

Decision No. 82624**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 and highway)
 carriers relating to the transpor-)
 tation of cement and related)
 products (commodities for which)
 rates are provided in Minimum Rate)
 Tariff 10).

Case No. 5440
 Petition for Modification
 No. 83
 (Filed July 30, 1973; amended
 August 6 and December 14, 1973)

Richard W. Smith, Attorney at Law, and H. Hughes
 for California Trucking Association, petitioner.
Donald L. Denney, for L. R. Denney, Inc.; Henry and
Jennie Fikse, for Fikse Bros., Inc.; Allen L.
Cole, for Max Binswanger Trucking; Ray S. Bruton
and Mike Mallin, for Miles & Son's Trucking
 Service, Inc.; S. A. Ziganti, for CAP Transport,
 Inc.; Edward W. Rocely, for Universal Transport
 System, Inc.; George Ernest Sack, Jr., for
 George E. Sack, Jr. Trucking; Les Calkins, for
 Les Calkins Trucking; and Joe S. Tedesco, for
 T.T.T., Inc.; respondents.
William Mitze, for Riverside Cement Company;
William T. Barklie, for California Portland
 Cement Company; Eugene R. Rhodes, for Monolith
 Portland Cement Company; T. W. Anderson, for
 California Division of General Portland, Inc.;
M. J. Nicolaus, for Western Motor Tariff Bureau,
 Inc.; George B. Shannon, for Southwestern Portland
 Cement Company; John P. Rohrer and Jim S. McGahey,
 for Kaiser Cement & Gypsum Corporation;
E. J. Bertana, for Lone Star Industries, Inc.;
 and James Gallagher, for The Flintkote Co.,
 Calaveras Cement Division; interested parties.
Clyde T. Neary and Frederick W. Foley, for the
 Commission staff.

SECOND INTERIM OPINION

Minimum Rate Tariff 10 (MRT 10) contains rates, rules, and charges for the transportation of cement and related commodities, in bulk and in packages, between points in California. By the Commission's interim ex parte order in Decision No. 82213 dated December 4, 1973 in this proceeding, the rates named in Items 205 and 210 of MRT 10 were increased by 4 percent pending hearing for the receipt of evidence relative to the final disposition of the California Trucking Association's (CTA) amended Petition 83.^{1/}

In the second amendment of Petition 83 it was requested that the December 27 and 28 scheduled hearings be reserved for the presentation of evidence relative to CTA's revised cost offset rate proposal. It is now requested that, in addition to the interim 4 percent increase in MRT 10 rates established by Decision No. 82213, such rates be made subject to a second interim cost offset rate increase of 14 percent, thereby making a total overall effective rate increase of 18 percent. The CTA's amended rate proposal also seeks related cost offset increases in certain specified accessorial service charges.

Public hearings were held before Examiner Gagnon on December 27 and 28, 1973 and January 14, 1974 at San Francisco. The receipt of evidence at this initial series of hearings was limited to CTA's revised interim cost offset rate proposal. Further adjourned hearings will be scheduled for the receipt of evidence relative to a general review and comprehensive revision of the cement tariff which CTA states should be accomplished through the issuance of a new MRT 10-A.

^{1/} The cement rates named in Items 205 and 210 apply to points in Northern and Southern Territories, respectively, as defined in Items 80 and 200 of the tariff.

MRT 10 Antecedents

The CTA requested the Commission on May 25, 1965 (Petition 26 in Case No. 5440) to direct its staff to prepare full-scale cost and rate economic studies relative to the rates, rules, and charges named in MRT 10. Staff cost and rate studies were introduced in the proceeding involving Decision No. 72503 dated May 31, 1967 in Case No. 5440. The decision reached the following finding:

- "1. The staff cost study...contains, within acceptable limits of accuracy, the reasonable costs for the transportation of Portland cement in truckload lots between points in California for the period represented in the study..."

The industry proposed minimum cement rates adopted by Decision No. 72503 were suspended by Decision No. 72640 dated June 20, 1967 pending the receipt of further evidence. Further hearings were held in October 1967 at which time the staff updated its historical cost study (Exhibit 26-1) to reflect labor costs as of October 1, 1967, known changes in tax rates, changes in constructive mileages, the increase in the maximum speed of truck vehicles to 55 miles per hour, a correction in the calculation of line haul use hours for gravity hopper and flatbed equipment, and increases in the labor portion of indirect expenses. All other cost performance factors reflected those prevailing in the spring of 1966. This updated staff cost study was received in evidence as Exhibit 26-6. While finding that the revised staff cost study reflected the reasonable costs for the transportation of Portland cement and related commodities covered in MRT 10, the Commission, in Decision No. 73607 dated January 9, 1968, established a minimum scale of cement rates other than that proposed by the staff or the cement industry.

The level of rates established in MRT 10 by Decision No. 73607 was updated on several occasions to reflect further labor cost increases. Such rate adjustments were not determined by one of the several established cost offset procedures.^{2/} Shippers and carriers of cement sought, and the Commission subsequently established, specific cost offset rate increases in MRT 10 which were designed to reflect current market conditions, produce additional revenues to the cement carriers to offset increased costs, and not disrupt established rate relationships between the various California cement mills.^{3/}

CTA's Cost Offset Rate Proposal

A cost supervisor for the CTA introduced two reports concerning the increased costs for transporting cement under the governing provisions of MRT 10 as of July 1, 1974 (Exhibit 83-1) and January 1, 1974 (Exhibit 83-3). The CTA's cost studies constitute a further updating of the historical cost data of record contained in Exhibit 26-6, as modified by Exhibit 76-1 (Decision No. 80307) to reflect labor costs and allied payroll expenses effective generally as of July 1, 1972. In addition, the cost supervisor brought forward heretofore unchanged historical cost factors for equipment, fuel, weight fees, license fees, and highway use taxes to reflect current available cost information. A comparison of the July 1, 1972 hourly labor cost data of record with CTA's like cost data effective generally as of July 1, 1974 follows:

^{2/} Decision No. 76353 (1969) 70 CPUC 277.

^{3/} Cost offset rate increases established in MRT 10 after the Decision No. 73607 rate adjustments are: (1) Decision No. 73997 dated April 16, 1968 (Petition 26), (2) Decision No. 76480 dated November 25, 1969 (Petitions 63 and 64), (3) Decision No. 77703 dated September 1, 1970 (Petition 68), (4) Decision No. 77906 dated November 4, 1970 (Petition 69), and (5) Decision No. 80307 dated July 25, 1972 (Petition 76).

TABLE 1

Cost Factors	Northern Territory			Southern Territory		
	July 1, 1972	July 1, 1974	%	July 1, 1972	July 1, 1974	%
Base hourly wage	\$5.740	\$6.500*	13.2	\$4.820	\$5.690*	18.1
Holidays	.209	.237	13.4	.136	.161	18.4
Premium earnings	.631	.715	13.3	.482	.569	18.1
Vacation	.291	.329	13.1	.169	.199	17.8
Compensation insurance	.238	.295	24.0	.229	.294	28.8
Payroll taxes	.281	.404	43.8	.244	.350	43.4
Health, welfare, & pension	.610	.917	50.3	.504	.577	14.5
Total direct labor	\$8.000	\$9,397	17.5	\$6.584	\$7.841	19.1

*Includes 11¢ cost of living allowance effective July 1, 1974.

From Table 1 it will be noted that total direct hourly labor costs have increased 17.5 percent and 19.1 percent within Northern and Southern Territories, respectively. Since labor represents about 50 percent of total costs, the increases in direct hourly labor costs since July 1, 1972 would have the effect of increasing MRT 10 total cost data of record by about 10 percent.

The historical cost data for equipment, taxes, license fees, and fuel originally developed in Exhibit 26-1 have, except for a one dollar increase in vehicle registration fees, remained unchanged. A comparison of such historical cost data with the like updated cost data developed by CTA follows:

TABLE 2

Equipment	Fixed & Depr. Cost Per Year		Taxes & Licenses Cost Per Year		Fuel Costs Per Gallon	
	Exhibits		Exhibits		Exhibits	
	26-6	83-1	26-6	83-1	26-6	83-1
2-Axle tractor	\$1,859	\$2,340	\$416	\$515	(\$0.231 (1) (0.220 (2)	\$0.305 (1) 0.298 (2)
<u>Trailing Units</u>						
1-Axle semitrailer						
Pneumatic hopper	831	946	161	162	-	-
Gravity hopper	474	788	91	123	-	-
Flatbed	294	277	78	88	-	-
2-Axle semitrailer						
Pneumatic hopper	989	1,093	201	202	-	-
Gravity hopper	645	922	149	190	-	-
Flatbed	432	503	134	161	-	-
Blowers	164	178	16	13	(\$0.121 (1) (0.110 (2)	\$0.121 (1) 0.110 (2)

(1) Northern Territory.

(2) Southern Territory.

The CTA cost supervisor explained that the adjusted cost factors set forth in Table 2 were predicated upon CTA field studies and the Commission's Data Bank Report No. 716-6. He further stated that, due to the current accelerating increases in the cost of fuel, he believed his proposed fuel cost adjustment was understated.

The total adjusted line haul cost data determined by CTA establishes a July 1, 1974 cost datum plane. The percentage increase of such adjusted cost data over the like July 1, 1972 historical cost data formulates the basis for CTA's proposed cost offset increase in MRT 10 rates. The resulting overall average percentage increases in the total costs for transporting cement various distances are:

TABLE 3

<u>Type of Service</u>	<u>Bulk Cement</u>	
	(1)	(2)
Pneumatic hoppers	13.75%	14.93%
Gravity hoppers	16.33	16.66
Average	15.04	15.80
	<u>Sack Cement</u>	
Hand load & unload	14.22%	14.98%
Power load & unload	13.54	15.23
Average	13.88	15.11

(1) Northern Territory.

(2) Southern Territory.

The average percentage increases in total cement costs noted in Table 3 constitute the basis for CTA's sought cost offset rate increase of 14 percent.

CTA's Alternate Proposal. The petitioner introduced an alternate cost offset rate proposal (Exhibit 83-3) that reflects labor cost increases in effect as of January 1, 1974. The direct hourly labor costs for Northern and Southern Territories are shown to have increased as of January 1, 1974 by 9.67 and 9.61 percent, respectively. Such increases in direct labor costs would require a 4-1/2 to 5 percent cost offset increase in MRT 10 rates. When increases in historical cost data for equipment, motor vehicle taxes, license fees, and fuel cost are reflected in CTA's January 1, 1974 cost offset development, total costs for transporting cement within Northern and Southern Territories are shown to have increased approximately 10 percent.

In the event the Commission is reluctant to reflect known July 1, 1974 labor cost increases in any cost offset rate adjustment prior to July 1, 1974, the CTA recommends that an average of the January and July 1974 cost increases be reflected in the MRT 10 level of rates. The CTA cost supervisor suggested an average cost offset rate increase of 12 percent. The CTA witness notes that similar action was taken by the Commission in Decision No. 78030 dated December 8, 1970 in Case No. 5432 (Petition 596).

CTA's Revenue Proposal. The CTA requests that the 4 percent interim increase in MRT 10 rates established by Decision No. 82213 be retained and the sought cost of offset rate increase of 14 percent now proposed in this proceeding be applied in addition thereto, making a total effective rate increase of 18 percent. The retention of the 4 percent interim rate increase is requested in an effort to improve the revenue earnings of the cement carriers governed by the provisions of MRT 10. In support of CTA's sought additional revenue relief, its cost supervisor introduced a report on the operating ratios experienced by 25 of the major California cement carriers (Exhibit 83-7). The study shows the overall 1971-1972 operating ratios of such carriers to be:

TABLE 4

<u>Total Carriers Hauling</u>	<u>Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Operating Ratio</u>
50% or more cement	1971	\$10,666,082	\$10,093,474	94.6
	1972	11,288,710	11,088,436	98.2
Less than 50% cement	1971	2,212,157	1,907,132	86.2
	1972	2,163,707	2,019,881	93.4
All Carriers	1971	12,878,239	12,000,606	92.3
	1972	13,452,417	13,108,317	97.4

Table 4 indicates that the 1971-1972 operating ratios of the 25 selected cement carriers have deteriorated. In the absence of additional evidence to the contrary, however, such indices are rather inconclusive insofar as the actual revenue requirements of the California cement carriers are concerned.

Staff Cost Offset Rate Proposal

The Commission's Transportation Division staff is opposed to petitioner's cost offset procedures. First, the staff contends that the July 1, 1974 labor cost increases should not be reflected in the MRT 10 level of rates until such labor costs have actually become effective. Second, the staff is opposed to the use of the cost offset procedure to reflect increased transportation cost factors other than for labor and certain taxes and license fees.

The staff recommends, therefore, that only the January 1, 1974 labor cost be flowed through into the MRT 10 rate structure at this time. Based upon a staff analysis of the labor costs, a 4 percent increase in MRT 10 rates is suggested. Accordingly, the staff recommends that the interim increase in MRT 10 rates established by Decision No. 82213 be made permanent. In the event the Commission determines that the July 1, 1974 labor costs should be reflected in the minimum cement rates, the staff Exhibit 83-11 shows that an additional 4 percent labor cost offset increase in MRT 10 rates would suffice. A staff analysis of the 1972 operating ratios of 39 major California cement carriers indicates an overall average operating ratio of 95.2 percent. This is somewhat comparable to the 97.4 operating ratio determined by CTA for a like list of representative cement carriers.

Discussion

The petitioner has endeavored to measure the impact of the July 1, 1974 cost increases upon the operations of 25 cement carriers selected as representative of all major California carriers of cement,

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together with the projected estimated results of operations of such carriers under CTA's cost offset rate proposal. A summary of the computations of the CTA cost supervisor follows:

TABLE 5

Determination of the Impact of 1974 Cost Increases upon
The 1972 Results of Operations of 25 Cement Carriers
(CTA Exhibits 83-7 and 9)

<u>A. Actual 1972 Operating Results</u>			
1. Gross operating revenue		\$13,452,417	
2. Gross operating expense		13,108,317	
3. Operating ratio			97.4%
<u>B. Adjustments</u>			
4. Labor increase	\$ 1,187,925		
5. Fuel price increase	276,585		
6. Equipment cost increase	191,381		
7. Less B.E. tax repeal	<u>(201,786)</u>	\$ 1,454,105	
<u>C. Projected Results</u>			
8. Noncement revenue	\$ 2,961,749		
9. Cement revenue	<u>10,490,668</u>	\$13,452,417	
10. Revenue increase (Line 9 x 18%)		<u>1,808,940</u>	
11. Projected gross revenue		\$15,261,357	
12. Gross operating expense	\$13,108,317		
13. Cost increase	1,454,105		
14. Added gross revenue expense (Line 10 x .43%)	<u>7,778</u>	<u>\$14,570,200</u>	
15. Operating ratio			95.5%

Table 5 indicates that the 25 cement carriers will generate \$1,808,940 in additional revenues to offset July 1, 1974 cost increases of \$1,454,105. The estimated cost increase is \$354,835 less than the total revenues expected to be realized under CTA's rate proposal. If, however, the CTA's rate proposal is held to the 14 percent cost offset rate adjustment, as demonstrated by its updating of the historical cost data of record in Exhibit 83-1, the selected carriers' projected increase in revenues would be reduced to \$1,468,694. This amount is only \$14,589 greater than the July 1, 1974 cost increase of \$1,454,105.

According to the Commission's Data Bank Report No. 601-3 the total 1972 revenues earned by the cement carriers under the provisions of MRT 10 amounted to \$19,417,245. Should CTA's proposed 18 percent increase in MRT 10 rates be authorized, an estimated \$3,517,104 in additional revenues would be earned by the cement carriers. If petitioner's proposed increase is held to the full cost offset rate adjustment of 14 percent, the total additional MRT 10 cement revenues would be reduced to \$2,718,414. The resulting \$798,690 in MRT 10 cement revenues in excess of the amount necessary to fully offset the cement carriers' July 1, 1974 cost increases reflects petitioner's efforts to improve the overall operating revenues earned by the cement carriers.

In Exhibit 83-7 the CTA listed the 1971 and 1972 operating ratios experienced by 25 cement carriers in an effort to show that the revenues earned by the California cement carriers under MRT 10 are depressed. In a revenue proceeding the mere recitation of the carriers' operating ratios would, standing alone, not be sufficient for an accurate evaluation of the carriers' need for additional revenues. In the instant proceeding the application of a partial interim cost offset rate increase, authorized pending hearing for the receipt of evidence relative to the full relief sought, is even less appropriate as a basis for determining the carriers' revenue requirements. The proposed alternative average 12 percent cost offset increase in MRT 10 rates reflecting the temporary 4 percent interim cost offset increase, for an effective rate increase of 16 percent, is not justified and should not be adopted.

The only opposition to CTA's sought cost offset rate adjustment concerns the staff's position as to the manner in which such cost increases should be reflected in the rates. The staff's contention that cost offset rate adjustments should be limited to generally labor cost factors is consistent with the cost offset procedures approved in Decision No. 76353 (1969) 70 CPUC 277. Such procedures contemplate, however, that full-scale cost and rate economic studies will be forthcoming within a reasonable period of time. Although the petitioner indicates comprehensive studies relative to the transportation of cement under the provisions of MRT 10 are now essential, the staff has not indicated whether it has any immediate plans to initiate such studies. Moreover, the normal relative stability of fixed equipment costs and fuel prices which caused their initial exclusion from the cost offset procedures approved in Decision No. 76353 no longer obtains due to the inflationary economic cycle currently confronting the for-hire carriers.^{4/}

The staff objections to reflecting known July 1, 1974 labor cost increases in MRT 10 rates are not in accord with prior Commission action in Decision No. 78030. This decision adopted a weighted average of the January and July 1971 labor cost increases as a basis for a labor cost offset adjustment in MRT 2 rates. Petitioner has

^{4/} At the January 21, 1974 hearing in Case No. 5432 (Petition 780) et al., the staff recommends (Exhibit 6) that in view of the present fuel crisis the Commission modify its cost offset procedure to include fuel price adjustments in addition to changes in taxes and labor costs.

shown that a 14 percent cost offset increase in MRT 10 rates at this time, pending further adjourned hearing, will generate additional revenues sufficient only to offset related increases in the cement carriers' historical equipment costs, motor vehicle taxes, license fees, fuel prices, and labor and allied payroll expenses for the period July 1, 1972 through July 1, 1974.

Findings

1. The present structure of the cement rates named in MRT 10 was established by Decision No. 73607 dated January 9, 1968. The level of the rates was developed in light of Commission staff cost studies found to be reasonable (Exhibits 26-1 and 26-6) plus other economic rate considerations designed to maintain historical competitive rate relationships between the several California cement mills.

2. The level of the minimum cement rates established by Decision No. 73607 was adjusted on several occasions to reflect subsequent increases in the operating costs of the cement carriers. The rates were last generally revised by Decision No. 80307 dated July 25, 1972 to reflect labor costs effective generally as of July 1, 1972. The staff historical cost studies set forth in Exhibits 26-1 and 26-6 were further updated by Exhibit 76-1 to reflect the July 1, 1972 labor costs.

3. By Decision No. 82213 dated December 4, 1973 in this proceeding, a 4 percent interim cost offset increase in rates was established pending hearing relative to petitioner's requested cost offset rate increase of 8 percent.

4. In the second amendment of Petition 83, a 14 percent interim cost offset increase in the MRT 10 rates established by Decision No. 82213 was proposed, making a total effective increase of 18 percent, plus related adjustments in specified accessorial tariff charges. The sought amended relief is in contemplation of a comprehensive revision of MRT 10.

5. Petitioner has updated the staff's historical cost data as set forth in Exhibits 26-1, 26-6, and 76-1 to reflect labor cost increases effective generally as of January and July 1974. In addition, cost factors for historical equipment costs, motor vehicle taxes, license fees, and fuel costs were updated.

6. A comparison of the historical cost data underlying the present level of MRT 10 cement rates with the like July 1, 1974 adjusted cost data developed by petitioner (Exhibit 83-1) shows that since July 1, 1972 such supporting cost data increased an average of 14 percent. This average increase in the cost of transporting cement constitutes the basis for the proposed cost offset increase of 14 percent in MRT 10 rates.

7. To the extent petitioner's cost offset method reflects increases in historical fixed equipment costs and fuel costs it is not consistent with cost offset procedures specifically approved in Decision No. 76353 (1969) 70 CPUC 277. The cost offset procedures recognized in this decision are predicated upon the assumption that certain costs, such as for equipment and fuel, remain relatively unchanged during the reasonable effective life span of full-scale cost studies underlying a given minimum rate structure.

8. Petitioner has shown that the equipment and fuel costs of the California cement carriers have increased dramatically since first reflected in the 1965-1966 cost data underlying the MRT 10 rates. Such increases are primarily due to the abnormal economic inflationary cycle currently confronting the cement carriers. In the circumstances, petitioner's cost offset method for adjusting MRT 10 rates to reflect increases in equipment costs, motor vehicle taxes, license fees, and fuel costs, together with increases in labor and allied payroll expenses, has been shown to be proper and fully justified in this particular instance.

9. Petitioner's evidence pertaining to the 1971-1972 operating ratio of selected representative cement carriers is, standing alone, insufficient to justify retention of the 4 percent interim cost offset rate increase established by Decision No. 82213.

10. The proposed January-July 1974 alternative cost offset increase of 16 percent in MRT 10 rates is also inappropriate and not justified pursuant to Finding 9 hereof.

11. The carriers are, and will be, in need of additional revenues in order to offset the increased costs of providing the service required for the transportation of cement under the provisions of MRT 10.

12. Increases that will result from the establishment of an interim cost offset increase of 14 percent in MRT 10 rates, in lieu of the current interim cost offset increase of 4 percent, plus the related proposed adjustments in certain specified accessorial service charges, have been shown to be justified.

13. The rates and charges found to be justified herein constitute the just, reasonable, and nondiscriminatory minimum rates for the transportation of cement and related commodities by highway carriers.

Conclusions

1. Petitioner's proposed interim cost offset rate increase should be granted to the extent provided in the order which follows and MRT 10 should be amended accordingly.

2. Further adjourned hearing should be scheduled in this proceeding for the receipt of evidence relative to a final disposition of Petition 83, as amended.

SECOND INTERIM ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff 10 (Appendix A to Decision No. 44633, as amended) is further amended by incorporating therein to become effective April 6, 1974 the revised pages attached hereto and listed in Appendix A, also attached hereto, 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 to Decision No. 44633, 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 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 10 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.

5. 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 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.

6. Tariff publications resulting in increases required or authorized to be made by common carriers as a result of this order 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 April 6, 1974; as to increases which are authorized but not required, the authority shall expire unless exercised within sixty days after the effective date of this order; and tariff publications resulting in reductions may be made effective not earlier than the tenth day after the effective date of this order, and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

7. Common carriers, in establishing and maintaining the rates authorized by this order, are 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.

8. In all other respects Decision No. 44633, as amended, shall remain in full force and effect.

9. A public hearing shall be scheduled in this proceeding for the receipt of evidence relative to a final disposition of Petition 83, as amended.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th
day of MARCH, 1974.

William L. Sturgeon
President
William L. Sturgeon

[Signature]
Commissioners

I abstain

Richardson Jr, Commissioner

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

APPENDIX A

LIST OF REVISED PAGES TO
MINIMUM RATE TARIFF 10

SEVENTH REVISED PAGE 6-A

SECOND REVISED PAGE 7-A

TENTH REVISED PAGE 10

EIGHTH REVISED PAGE 12-A

SIXTH REVISED PAGE 12-B

(END OF APPENDIX A)

SECTION 1--RULES (Continued)			ITEM
ACCESSORIAL SERVICES			
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 follows:			
	Charges in Cents		
	For First 30 Minutes or Fraction Thereof	For Each Additional 15 Minutes or Fraction Thereof	0100
(a) For Driver, Helper, or Other Employee per Man---	515	260	
(b) For Unit of Equipment-----	145	70	
The charge 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.			
DIVERTED SHIPMENTS			
Charges upon shipments diverted at request of consignor or consignee shall be assessed upon the basis of the charge established for the constructive mileage applicable via the point or points where diversion occurs, subject to Items 50 and 100.			110
SHIPMENTS TRANSPORTED IN MULTIPLE LOTS (Items 115 and 116)			
When a carrier is unable to pick up an entire shipment at one time, or when more than one vehicle, or connected train of vehicles, are used to pick up the entire shipment, the following provisions shall apply in addition to other applicable rules and regulations:			
1. The entire shipment shall be available to the carrier for immediate transportation at the time of the first pickup.			
2. A single shipping document for the entire shipment tendered shall be issued prior to or at the time of the first pickup.			
3. An additional shipping document shall be issued for each pickup and shall give reference to the single shipping document and shall be attached thereto and become a part thereof.			
4. a. If rated under the rates in this tariff, the entire shipment shall be picked up by the carrier within a period of two days computed from 12:01 a.m. of the date on which the initial pickup commences, excluding Saturdays, Sundays and legal holidays.			115
b. If rated under the provisions of Items 150 and 160 (paragraph (b)) of this tariff, the entire shipment shall be picked up by the carrier within:			
(1) a period of two days computed from 12:01 a.m. of the date on which the initial pickup commences, excluding Saturdays, Sundays and legal holidays, when the highway carrier's trailer equipment is placed for loading by the consignor without the presence of carrier personnel or motive equipment.			
(2) a 24-hour period computed from 12:01 a.m. of the date on which the initial pickup commences, when the shipment is loaded other than under the conditions specified in subparagraph (1) above.			
(Continued in Item 116)			
o Increase, Decision No. 82621			
EFFECTIVE			
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.			
Correction			

Correction

MINIMUM RATE TARIFF 10

SECTION 1--RULES (Continued)

ITEM

SPLIT DELIVERY

Shipments may consist of several component parts delivered to (a) one consignee at more than one point of destination, or (b) more than one consignee at one or more points of destination, subject to the following conditions and additional charges:

1. The composite shipment shall consist of not to exceed three component parts.
2. Except as provided in Item 180, charges shall be paid by the consignor when there is more than one consignee.
3. At the time of or prior to the tender of the composite shipment, the carrier shall have been furnished with written instructions showing the name of each consignee, the point or points of destination, and the kind and quantity of property in each component part.
4. The charge for the transportation of the composite shipment shall be the charge applicable for transportation of a single shipment of like kind and quantity of property, computed by applying the applicable mileage rate from point of origin to point of final destination via each individual destination. (See Exceptions 1 and 2.)

EXCEPTION 1.--In the event that a shipment has origin and destination points within and without a mileage territory and any of such points are located within a metropolitan zone, the shortest distance shall be computed subject to the following provisions:

- (a) Between a point within a metropolitan zone and a point not within the same metropolitan zone group but within the Related Mileage Territory, use for constructive mileage determination for the point within the metropolitan zone, the mileage basing points for the applicable metropolitan zone groups.
- (b) Between two or more metropolitan zones within the same metropolitan zone group, use for constructive mileage determination the mileage basing points for the individual metropolitan zones.

EXCEPTION 2.--In the event that a carrier is instructed by the consignor to effect delivery to a destination or destinations in a manner which results in a distance greater than the distance determined under the provisions of Paragraph 4, the applicable through rate shall be based on the distance computed from origin to final destination via each individual destination in the order of delivery designated by the consignor. Instructions from the consignor must be in writing and shall be issued at or prior to the time of shipment.

5. In addition to the charge applicable for transportation of a single shipment of like kind and quantity of property, computed as set forth in Paragraph 4, an additional charge of \$6.80 shall be made for each of the component parts comprising the composite shipment.

0130

◊ Increase, Decision No.

82624

EFFECTIVE

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA.

Correction

SECTION 1--RULES (Concluded)	ITEM
<p align="center">ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES</p> <p>When a common carrier rate is applied in lieu of or in combination with rates provided in this tariff, and the common carrier rate does not include accessorial services as performed by carrier, the following charges shall be made for such services:</p> <ol style="list-style-type: none"> 1. For unloading of shipments, in packages, at a point of destination to which the common carrier rate applies, 2½ cents per 100 pounds. 2. For accessorial services for which charges are provided in this tariff, the additional charge or charges so provided. 3. For other accessorial services for which charges are not otherwise provided in this tariff, the charges set forth in Item 100. 	0170
<p align="center">ISSUANCE OF SHIPPING DOCUMENTS</p> <p>A shipping document (either in individual or manifest form) shall be issued by the carrier to the shipper for each shipment received for transportation. Except with respect to intercarrier transactions and as hereinafter provided, only one shipping document shall be issued for each shipment transported and the carrier shall not apportion, prorate, or otherwise divide the freight charges between or among the consignor, consignee(s), or any other parties. For accessorial service not included in the rate for actual transportation, the carrier shall furnish a shipping document to the consignor or consignee who requested or ordered such accessorial service. The shipping document shall show the following information:</p> <ol style="list-style-type: none"> (a) Name of shipper. (b) Name of consignee. (c) Point of origin. (d) Point of destination. (e) Description of the shipment. (f) Weight of the shipment (or other factor or unit of measurement upon which charges are based). (g) Rate and charge assessed. (h) Whether point of origin and/or point of destination is located at railhead and such other information as may be necessary to an accurate determination of the applicable minimum rate and charge. <p>The form of shipping document in Section 3 will be suitable and proper.</p> <p>A copy of each shipping document, freight bill, accessorial service document, weighmaster's certificate, written instructions, written agreement, written request or any other written document which supports the rates and charges assessed and which the carrier is required to issue, receive or obtain by this tariff for any transportation or accessorial service shall be retained and preserved by the carrier, at a location within the State of California, subject to the Commission's inspection, for a period of not less than three years from the date of issue.</p>	180
<p align="center">UNITS OF MEASUREMENT TO BE OBSERVED</p> <p>Rates or accessorial charges shall not be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated.</p>	190
<p 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 whenever 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>	195
o Increase, Decision No. <u>82624</u>	
EFFECTIVE	
<p align="center">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

SECTION 2--RATES IN CENTS PER 100 POUNDS								ITEM
NORTHERN TERRITORY RATES								
MILES		RATES		MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	Over	But Not Over	(1) Bulk	(2) Sack	
0	3	11½	13½	145	150	36	38	
3	5	12	14	150	160	37½	39½	
5	10	12½	14½	160	170	38½	40½	
10	15	12½	14½	170	180	40	42	
15	20	12½	14½	180	190	41½	43½	
20	25	13	15	190	200	42½	44½	
25	30	13½	15½	200	210	44	46	
30	35	14½	16½	210	220	45½	47½	
35	40	16½	18½	220	230	46½	48½	
40	45	17½	19½	230	240	48	49½	
45	50	19	21	240	250	49½	51½	
50	55	20½	22½	250	260	50½	52½	
55	60	21½	23½	260	270	51½	53½	
60	65	22½	24½	270	280	53½	55½	
65	70	23	25	280	290	54½	55½	0205
70	75	23½	25½	290	300	55½	55½	
75	80	24½	26½	300	320	58½	58½	
80	85	25½	27½	320	340	61	61	
85	90	26½	28½	340	360	63½	63½	
90	95	27	29	360	380	65½	65½	
95	100	27½	29½	380	400	68½	68½	
100	105	29½	31½	400	420	70½	70½	
105	110	30½	32½	420	440	73½	73½	
110	115	31	33	440	460	75½	75½	
115	120	31½	33½	460	480	78	78	
120	125	32½	34½	480	500	80½	80½	
125	130	33	35	500	---	(Add to the rate for 500 miles, 5½ cents per 100 pounds for each 25 miles or fraction thereof.)		
130	135	34	36					
135	140	34½	36½					
140	145	35½	37½					
(1) Rates apply on shipments in bulk. (2) Rates apply on shipments in packages.								
◊ Increase, except as noted) ◊ Reduction) Decision No. 82624 ◊ No change)								
EFFECTIVE								
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.								
Correction								

MINIMUM RATE TARIFF 10

C. 5440 (Pet. 83)*

SECTION 2--RATES IN CENTS PER 100 POUNDS				ITEM
SOUTHERN TERRITORY RATES				
MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	
0	3	9½	10½	
3	5	9½	11	
5	10	9½	11½	
10	15	10	11½	
15	20	10½	11½	
20	25	010½	012	
25	30	010½	012½	
30	35	11½	13½	
35	40	12½	14½	
40	45	14	15½	
45	50	15½	17	
50	60	16½	18½	
60	70	18	20	
70	80	19½	21½	
80	90	21	22½	
90	100	22½	23½	
100	110	24	25	
110	120	25	26½	
120	130	26½	27½	
130	140	28½	29½	0210
140	150	30	30½	
150	160	31½	32	
160	170	33	33½	
170	180	34½	34½	
180	190	36	36	
190	200	37½	37½	
200	220	39½	39½	
220	240	42½	42½	
240	260	44½	44½	
260	280	47½	47½	
280	300	50½	50½	
300	320	52½	52½	
320	340	54½	54½	
340	360	57	57	
360	380	59½	59½	
380	400	61½	61½	
400	420	64½	64½	
420	440	66½	66½	
440	460	69½	69½	
460	480	71½	71½	
480	500	74	74	
500	---	(Add to the rate for 500 miles 5½ cents per 100 pounds for each 25 miles or fraction thereof)		
(1) Rates apply on shipments in bulk.				
(2) Rates apply on shipments in packages.				
◊ Increase, except as noted) Decision No. 82624				
◊ Reduction)				
◊ No change)				
EFFECTIVE				
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.				
Correction				