

ORIGINAL

Decision No. 83061

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 livestock
and related items (commodities for
which rates are provided in Minimum
Rate Tariff No. 3-A).

And Related Matters.

Case No. 5433
Petition for Modification
No. 49
(Filed December 14, 1973;
amended February 1, 1974
and May 10, 1974)

Case No. 5438, Petition No. 94
Case No. 7857, Petition No. 92
(Filed December 14, 1973;
amended February 1, 1974 and
May 10, 1974)

SECOND INTERIM OPINION AND ORDER

The Commission's interim order in Decision No. 82453 issued February 5, 1974 in this proceeding amended Minimum Rate Tariffs (MRT) 3-A, 8, and 14-A to provide that, effective February 11, 1974, freight charges resulting thereunder would be subject to a fuel cost offset surcharge of 3 percent. This surcharge does not apply to accessorial service charges and charges resulting from the alternative application of railhead-to-railhead rates.

The California Trucking Association (CTA) now seeks to have the 3 percent fuel offset surcharge for MRTs 3-A and 8 increased to 6 percent and the like MRT 14-A surcharge increased to 5 percent. The rates and charges named in the aforementioned tariffs were recently adjusted, pursuant to established labor cost offset procedures, to reflect increases in wage costs and allied payroll expenses not previously considered in the level of the then existing minimum rates.

Such labor cost offset rate adjustments specifically excluded any consideration for increasing fuel costs.^{1/}

Shippers and carriers have discussed the magnitude of fuel cost increases, their effect upon carrier total operating costs, and possible alternatives available to insure adequate truck equipment for the approaching agricultural harvest season. The industry groups have concluded that the present 3 percent fuel offset surcharge is not sufficient to defray current fuel costs and that the proposed increases therein are necessary. The industry groups also agreed that holding the surcharge to the proposed levels and applying them to the total billed freight charges would create billing efficiencies and eliminate questions as to the particular tariff items subject to the surcharge under varying shipping circumstances.

In support of the sought increase a verified statement prepared by a cost supervisor for CTA's Transportation Economics Division was attached to the consolidated petition as Exhibit B thereto. The affiant's statement makes a comparison of fuel costs included in the historical cost data underlying the present level of rates named in MRTS 3-A, 8, and 14-A with the current fuel costs experienced by carriers operating under such tariffs as of May 1974. From such a comparison the cost supervisor recommends that the existing 3 percent fuel offset surcharge be increased in accordance with the procedures established by the Commission's interim order in Decision No. 82905 (Appendix B) issued May 29, 1974 in this proceeding. A summary of the cost supervisor's computations follows:

^{1/} Labor cost offset increases in the rates named in MRTS 3-A, 8, and 14-A were last established by Decision No. 82583 dated March 12, 1974, Decision No. 82623 dated March 19, 1974, and Decision No. 82756 dated April 23, 1974.

TABLE 1

MRT	Fuel Costs			Surcharge	
	Historical (in cents per gallon)	May 1974 (in cents per gallon)	Increase (in cents per gallon)	When Fuel Cost Increase is: 10-cents per gallon (Decision No. 82905)	As shown in Col. 4
(1)	(2)	(3)	(4)	(5)	(6)
3-A	23.8	43.3	19.5	3%	6%
8	25.3	46.1	20.8	3	6
14-A	27.0	48.0	21.0	2-1/2	5

The May 1974 fuel costs shown in Table 1 are first predicated upon a 1973 through March 1974 monthly analysis of fuel costs conducted by the Commission's Transportation Division's Systems and Procedures Branch. Secondly, from a survey of the major suppliers of fuel to the trucking industry, the CTA cost supervisor has determined that increases placed in effect during April and May of 1974 average two cents per gallon per month since the latest Commission's Data Bank survey. The proposed surcharges shown in Column 6 of Table 1 were then determined by relating the fuel cost increases shown in Column 4 to a 10-cents per gallon fuel cost increase (Column 5). It will be observed that the May 1974 fuel cost increases are approximately two times higher than a 10-cents per gallon fuel cost increase. The surcharge increases (Table 1, Column 6) are the product of the surcharges for a 10-cents per gallon increase (Table 1, Column 5) times two. The procedure observed by the CTA cost supervisor is in accord with the methods found justified by the Commission in Decision No. 82905 (Appendix B) for computing interim fuel offset surcharge adjustments in minimum rate tariffs intermediate to basic labor cost offset proceedings.

Findings

1. The level of fuel costs reflected in the historical cost data of record underlying the rates named in MRTs 3-A, 8, and 14-A are 23.8, 25.3, and 27.0 cents per gallon, respectively.

2. By the Commission's interim order in Decision No. 82453 dated February 5, 1974 in this proceeding the charges resulting under the provisions of MRTs 3-A, 8, and 14-A were, with certain specified exceptions, made subject to a 3 percent fuel cost offset surcharge as of February 11, 1974.

3. The California Trucking Association has shown that as of May 1974 carriers operating under the governing provisions of MRTs 3-A, 8, and 14-A have experienced further substantial increases in their fuel costs averaging between 19.5 and 21.0 cents per gallon. The average fuel prices per gallon for MRTs 3-A, 8, and 14-A carriers have been shown to be 43.3, 46.1, and 48.0 per gallon, respectively, as of May 1974.

4. A procedure for computing interim fuel offset surcharge adjustments in minimum tariffs, for subsequent consideration by the Commission intermediate to the imposition of a proposed labor cost offset minimum rate adjustment, was established by the Commission's interim order in Decision No. 82905 (Appendix B) dated May 29, 1974 in this proceeding.

5. Petitioner has demonstrated that, under the procedures adopted in Decision No. 82905, the present MRTs 3-A and 8 fuel offset surcharge of 3 percent should be increased to 6 percent and the MRT 14-A fuel offset surcharge of 3 percent should be increased to 5 percent in order to reflect increases in fuel prices experienced by the carriers as of May 1974.

6. The increases in charges resulting under petitioner's proposed interim fuel offset surcharge adjustments have been shown to be justified and the resulting charges are, and for the future will be, the just, reasonable, and nondiscriminatory minimum charges for the highway transportation of property governed by the provisions of MRTs 3-A, 8, and 14-A.

Conclusions

1. The Second Amendment to Petitions Nos. 49, 94, and 92 in Cases Nos. 5433, 5438, and 7857 of the California Trucking Association should be granted and MRTs 3-A, 8, and 14-A amended accordingly.

2. Common carriers should be authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code and the Commission's tariff circular requirements only to the extent necessary to publish the interim fuel offset surcharges required herein.

3. To the extent not granted herein the interim relief sought in the second amendments to Petitions 49, 94, and 92 should be denied.

IT IS ORDERED that:

1. Minimum Rate Tariff 3-A (Appendix A of Decision No. 55587, as amended) is further amended by incorporating therein, to become effective July 6, 1974, Supplement 8, attached hereto and by this reference made a part hereof.

2. Minimum Rate Tariff 8 (Appendix C of Decision No. 33977, as amended) is further amended by incorporating therein, to become effective July 6, 1974, Supplement 41, attached hereto and by this reference made a part hereof.

3. Minimum Rate Tariff 14-A (Appendix A of Decision No. 67397, as amended) is further amended by incorporating therein, to become effective July 6, 1974, Supplement 9, attached hereto and by this reference made a part hereof.

4. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decisions Nos. 55587, 33977, and 67397, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.

5. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariffs 3-A, 8, and 14-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariffs 3-A, 8, and 14-A rates.

6. Common carriers maintaining rates on the same level as Minimum Rate Tariffs 3-A, 8, and 14-A rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariffs 3-A, 8, and 14-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariffs 3-A, 8, and 14-A rates.

7. 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 Tariffs 3-A, 8, and 14-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariffs 3-A, 8, and 14-A rates.

8. Tariff publications 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 July 6, 1974; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within thirty days after the effective date of this order.

9. Common carriers are hereby authorized to depart from the Commission's tariff circular requirements only to the extent necessary in establishing the interim surcharge authorized by this order.

10. 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.

11. In all other respects, Decisions Nos. 55587, 33977, and 67397, as amended, shall remain in full force and effect.

12. To the extent not granted herein the Second Amendment to Petitions 49, 94, and 92 in Cases Nos. 5433, 5438, and 7857, respectively, is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 25th day of JUNE, 1974.

William L. Steiner
President
William L. Steiner
William L. Steiner
William L. Steiner
Commissioners

I dissent

William L. Steiner, Commissioner

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 8

(Cancels Supplements 4 and 7 and Interim
Surcharge Supplement and Order to this
tariff in Decision No. 82453)

(Supplement 8 Contains All Changes)

TO

MINIMUM RATE TARIFF 3-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF LIVESTOCK OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

LIVESTOCK CARRIERS

APPLICATION OF SURCHARGE
(See Page 2 of This Supplement)

Decision No. **83061**

EFFECTIVE

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

APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the provisions of this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by six (6) percent. (See Exception)

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to the next higher whole cent.

EXCEPTION.--The surcharge provided in this supplement shall not be applied to those charges determined under the following provisions of this tariff:

- (a) Item 210 - Alternative Application of Common Carrier Rates; and
- (b) Items 220 and 221 - Alternative Application of Combinations with Common Carrier Rates. (Railhead to Railhead portion only).

THE END

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 41

(Cancels Supplement 39 and Interim
Surcharge Supplement and Order
to this tariff in Decision
No. 82453)

(Supplements 29, 38 40 and 41 Contain
All Changes)

TO

MINIMUM RATE TARIFF 8

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF FRESH FRUITS,

FRESH VEGETABLES AND EMPTY

CONTAINERS OVER THE PUBLIC HIGHWAYS

BETWEEN POINTS IN THE STATE OF

CALIFORNIA AS DESCRIBED HEREIN

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

APPLICATION OF SURCHARGE
(See Page 2 of This Supplement)

Decision No.

83061

EFFECTIVE

APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the provisions of this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by six (6) percent. (See Exception)

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to the next higher whole cent.

EXCEPTION.--The surcharge provided in this supplement shall not be applied to those charges determined under the following provisions of this tariff:

- (a) Item 120 - Accessorial charges resulting under Paragraph 1 (b);
- (b) Item 192 - C.O.D. Shipments;
- (c) Item 210 - Alternative Application of Common Carrier Rates;
- (d) Item 220 - Alternative Application of Combinations with Common Carrier Rates. (Railhead to Railhead portion only);
- (e) Item 230 - Alternative Application of Split Pickup Under Rates Constructed by Use of Combinations With Common Carrier Rates. (Railhead to Railhead portion only);
- (f) Item 240 - Alternative Application of Split Delivery Under Rates Constructed by Use of Combinations With Common Carrier Rates. (Railhead to Railhead portion only); and
- (g) Surcharges applicable to deliveries at Golden Gate Produce Terminal and to San Francisco Produce Terminal as set forth in Supplement 29.

THE END

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 9

(Cancels Supplement 7 and Interim Surcharge
Supplement and Order to this tariff in
Decision No. 82453)

(Supplements 8 and 9 Contain All Changes)

TO

MINIMUM RATE TARIFF 14-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION, IN BULK, OF
AGRICULTURAL COMMODITIES AND
RELATED ARTICLES

NAMED HEREIN

OVER THE PUBLIC HIGHWAYS WITHIN THE
STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

APPLICATION OF SURCHARGE
(See Page 2 of This Supplement)

Decision No.

83061

EFFECTIVE

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

APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the provisions of this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by five (5) percent. (See Exception)

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to the next higher whole cent.

EXCEPTION.--The surcharge provided in this supplement shall not be applied to those charges determined under the following provisions of this tariff:

- (a) Item 200 - Alternative Application of Common Carrier Rates;
- (b) Item 210 - Alternative Application of Combinations With Common Carrier Rates. (Railhead to Railhead portion only); and
- (c) Item 232 - C.O.D. Shipments.

THE END