

ask

ORIGINAL

Decision No. 83664

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 property by vacuum-type
and pump-type tank vehicles
(including transportation for which
rates are provided in Minimum Rate
Tariff No. 13).

Case No. 6008
Petition for Modification
No. 27
(Filed July 5, 1974; amended
September 4, 1974)

Richard W. Smith, Attorney at Law, and Herbert W. Hughes, for California Trucking Association, petitioner.

Donald C. Brain, for Fix & Brain Vacuum Truck Service, Inc.; Roy D. Owen, for Routh Transportation; Winton Jones, for Winton Jones Contractor, Inc.; John Lambie, for Chancellor & Ogden; Hoyt Hipple, for Crosby & Overton Transportation; Clifford M. Hayter, Attorney at Law, for Hayter Trucking; M. L. Tyler, for Wilco Trucking; and J. B. Easter, for Coast Vacuum Truck Service, Inc.; respondents.

R. S. Greitz, for Western Motor Tariff Bureau, interested party.

Robert C. Labbe and Joseph C. Matson, for the Commission staff.

O P I N I O N

Minimum Rate Tariff 13 (MRT 13) contains minimum rates and rules governing the highway transportation of property in vacuum or pump tank truck equipment. By this petition the California Trucking Association (CTA) seeks fuel and labor cost offset increases in the

established hourly rates and helper charges named in MRT 13 for Territories A and B.^{1/}

Public hearing was held in San Francisco before Examiner Gagnon on September 16, 1974 and the petition was submitted for decision on the same date.

The established rates and charges applicable to Territory A were last generally adjusted as of April 27, 1974 pursuant to Decision No. 82726 dated April 16, 1974. The rates reflect cost levels effective October 1, 1973. By Decision No. 83264 dated August 6, 1974 the charges resulting under the Territory A hourly rates were made subject to a fuel cost offset surcharge of 2 percent. This surcharge reflected a weighted average cost of 47.40 cents per gallon for gasoline and 43.86 cents per gallon for diesel fuel, including taxes. The present Territory B hourly rates and charges have not been revised since January 1, 1971 pursuant to Decision No. 78117 dated December 22, 1970. The charges resulting under Territory B rates were made subject to a fuel offset interim surcharge of 3 percent established by Decision No. 82453 dated February 5, 1974 in Case No. 6008 (Petition 25) et al.

^{1/} Territory A consists of the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Imperial. Territory B consists of all counties in California other than those included in Territory A.

Petitioner states that labor contracts negotiated in 1973 and reflected in MRT 13 Territory A rates and charges provide for increases in wages and related fringe benefits effective October 1, 1974. Additional increases in allied payroll costs have also been incurred by the carriers as of April and July 1974. The carriers' running costs have also increased due to continued rising fuel prices. A CTA representative introduced a report (Exhibit 27-1) which sets forth the specific changes in operating costs referred to above. The report also demonstrates the impact of such cost increases upon the historical full-scale cost studies of record underlying the current level of Territory A rates and charges.^{2/} Since no such historical cost studies are available with respect to the existing level of Territory B hourly rates and charges, the CTA conducted a survey pertaining to the prevailing level of wages and payroll costs paid some 138 drivers by 10 carriers operating within Territory B. The hourly labor costs developed by the CTA witness are:

^{2/} Decision No. 81672 dated July 31, 1973, as amended by Decision No. 82726 issued April 16, 1974 in Case No. 6008.

TABLE 1

Development of Hourly Labor Costs
For Vacuum and Pump Truck Carriers
Effective Generally as of October 1, 1974

<u>Cost Item</u>	<u>MRT 13 - Rate Territories</u>		
	<u>A</u>		<u>B</u>
	<u>Driver</u>	<u>Helper</u>	<u>Driver</u>
Base Hourly Wage Rate	\$ 7.0600 ⁽¹⁾	\$6.8200 ⁽¹⁾	\$5.9713
Holiday Pay	.2351	.2271	.0866
Vacation Pay	.2457	.2373	.1326
Subtotal	\$ 7.5408	\$7.2844	\$6.1905
Premium Pay	.8514	.8225	1.6242
Subtotal	\$ 8.3922	\$8.1069	\$7.8147
Workmen's Compensation Ins.	.4766	.4604	.4148
Payroll Taxes	.3961	.3961	.3310
Health & Welfare Fund	.4179	.4179	.1853
Pension Fund	.4225	.4225	-
	\$10.1053	\$9.8038	\$8.7458
Nonproductive Time	.5558	-	.4373
Total Hourly Labor Cost			
October 1, 1974	\$10.6611	\$9.8038	\$9.1831
Total Hourly Labor Cost			
October 1, 1973	9.9757	9.1552	-
Amount of Increase	\$ 0.6854	\$0.6486	\$ -
Percent of Increase	6.87%	7.08%	-

(1) Includes cost of living allowance of
\$0.11 per hour effective July 1, 1974.

From a survey of the fuel purchases of several vacuum truck carriers the CTA witness determined the following updated fuel cost data:

TABLE 2

<u>Territory</u>	<u>Date</u>	<u>Weighted Average Fuel Cost Per Gallon, Including Taxes</u>	
		<u>Diesel</u>	<u>Gasoline</u>
A	July 1974	43.19¢	48.84¢
B	August 1974	45.60	48.96

The updated hourly labor and fuel costs shown in Tables 1 and 2 were reflected in the historical equipment and running costs underlying the present level of Territory A rates. The CTA witness explained that since the equipment and running costs for Territory B are substantially the same as Territory A, the basic historical cost data for the latter rate territory were employed for Territory B. The October 1974 adjusted total hourly costs for equipment and driver operating in Territories A and B are:

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TABLE 3

Development of Total Hourly Cost - Equipment and Driver
Vacuum-Pump Type Vehicles - Territory A

<u>Description</u>	<u>3-Axle Gas Tractor</u>			<u>Weighted 3-Axle Cost</u>	<u>3-Axle Diesel Tractor 2-Axle Trlr.</u>
	<u>3-Axle Truck 0-60 BBL.</u>	<u>2-Axle Trlr. 95 BBL. & Under</u>	<u>2-Axle Trlr. 95 BBL. & Over</u>		
<u>Equipment Cost Per Hour</u>					
Fixed Expense	\$ 1.4195	\$ 1.3593	\$ 1.5214		\$ 2.0735
Running Cost	1.7947	3.5960	3.5960		2.8201
Total Equipment Cost	\$ 3.2142	\$ 4.9553	\$ 5.1174		\$ 4.8936
Labor Cost Per Hour	10.6611	10.6611	10.6611		10.6611
Subtotal	\$13.8753	\$15.6164	\$15.7785		\$15.5547
Nonproductive Time 3.3%	.4579	.5153	.5211		.5133
Total Direct Cost	\$14.3332	\$16.1317	\$16.2996		\$16.0680
Total Direct & Indirect Cost at 43%	\$20.4965	\$23.0683	\$23.3084		\$22.9772
<u>Expanded for Gross Receipts</u>					
Expense of 1.96% and an Operating Ratio of 100%	\$20.9063	\$23.5295	\$23.7744	\$23.6055	\$23.4366
Full Cost as Developed in Petition 24	\$19.4449	\$21.8221	\$22.0664	\$22.0649	\$22.0633
Amount of Increase	\$ 1.4614	\$ 1.7074	\$ 1.7080	\$ 1.5406	\$ 1.3733
Percent of Increase	7.52%	7.82%	7.74%	6.98%	6.22%

TABLE 4

Development of Total Hourly Cost - Equipment and Driver
Vacuum-Pump Type Vehicles - Territory B

<u>Description</u>	3-Axle Truck 0-60 BBL.	<u>3-Axle Gas Tractor</u>		Weighted 3-Axle Cost	3-Axle Diesel Tractor 2-Axle Trlr.
		2-Axle Trlr. 95 BBL. & Under	2-Axle Trlr. 95 BBL. & Over		
<u>Equipment Cost Per Hour</u>					
Fixed Expense	\$ 1.4195	\$ 1.3593	\$ 1.5214		\$ 2.0735
Running Cost	<u>1.7976</u>	<u>3.6006</u>	<u>3.6006</u>		<u>2.8912</u>
Total Equipment Cost	\$ 3.2171	\$ 4.9599	\$ 5.1220		\$ 4.9647
Labor Cost Per Hour	\$ 9.1831	\$ 9.1831	\$ 9.1831		\$ 9.1831
Subtotal	\$12.4002	\$14.1430	\$14.3051		\$14.1478
Nonproductive Time 3.3%	<u>.4092</u>	<u>.4667</u>	<u>.4721</u>		<u>.4669</u>
Total Direct Cost	\$12.8094	\$14.6097	\$14.7772		\$14.6147
Total Direct & Indirect Cost at 36%	\$17.4208	\$19.8692	\$20.0970		\$19.8760
<u>Expanded for Gross Receipts</u>					
Expense of 3.34% and an Operating Ratio of 100%	\$18.0228	\$20.5558	\$20.7914	\$20.6771	\$20.5628

The updated total hourly costs set forth in Tables 3 and 4 hereof, expanded to reflect a cost-rate relationship of 92 percent, constitute the basis for the CTA's hourly rate proposal. A like cost offset adjustment in the current MRT 13 accessorial helper charges is also proposed by CTA. The adoption of rates based on a 92 percent cost-rate relationship should not be construed as a precedent in any future adjustment in MRT 13 rates nor in any other minimum rate proceeding.

A comparison of the present and proposed MRT 13 hourly rates and charges follows:

TABLE 5

Proposed Revisions
in
Minimum Rate Tariff 13

Item 60: Accessorial Charges

	Rates in Dollars	
	Per Hour	
	<u>Present</u>	<u>Proposed</u>
Territory A	\$14.00	\$14.95
Territory B	8.80	14.00

Item 200: Hourly Rates

Increase charges as shown:

Capacity of Equipment In Barrels		Rates in Dollars Per Hour Territory A		Rates in Dollars Per Hour Territory B	
<u>More Than</u>	<u>But Not More Than</u>	<u>Present</u> (1)	<u>Proposed</u>	<u>Present</u> (2)	<u>Proposed</u>
0	35	\$19.48	\$21.20	\$15.30	\$17.90
35	45	19.48	21.20	15.55	18.20
45	60	20.86	22.70	16.74	19.60
60	80	23.36	25.20	17.72	22.35
80	95	23.66	25.50	18.49	22.40
95	23.72	25.65	19.62	22.50

(1) Present rates, Territory A, include two percent surcharge authorized in Decision No. 83264 (C. 6008, Pet. 25) effective August 13, 1974. This fuel offset surcharge would be cancelled upon adoption of CTA's rate proposal.

(2) Present rates, Territory B, include three percent surcharge authorized in Decision No. 82453 (C. 6008, Pet. 25) effective February 11, 1974. This fuel offset surcharge would be cancelled upon adoption of CTA's rate proposal.

Findings and Conclusion

1. MRT 13 Territory A hourly rates and charges were last generally adjusted as of April 27, 1974 pursuant to Decision No. 82726 dated April 16, 1974. The rates and charges reflect cost levels effective generally as of October 1, 1973. By Decision No. 83264 dated August 6, 1974 the charges resulting under the Territory A hourly rates were made subject to a fuel cost offset surcharge of 2 percent. This surcharge reflects a weighted average cost of 47.40 cents per gallon for gasoline and 43.86 cents per gallon for diesel fuel including taxes.

2. MRT 13 Territory B hourly rates and charges were last generally revised as of January 1, 1971 pursuant to Decision No. 78117 dated December 22, 1970. The charges resulting under the hourly rates were made subject to a fuel cost offset surcharge of 3 percent by Decision No. 82453 dated February 5, 1974 in Case No. 6008 (Petition 25) et al.

3. Petitioner has shown that since MRT 13 Territories A and B hourly rates and charges were last adjusted vacuum and pump tank truck carrier labor and fuel costs have materially increased. Such cost increases are not reflected in the present level of MRT 13 hourly rates and charges.

4. Petitioner's proposed cost offset increases in MRT 13 hourly rates and charges reasonably reflect the increases in operating costs for providing the services to which such minimum rates apply.

5. The proposed increases have been shown to be justified and the resulting increased hourly rates and charges constitute the just, reasonable, and nondiscriminatory minimum rates and charges for the transportation governed thereby.

It is concluded that Petition 27, as amended, should be granted and MRT 13 revised accordingly.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 13 (Appendix B of Decision No. 55584, as amended) is further amended by incorporating therein, to become effective November 29, 1974, Supplement 3, Fifteenth Revised Page 7, and Thirteenth Revised Page 12, 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 also to Decision No. 55584, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.

3. Any provisions currently maintained in common carrier tariffs which are more restrictive than, or which produce charges greater than, those contained in Minimum Rate Tariff 13 are authorized to be maintained in connection with the increased rates and charges directed to be established by Ordering Paragraph 2 hereof.

4. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

5. Common carriers maintaining rates on the same level as Minimum Rate Tariff 13 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

6. 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 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

7. Common carriers maintaining rates not otherwise specifically referred to in other ordering paragraphs of this decision are authorized to increase such rates by 7-1/2 percent.

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 November 29, 1974; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within sixty days after the effective date of this order.

9. 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.

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10. In all other respects Decision No. 55584, 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 29th day of OCTOBER, 1974.

Vernon L. Steingard
President
William J. Lyons Jr.

Robert E. McIlhenny
Commissioners

I abstain.

Thomas Moran Commissioner

SUPPLEMENT 3
(Cancels Supplement 2)
(Supplement 3 Contains All Changes)

TO

MINIMUM RATE TARIFF 13

NAMING

MINIMUM RATES AND RULES

FOR THE
TRANSPORTATION BY VACUUM-TYPE TANK
VEHICLES AND BY PUMP-TYPE TANK
VEHICLES OF PROPERTY OVER THE PUBLIC
HIGHWAYS WITHIN THE STATE OF
CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS
HIGHWAY CONTRACT CARRIERS

AND

PETROLEUM CONTRACT CARRIERS

Decision No. **83661**

EFFECTIVE

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

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">ACCESSORIAL CHARGES</p> <p>When carrier furnishes help in addition to the driver, an additional charge of (1) \$14.95 or (2) \$14.00 per man per hour shall apply. The time for computing the additional charge shall be not less than the actual time in minutes the helper or helpers are engaged in performing the services. The total time so computed shall be converted into hours and fractions thereof. Fractions of an hour shall be determined in accordance with the table provided in Item 80. See Item 360 for additional charges in connection with Volume Tender Service.</p> <p>(1) Applies when the accessorial service is performed in Territory "A" consisting of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Applies when the accessorial service is performed in Territory "B" consisting of all counties in California other than those included in Territory "A".</p>	60
<p style="text-align: center;">MINIMUM CHARGE</p> <p>1. The minimum charge per shipment shall be that for two hours of service at the applicable rate. See Item 300 for minimum charge in connection with Volume Tender Service.</p> <p>2. When service is provided under the provisions of Items 60 or 200 on holidays, an additional charge shall be assessed for each driver or helper so furnished, as follows:</p> <p>(a) On New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day, twice the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p> <p>(b) On Washington's Birthday, Good Friday, the day after Thanksgiving and December 24th, the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p>	70
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> Change) Increase) </div> <div> Decision No. 83661 </div> </div>	
EFFECTIVE	
Correction	

SECTION 2--HOURLY RATES				ITEM
Capacity of Equipment (In Barrels)		Rates in Dollars per Hour (See Note)		
More Than	But Not More Than	Territory "A"(1)	Territory "B"(2)	
0	35-----	\$11.20	\$17.90	
35	45-----	21.20	18.20	
45	60-----	22.70	19.60	
60	80-----	25.20	22.35	
80	95-----	25.50	22.40	
95	-----	25.65	22.50	
<p>(1) Territory "A" consists of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Territory "B" consists of all counties in California other than those included in Territory "A".</p> <p>NOTE.--The rates named are for transportation by vacuum-type tank vehicles. Where the transportation is performed by pump-type tank vehicles, the applicable rates are \$1.00 per hour less than those for transportation in vacuum-type tank vehicles.</p>				ø200
<div> <div>ø Change Increase</div> <div>) Decision No. 83661</div> </div>				
EFFECTIVE				
<div> <div>Correction</div> <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</div> </div>				