

ORIGINAL

Decision No. 83051

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 high-
way 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. 145
(Filed February 15, 1974;
amended April 12, 1974)

Richard W. Smith and William T. Meinhold, Attorneys
at Law, and Herbert Hughes, for California
Trucking Association, petitioner.
William Craft, Attorney at Law, for Western Gillette,
Inc.; Harry Smith, for LADS Furniture Freight,
Inc.; Dennis Firestone, for KKW Trucking, Inc.;
and Paul C. Driskell, for Driskell Trucking
Inc.; respondents.
R. C. Fels, for Furniture Manufacturers Association
of California; and Jan J. Peterson, for John
Breuner Co.; interested parties.
Clyde T. Neary and Robert E. Walker, for the
Commission staff.

O P I N I O N

California Trucking Association (CTA) herein seeks an
increase averaging approximately 6.8 percent in the minimum rates
and charges in Minimum Rate Tariff 11-A (MRT 11-A) applicable to
the transportation of uncrated (blanket-wrapped) new furniture from
furniture manufacturers to their customers.

Petition 145 was consolidated for hearing with Order Setting Hearing 151 in Case No. 5603.^{1/} Public hearing in the consolidated proceeding was held before Examiner Mallory on May 6, 1974. Petition 145 was submitted on that date and OSH 151 was continued for further hearing. At the request of interested parties, OSH 151 was removed from the calendar in order that shipper and carrier interests could have further time to consider the staff proposals introduced in that proceeding. It appearing that OSH 151 will not be concluded for some time, and inasmuch as highway carriers transporting uncrated new furniture will have incurred on or before July 1, 1974, substantial increases in their costs of performing service, the Commission has concluded that further adjustments of the rate levels in MRT 11-A should be made before the rates in MRT 11-A are adjusted based on the evidence received in OSH 151.

The last increases in the rates in MRT 11-A were made pursuant to Decision No. 82370 dated January 22, 1974 in Case No. 5603, Petition 127. The rates established therein reflect wages and allied payroll expenses generally effective July 1, 1973. The record in the consolidated proceeding shows that effective July 1, 1974 highway carriers will have incurred increased drivers' wage costs and fringe benefits, and that carriers have experienced substantial increases in fuel costs which are not reflected in the current minimum rates.

^{1/} OSH 151 was issued on April 16, 1974, in order to receive evidence with respect to full-scale cost and rate studies developed by the Commission's Transportation Division staff. These studies look to a complete revision of the minimum rates in MRT 11-A to reflect the current transportation conditions surrounding the movement of uncrated new furniture.

CTA presented Exhibit 145-1 to show carriers' current operating expenses by adjusting cost data of record in prior proceedings to incorporate current costs of labor, payroll taxes, workmen's compensation insurance, vehicle weight fees, and fuel costs. The effect of such adjustments are increases in operating costs ranging from 4.62 percent to 10.17 percent for various groups and lengths of haul. Such increases average 6.82 percent. Indirect expenses are computed on the Wage (Cost) Offset method (Decision No. 76353, 70 CPUC 277). Total costs are further adjusted to reflect a cost/rate relationship of 92 percent. CTA contends that such cost/rate relationship has been used in prior offset rate adjustments in MRT 11-A.

Offset cost and rate studies were not developed by the staff for this proceeding inasmuch as new full-scale cost and rate studies were prepared for introduction in OSH 151. The staff studies introduced in OSH 151 indicate that rate adjustments on the order which would result from petitioner's proposal herein would not produce excessive minimum rates.

Findings

1. The minimum rates set forth in MRT 11-A reflect wage costs and allied payroll expenses effective generally as of July 1, 1973.
2. Highway carriers who are engaged in for-hire transportation services subject to the provisions of MRT 11-A will have experienced further labor cost increases effective July 1, 1974.
3. Highway carriers have also incurred increased operating expenses which are not reflected in MRT 11-A for fuel, payroll taxes, workmen's compensation insurance, and vehicle weight fees.
4. Exhibit 145-1 introduced by CTA measures the impact of the increased costs referred to above on an offset basis. Fuel costs are based on a cost per gallon of 48.8 cents (including taxes). Indirect

expenses are based on the Wage (Cost) Offset method described in Decision No. 76353 (70 CPUC 277). Total costs are further increased to reflect a cost/rate relationship of 92 percent. Exhibit 145-1 develops increased costs ranging from 4.62 percent to 10.17 percent depending on shipment weights and lengths of haul.

5. CTA proposes that, pending the complete revision of MRT 11-A based on evidence adduced in OSH 151, MRT 11-A be adjusted by increasing the current rates and charges by the same percentage that the related costs are determined to have increased as shown in CTA's offset cost development described in Finding 4.

6. New full-scale cost and rate studies were prepared by the Commission staff and introduced in OSH 151. That proceeding will not be submitted for an indefinite period of time.

7. The data in staff studies introduced in OSH 151 indicate that offset increases to the levels sought by petitioner herein would not produce excessive or unreasonable rates for the interim period pending the full revision of MRT 11-A contemplated in OSH 151.

8. 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 cost increases shown in Exhibit 145-1.

9. The rate increases sought in Petition 145 will be reasonable and are justified. Such increases should be established in MRT 11-A.

10. Concurrently with the establishment in MRT 11-A of the rate increases found reasonable in the preceding ordering paragraph, the interim fuel surcharge of 3 percent established in Decision No. 82453 (dated February 5, 1974 in Case No. 5603, Petition No. 138), should be canceled.

11. 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.

Conclusion

Petition for Modification No. 145, as amended, should be granted to the extent set forth in the order hereof.

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 July 26, 1974, the supplement and revised pages attached hereto and listed in Appendix A also attached hereto, which supplement, 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 July 26, 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 25th day of JUNE, 1974.

Vernon L. Stinson
President
William J. Stinson
Martin
Stinson
Commissioners

I Stinson
J. Stinson, Commissioner.

APPENDIX A

LIST OF SUPPLEMENT AND REVISED PAGES
TO MINIMUM RATE TARIFF 11-A

SUPPLEMENT 15

TWENTIETH REVISED PAGE 6

NINETEENTH REVISED PAGE 7

TWENTY-THIRD REVISED PAGE 15

TENTH REVISED PAGE 15-A

TWENTIETH REVISED PAGE 16

(END OF APPENDIX A LIST)

SUPPLEMENT 15

(Cancels Supplement 14 and Interim Surcharge Supplement
and Order to this tariff in Decision No. 82453)

(Supplement 15 Contains All Changes)

TO

MINIMUM RATE TARIFF 11-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF UNCRATED NEW FURNITURE

OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

Decision No. **83051**

EFFECTIVE

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

SECTION 1--RULES (Continued)		ITEM
APPLICATION OF RATES		
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.		
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.		
Minimum Weight	Rates in Cents Per 100 Pounds	060
Any Quantity-----	260	
500 Pounds-----	210	
2,000 Pounds-----	175	
NOTE 2.--When the actual weight of a single shipment exceeds 5,000 pounds, the provisions of Note 1 shall not apply.		
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.		
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 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.		70
DELAYS TO EQUIPMENT		
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.		80
CHARGES FOR ACCESSORIAL SERVICES OR DELAYS		
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:		
	Charges in Cents	090
	For First 30 Minutes	For each Additional 15 Minutes
(a) For driver, helper or other employee, per man-----	700	350
(b) For unit of equipment-----	95	50
o Increase, Decision No. 83051		
EFFECTIVE		
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.		
Correction		

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) 730 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.</p> <p>(b) 845 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles.</p>	0100
<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
<p>o Increase, Decision No.</p> <p style="text-align: center;">83051</p>	
EFFECTIVE	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

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	455	390	315	270	250	215	
5	10	470	405	330	285	265	230	
10	15	485	415	345	300	275	240	
15	20	500	430	360	310	290	250	
20	25	510	435	375	325	305	260	
25	30	525	450	385	335	320	275	
30	35	540	465	400	345	335	290	
35	40	555	475	410	355	350	300	
40	45	565	485	425	365	360	310	
45	50	580	495	440	375	375	320	
50	60	610	525	460	395	395	340	
60	70	625	540	475	410	415	355	
70	80	640	550	495	425	430	370	
80	90	655	565	510	440	450	385	
90	100	675	580	530	455	465	400	
100	110	685	590	545	470	480	410	6400
110	120	700	605	565	485	500	430	
120	130	720	620	580	500	515	445	
130	140	735	635	595	510	530	455	
140	150	750	645	610	525	545	470	
150	160	760	655	630	540	565	480	
160	170	775	665	645	555	575	495	
170	180	790	680	655	565	590	510	
180	190	805	695	670	575	605	520	
190	200	815	700	680	585	625	535	
(Continued in Item 405)								
<p>NOTE 1.--Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.</p> <p>NOTE 2.--Column A rates apply to shipments of articles which have an LTL class rating of 175 or higher in the Governing Classification. (See Notes 4, 5 and 6)</p> <p>NOTE 3.--Column B rates apply to shipments of articles which have an LTL class rating of less than 175 in the Governing Classification. (See Notes 4, 5 and 6)</p> <p>NOTE 4.--When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 6)</p> <p>NOTE 5.--The LTL class ratings applicable under Notes 2, 3 and 4 above are not subject to the provisions of Items (Rules) 423 and 687 of the Governing Classification.</p> <p>NOTE 6.--The provisions of Notes 2, 3 and 4 herein do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.</p>								
Increase, Decision No.		83051						
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	845	725	710	610	640	550	
220 240	860	740	730	630	660	565	
240 260	880	755	745	640	685	590	
260 280	905	775	765	660	700	600	
280 300	925	795	780	670	725	620	
300 325	955	820	815	700	750	645	
325 350	980	840	840	725	780	670	
350 375	1005	865	870	750	805	690	
375 400	1030	885	895	770	830	715	
400 425	1055	910	920	790	860	740	
425 450	1090	940	955	820	890	765	
450 475	1125	965	980	845	915	785	
475 500	1145	985	1005	865	940	810	
500 525	1170	1005	1030	885	965	830	
525 550	1195	1025	1060	910	995	855	
550 575	1220	1050	1085	935	1030	885	
575 600	1245	1070	1115	960	1055	910	
600 625	1270	1090	1140	980	1080	930	
625 650	1295	1115	1170	1005	1100	945	
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: 40px;">Column A: 26 cents per 100 pounds Column B: 22 cents per 100 pounds</p> <p>NOTE 7.--The provisions of Notes 2, 3 and 4 do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.</p>							
♦ Increase, Decision No.							
83051							
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ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA							
Correction							

MINIMUM RATE TARIFF 11-A

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)
	1030	885	895	770	830	715
<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.</p> <p>83051</p>						
EFFECTIVE						
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>						
Correction						