

**ORIGINAL**Decision No. 83092

## 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 any and all  
 commodities between and within all  
 points and places in the State of  
 California (including, but not limited  
 to, transportation for which rates  
 are provided in Minimum Rate Tariff  
 No. 2).

And Related Matters.

Case No. 5432  
 Petition for Modification  
 No. 780  
 (Filed December 14, 1973;  
 amended February 1 and  
 May 31, 1974)

Case No. 5439, Petition 199  
 Case No. 5441, Petition 286  
 Case No. 7783, Petition 85  
 (Filed December 14, 1973;  
 amended February 1 and  
 May 31, 1974)

INTERIM OPINION AND ORDER

Minimum Rate Tariffs 2, 1-B, 9-B, and 19 provide minimum class and commodity rates for the highway transportation of general commodities statewide and within the East Bay, San Diego, and San Francisco Drayage Areas. Minimum Rate Tariff 15 names minimum vehicle unit rates on yearly, monthly, and weekly bases. Decision No. 82924 issued May 29, 1974 authorized a general cost offset increase in the aforementioned minimum rates effective July 1, 1974. The California Trucking Association (CTA) seeks to have the minimum rates established by Decision No. 82924 made subject to a fuel cost offset surcharge of one percent.

In support of the sought surcharge a verified statement prepared by the Director for CTA's Transportation Economics Division was attached to the petition as Exhibit B. The director notes that the minimum rate levels established by Decision No. 82924 reflect January 1974 fuel prices of 39 cents per gallon for gasoline and 36 cents per gallon for diesel. The Commission's April 1974 Data Bank fuel cost report indicates that the price of gasoline increased to 42.7 cents per gallon and diesel to 41.1 cents per gallon. Based upon fuel purchases by highway carriers of general freight shown in the Data Bank report the director has determined a single factor fuel cost increase of 4.3 cents per gallon for April 1974. From an analysis of the overall impact of fuel price changes upon for-hire carriers of general freight within California the CTA director further determined that such carriers experienced a net increase of 2 cents per gallon in their fuel costs during the months of May and June 1974. Petitioner suggests that the fuel cost increase of 4.3 cents per gallon determined for April 1974 be increased by 4 cents per gallon to reflect a total estimated fuel cost increase of 8.3 cents per gallon as of June 1974. Petitioner explains that it has employed this method to reflect in the various minimum rate tariffs the most current information available while at the same time avoiding the necessity for too frequent tariff adjustments.

Petitioner has employed the procedure established in Decision No. 82905 (Appendix B) dated May 29, 1974 in Case No. 5432, et al., for computing the proposed one percent fuel cost offset surcharge. While the resulting surcharge is slightly different for the several minimum rate tariffs involved petitioner recommends that a single surcharge of one percent be uniformly applied. While the method employed by CTA for determining fuel cost increases occurring during months of May and June 1974 may be open to question, Commission staff review indicates that the sought one percent fuel offset surcharge is not unreasonable.

Findings

1. By Decision No. 82924 issued May 29, 1974 in Case No. 5432 et al., the minimum rates contained in Minimum Rate Tariffs 1-B, 2, 9-B, 15, and 19 were generally increased effective July 1, 1974. The minimum rate levels thus established included an increment to compensate for January, 1974 fuel costs of 39 cents per gallon for gasoline and 36 cents per gallon for diesel.

2. The California Trucking Association has demonstrated that as of June 1974 highway carriers of general commodities have experienced overall fuel cost increases of approximately 8.3 cents per gallon. Such fuel cost increases are not currently reflected in the historical cost data underlying the existing level of rates named in the several minimum rate tariffs involved.

3. Petitioner has determined that, under the fuel cost offset surcharge procedure established by Decision No. 82905 (Appendix B) dated May 29, 1974 in Case No. 5432 et al., a fuel cost increase of 8.3 cents per gallon produces an overall fuel offset surcharge of one percent.

4. The increase in charges resulting under petitioner's proposed one percent fuel offset surcharge has been shown to be justified, and such increased charges are, and for the future will be, the just, reasonable and nondiscriminatory minimum charges for the highway transportation of property governed thereby.

Conclusions

1. The Second Amendment to Petitions 780, 199, 286, and 85 in Cases Nos. 5432, 5439, 5441, and 7783 of the California Trucking Association should be granted and Minimum Rate Tariffs 1-B, 2, 9-B, 15, and 19 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 fuel offset surcharge ordered herein.

3. For purposes involving distribution of tariffs, the surcharge supplement to Minimum Rate Tariff 2 will be provided in the ensuing order and the like supplements to Minimum Rate Tariffs 1-B, 9-B, 15, and 19 will be accomplished by supplemental order.

4. A public hearing in this matter is not necessary.

IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein, to become effective July 13, 1974, Supplement 114, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 31606, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.

3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 2 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 2 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 2 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 2 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 2 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 2 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 2 rates.

6. 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 13, 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.

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

8. 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.

9. In all other respects, Decision No. 31606, as amended, shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 2nd day of JULY, 1974.

William L. Stinson  
President  
William J. Sproul  
[Signature]  
[Signature]  
Commissioners

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

SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 114

(Cancels Supplements 110 and 113)

(Supplements 73, 75, 77, 87, 98, 112 and 114 Contain All Changes)

TO

MINIMUM RATE TARIFF 2

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF PROPERTY OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

CEMENT CONTRACT CARRIERS

DUMP TRUCK CARRIERS

AND

HOUSEHOLD GOODS CARRIERS

APPLICATION OF SURCHARGE  
(See Page 2 of This Supplement)

Decision No.

83092

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 one percent.

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.

EXCEPTIONS: The surcharge provided in this supplement shall not be applied to those charges determined under provisions of this tariff specified below:

- (a) Item 124, Charges for Escort Service (paragraph (c) only).
- (b) Item 128, Charges for Permit Shipments.
- (c) Item 147, Advertising on Equipment.
- (d) Item 181-1, Special C.O.D. Service.
- (e) Item 182, Collect on Delivery (C.O.D.) Shipments.
- (f) Item 200, Alternative Application of Common Carrier Rates (railhead to railhead portion only).
- (g) Item 210, Alternative Application of Combinations with Common Carrier Rates (railhead to railhead portion only).
- (h) Item 220, Alternative Application of Split Pickup under Rates Constructed by Use of Combinations with Common Carrier Rates (railhead to railhead portion only).
- (i) Item 230, Alternative Application of Split Delivery under Rates Constructed by Use of Combinations with Common Carrier Rates (railhead to railhead portion only).
- (j) Item 260, Forklift Service Rates.

THE END