1, 1973 as follows:

1. Increase in paid holidays from 9 to 10.
2. 6.92 percent increase in health and welfare fund.
3. Increase in sick leave from none to 5 days.
4. Increase in layover and subsistence pay of 16.67 percent.

The payment to the pension fund will increase by 66.67 percent effective January 1, 1974. Additionally, California workmen's compensation insurance rates were increased on October 1, 1973 and FICA contributions will increase on January 1, 1974. The evidence further discloses that costs of equipment and fuel have increased since the last full-scale cost study which was submitted in 1967 (Case No. 5603, Petition for Modification No. 40). The increased vehicle costs were developed from reports prepared by the Commission's Data Bank from records of the Department of Motor Vehicles. The increased fuel costs were developed from a survey of carriers in the Los Angeles area. The cost evidence presented by petitioner also reflected the repeal of the Board of Equalization gross receipts tax effective July 1, 1973.

Decision No. 76353 (70 CPUC 277) and decisions cited therein determined that in between the development of full-scale cost studies it is reasonable to adjust rate levels to reflect only those cost changes which are readily determinable by reference to wage contracts or statutes and which have definite effective dates, such as changes in labor and payroll costs, payroll taxes, workmen's compensation insurance, and in gross revenue taxes. Those decisions determined that because of the difficulty and expense of determining the relative changes in other carrier costs, the changes in such costs would be reflected in rates only on the basis of data contained in full-scale cost studies. Those decisions indicate that it is assumed in a "cost offset" type of proceeding that costs of fixed investment and depreciation, vehicle use factors, performance factors (productivity), and ratio of indirect to direct costs remain constant and that only labor and payroll costs have changed.

The record shows that the Commission's Transportation Division staff is now conducting full-scale cost and economic studies looking toward a revision of MRT 11-A and that these studies are expected to be completed in the near future.

Findings

1. The minimum rates set forth in MRT 11-A reflect wage costs and allied payroll expenses effective generally as of January 1, 1973.
2. Highway carriers who are engaged in for-hire transportation services subject to the provisions of MRT 11-A have experienced further labor cost increases effective as of July 1, 1973.
3. The Commission's Transportation Division staff is conducting full-scale cost and economic studies looking toward a revision of MRT 11-A. These studies are expected to be completed in the near future.
4. It is not appropriate to include increased costs other than those that are readily determinable by reference to wage contracts or statutes and which have definite effective dates, such as changes in labor and payroll costs, payroll taxes, workmen's compensation insurance, and gross revenue taxes in an offset proceeding when new full-scale studies are in progress and will be considered in the near future.
5. The present rates named in MRT 11-A are below the level of just, reasonable, and nondiscriminatory minimum rates to the extent that such rates do not reflect the carrier's labor cost increases as of July 1, 1973.

6. The so-called "Wage Cost Offset" method of cost calculation, as described in Decision No. 76353 (70 CPUC 277), is suitable to measure percentagewise increases in costs for the purposes of determining increases in rates in this proceeding.

7. The rate adjustments authorized herein give effect to a reduction in gross revenue expenses because of elimination of the 1-1/2 percent Board of Equalization gross receipts tax.

8. To the extent that the provisions of MRT 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.

Conclusions

1. Petition for Modification No. 127, as amended, should be granted to the extent set forth in the order hereof.

2. To the extent not granted herein, Petition for Modification No. 127, as amended, should be denied.

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 February 22, 1974, 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 at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 11-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 11-A rates.
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 February 22, 1974; 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 days after the date hereof.

Dated at San Francisco, California, this 22nd.
day of JANUARY, 1974.

William L. Stevens
President
William J. Quinn
[Signature]
[Signature]
Commissioners

I abstain
[Signature]
[Signature]

APPENDIX A

LIST OF REVISED PAGES TO
MINIMUM RATE TARIFF 11-A

NINETEENTH REVISED PAGE 6
EIGHTEENTH REVISED PAGE 7
TWENTY-SECOND REVISED PAGE 15
NINTH REVISED PAGE 15-A
NINETEENTH REVISED PAGE 16

(END OF APPENDIX A)

SECTION 1--RULES (Continued)		ITEM											
<p style="text-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><th>Minimum Weight</th><th>Rates in Cents Per 100 Pounds</th></tr><tr><td>Any Quantity-----</td><td>250</td></tr><tr><td>500 Pounds-----</td><td>200</td></tr><tr><td>2,000 Pounds-----</td><td>165</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>		Minimum Weight	Rates in Cents Per 100 Pounds	Any Quantity-----	250	500 Pounds-----	200	2,000 Pounds-----	165	660			
Minimum Weight	Rates in Cents Per 100 Pounds												
Any Quantity-----	250												
500 Pounds-----	200												
2,000 Pounds-----	165												
<p style="text-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 or equipment is inactivated by reason of its driver or helper being engaged in such service.</p>		70											
<p style="text-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 style="text-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><th rowspan="2"></th><th colspan="2">Charges in Cents</th></tr><tr><th>For First 30 Minutes</th><th>For each Additional 15 Minutes</th></tr><tr><td>(a) For driver, helper or other employee, per man-----</td><td>0670</td><td>0335</td></tr><tr><td>(b) For unit of equipment-----</td><td>90</td><td>45</td></tr></table>			Charges in Cents		For First 30 Minutes	For each Additional 15 Minutes	(a) For driver, helper or other employee, per man-----	0670	0335	(b) For unit of equipment-----	90	45	900
	Charges in Cents												
	For First 30 Minutes	For each Additional 15 Minutes											
(a) For driver, helper or other employee, per man-----	0670	0335											
(b) For unit of equipment-----	90	45											
<p>o Change) o Increase) Decision No. 82370</p>													
<p style="text-align: center;">EFFECTIVE</p>													
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>													
<p>Correction</p>													

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) 0690 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.</p> <p>(b) 0790 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: flex-start;"> <div style="margin-right: 20px;"> <p>o Change)</p> <p>o Increase)</p> </div> <div> <p>Decision No. 82370</p> </div> </div>	
EFFECTIVE	
<div style="display: flex; justify-content: space-between;"> <div style="margin-top: 10px;">Correction</div> <div style="text-align: right; margin-top: 10px;">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		
But 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	430	370	295	255	235	200	
5	10	445	385	310	265	250	215	
10	15	460	395	325	280	260	225	
15	20	475	410	340	290	275	235	
20	25	485	415	355	305	290	250	
25	30	500	430	365	315	305	260	
30	35	515	445	380	325	315	270	
35	40	530	455	390	335	330	285	
40	45	540	465	405	350	340	290	
45	50	555	475	420	360	355	305	
50	60	570	490	430	370	370	320	
60	70	585	505	445	385	385	330	
70	80	600	515	465	400	400	345	
80	90	615	530	480	415	420	360	0400
90	100	635	545	495	425	435	375	
100	110	645	555	510	440	450	385	
110	120	660	570	525	450	465	400	
120	130	680	585	540	465	480	415	
130	140	695	600	555	475	495	425	
140	150	710	610	570	490	510	440	
150	160	715	615	580	500	520	445	
160	170	725	625	595	510	530	455	
170	180	740	635	605	520	545	470	
180	190	755	650	620	535	555	475	
190	200	765	660	630	540	570	490	
(Continued in Item 405)								
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.								
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)								
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)								
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)								
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.								
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.								
o Increase, Decision No. 82370								
EFFECTIVE								
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.								
Correction								

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	785	675	650	560	585	505	
220	240	800	690	670	575	600	515	
240	260	820	705	685	590	625	540	
260	280	840	720	705	605	640	550	
280	300	860	740	720	620	660	565	
300	325	885	760	745	640	685	590	
325	350	905	780	770	660	710	610	
350	375	930	800	795	685	735	630	
375	400	955	820	820	705	760	655	
400	425	980	845	845	725	785	675	
425	450	1005	865	870	750	810	695	
450	475	1030	885	890	765	830	715	
475	500	1050	905	915	785	855	735	
500	525	1075	925	940	810	880	755	
525	550	1100	945	965	830	905	780	
550	575	1125	970	990	850	930	800	
575	600	1150	990	1015	875	955	820	
600	625	1175	1010	1040	895	980	845	
625	650	1200	1030	1065	915	1000	860	
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="padding-left: 100px;">Column A: 024 cents per 100 pounds Column B: 021 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>								
o Increase, except as noted o No change) Decision No.		82370				
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)
	955	820	820	705	760	655
<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
<p>♦ Increase, Decision No. 82370</p>						
EFFECTIVE:						
<p>Correction</p> <p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>						