bm

Decision No.
86246


BEFORE THE PUBLIC UIILITTIES COMMISSION OF THE STATE OF CALIFORNIA
In the Matter of the Investigation for the purpose of considering and determiniog minimum rates for transportation of any and all

Case No. 5432, OSH 806 comoodities statewide including, but not limited to, those rates which are provided in Ninimam Rate Tariff 2 and the revisions or reissues thereof.

In the Matter of the Investigation for the purpose of considering and determining minimum rates for transportation of general commodities within San Diego Country as provided in Minimu Rate Tariff $9-3$ and the revisions or reissues thereof.
(Appearances are shown in Decision No. 81862 in Case No. 7024 (OSE 3I) and in Appendix A.)

## QPINIQN

Decision No. 84332 dated April 15, 2975 in Case No. 7024 (OSE 31) adopted the mileages, maps, rules, and other provisions of Distance Table 8 (DT 8) as described in the Eindings in that decision, and stated that further bearings should be beld in Case No. 5432 (OSH 806) and related proceedings to determine the amendments required in tiae several minimum rate tariffs governed by the distance table as a result of the changes in DI 8. That decision also found that DT 8
C.5432, OSH 806, C.5439, OSH 217 bm
should supersede Distance Table 7 (DI 7) as the governing distance table to the extent and in the maner determined in those proceedings.1/

Adjourned public hearings were held in Case Now 5432 (OSH 806) and in Case No. 5439 (OSH 217) before Examiner Mallory in San Francisco on December 2 and 3, 1975, February 25, and May 6 and 7, 1976. The matters were submited on May 7, 1976.

Evidence was presented by transportation engineers and rate experts from the Comission staff and by witnesses employed in the division of transportation economics of the California Trucking Association (CTA). Califormia Manufacturers Association (CMA), Traffic Managers Conference of Calisornia (Conference), Canners League of California (Canners), and representatives of other shipper groups and organizations participated in the proceeding, but presented no evidence.
Recomendations
The Commission staff recomended that DT 8 be made the goveming distance table for Minimum Rate Tariff 2 (MRT 2) and that the point-to-point rates set forth in Item 510 of MRI 2 applicable between San Francisco Territory and Sacramento and North Sacramento, on the one hand, and Los Angeles Territory, on the other hand, be

I/ The petition for rehearing of Decision No. 84332 filed by California Trucking Association was denied by Decision No. 84572 dated June 27, 1975. That decision states that Decision No. 84332 "has in 10 way prejudged or limited the issues that might be raised in Case No. 5432 (OSE 806), nor will DT 8 be appiled to a particular tariff until that tariff has been reviewed in that case."
based on the distance class rates applicable to the $375-400$ mileage bracket instead of the present $400-425$ mileage bracket. CTA presented evidence in opposition to that staff proposal. The proposal is supported by CMA and Comference. Canners took no position on the proposal, but requested that if the proposal is adopted similar reductions be made in point-to-point commodity rates on camned goods.

The Comission staff also recommended that the zone descriptions in Minimum Rate Tariff 9-B (MRT 9-B) be revised to conform to the revised zone descriptions for similar zones in DT $\delta$. All concurred in that proposal.

CTA moved that the proceedings in OSH 806 be dismissed or, if dismissal is not made, that (I) Item 100 of MRT 2 be amonded to provide arule goveming computation of mileages over impassable foutes, and (2) that the routing provisions applicable to the point-to-point class and comodity rates be canceled so that such rates will not be applicable between intermediate points (Exhibit 806-16). CTA also requested that the provisions of Transportation Division Trformar Ruling 119-B be made a part of MRT 2. That informal ruling provides
0.5432, OSH 806, C.5439, OSII $217 \mathrm{bm} / \mathrm{bw}$
that rates for split pickup and spift delivery may not be determined by use of point-to-point rates. $2 /$ The Comassion staff opposes the proposals to add a rule governing computation of mileages over impassable routes for the reason that the Comission has decinned to adopt similar rules because such mules were workable. The staff also opposes the cancellation of routing provisions.

2/ Informal rulings of the Transportation Division are made in the absence of formal fulings by the Comission. Informal Ruling 119-B reads as follows:
"Subject: Split Pickup and Split Deifvery Minimum Rate Tariff No. 2
"It has been asked which of the following items of Minimum Rate Tariff No. 2 may be subject to Item No. 160 (split pickup) or Item No. 170 (splist delivery) : 500, 501, 502, $503,504,505,506,506.5,507,508,509,509.5,510,520$, $620,630,635,636,654$ 方, 690, 691, 700, 710, 720, 726, 730, $731,740,745,746$, and 758.

## Explanation

"Items Nos. 161 and 171 provide that the rate for the transportation of a split pickup or split delivery shipment shail be determined by the distance via the various points of origin or destination. The distance rates that may be applied to the transportation of split pickup or split delivery shipments are set forth in Items Nos. 500, 501, $502,503,504,505,506,506.5,507,508,620,635,636$, $6542,690,691,710,731,745$, and 746 of Ninimum Rate Tariff No. 2. Additionaliy, split pickup or split delivery may be performed under Item No. 520 as provided specificaily in Exception 3 to Paragraph $C$ of Items Nos. I6I and 171. The rates for the transportation of split pickup or split delivery shipments may not be determined by the use of the point-topoint rates named in Items Nos. 509, 509.5, 510, 630, 700, 726, 730, 740 or 758 nor the hourly rates set forth in Item No. 720."
C.5432, OSA S06, ¢.5439, OSH 217 bm:

CTA presented an altermate proposal contingent upon the adoption of the staff proposal concerning reduction in posnt-to-point rates. In its alternate proposal CTA asked that point-to-point rates apply only via Interstate 5, the shortest route between San Francisco and Los Angeles Territories, or alternatively cancel 212 point-to-point rates.
Staff Evidence
The Combssion staff, at the request of CTA, introduced Exhibit 806-8, which contains bighway route segments included in DT 8 which have posted weight restrictions, which involve ferry routes With weigint restrictions, or which cannot be used by motor vehicles during all of parts of the business day. Exhibit 806-8 Iists 22 route segments which have posted gross weight limits of 25 tons or less (the lowest is 6 tons). The exhsbit includes seven ferry routes over which the standard unit used for mfleage computations in DI 8 (tractor and two semitrailers) cannot be operated as a single mit. Exhribit 806-8 2iso lists three route segments which are closed, in whole or part, to truck traffic. CTA contends that there are several other route segments contained in DT 8 which are posted for weights less than the maximu legal gross weight permitted by law of 40 tons. Howerer, the record contains no list of those additional route segments.

The Commission staff presented the detais of a freight bill sample for 1973 contained in the Commission's Data Bank (Exhibit 806-4). That sample served as a basis for determining the revenue impact of the changes in constructive mieages in DT 8 as compared with DT 7 (Exhibits 806-3, 806-9, and 806-11). Exhibit 806-11 shows the following revenue impact, developed by rerating the Data Bank 2971 freight bill sample to reflect current rate levels:

TAETE I
Dis 8 vs DI 7
Linehanl Reverue
Percentage Impact of Rate Reduction

| Number | Type of Shiprents | Dx-7 <br> Innehari Revenue | $\begin{gathered} \text { DI-8 } \\ \text { Innehani Revenue } \end{gathered}$ | Percentage Reductson |
| :---: | :---: | :---: | :---: | :---: |
| 12462 | Distance Class Rates |  |  |  |
|  | $\binom{8163)}{2593)} \text { Change (Exci. }$ | \$ 603,399 | \$ 603,399 | - |
|  | $3 / p \& s / d)$ | 241,566 | 236,602 | 2.1 |
|  | $\begin{aligned} & (706) \text { Change }(\mathrm{s} / \mathrm{p} \\ & (\mathrm{s} / \mathrm{d}) \end{aligned}$ | 293,662 | 191,810 | 2.0 |
| 1624 | Point-to-Pojnt Rate <br> (IA Terr.-SF Temr.) | 136,370 | 135,196 | 3.9 |
| 209 | Commodsty Rated. | 60,533 | 60,163 | 0.6 |
|  |  | \$2,235,529 | 31,227,270 | 0.7 |

Exinibit 806-10 shows a comparison of DT 7 and DT 8 constmuctive mileage cistances between metropoiiton zones (MZ's) in San Francisco Temitory and Los Angeles Temritory, and betrecn No's in Sacramento and North Sacramento and Los Angeles Territory. The data in that exhibit and the testimony received in connection therewneth indicate that mileage rates will produce lower charges than point-to-
 than DT 7. Between San Francisco and Los Angeles Territories, 770 pairs of points are now subject to point-to-point rates out of a tocal of 1,008 pairs of points based on DI 7 mileages. Under DT 8 oniy 224 NZ pairs would be subject to point-to-point rates on a level equivalent to class rates for $400-425$ miles, whereas 609 MZ pairs would be subject to point-to-point rates on a level equivalent to clacs rates for 375-400 miles.

FOr movements between Sacramento - North Sacramento and Los Angeles Territory, 58 out of 72 MZ pairs are now subject to pofnt-topoint rates. Under DT 8, 48 MZ poirs would be subject to print-to-point rates equivalent to class rates for $400-425$ miles, and all 72 NZ pains would be subject to point-to-pojnt rates equivalent to class rates for 375-400 miles.
C.5432, OSH 806, C.5439, OSE 217 bm

The following tabulation sumarizes the foregoing companisons:
Pairs of Pornte Between Whater Posnt-50-Posnt Rates Winl be Applicable

|  | Total <br> Zone <br> Pairs |
| :--- | ---: |
| SF/LA |  |
| Territories <br> Sacto/LA <br> Territory | 2,008 |
|  | 2,080 |

Distance Table 7 $400-125$
vinies Distance Table 8

| $\begin{aligned} & 400 / 425 \\ & \text { Mines } \\ & \hline \end{aligned}$ | $\begin{aligned} & 375 / 400 \\ & \text { MSIes } \\ & \hline \end{aligned}$ |
| :---: | :---: |
| 224 | 609. |
| 48 | 72 |
| 272 | 682 |

Discussion - Constructive Mileages for Restricted Route Serments

DI 8 contains several route segments which have weight on other restrictions that prevent the operation of fully loaded units of trucking equipment. The identification of the principal route segments containing such restrictions are set forth in the staff"s Exhibit 806-8. It was pointed out in the proceeding leading to Decision No. 84332 (which adopted the format and contents of DT \&) that such routes were used in developing the constructive mileages in DT \&. The staff advised in the earlier proceeding that it was too difficult to eliminate such route segments in proposed DT 8 within reasonable time Iimits and urged that the consideration of the situation be deferred so that further staff proposals could be presented herein.

In this proceeding the staff advised that it had no ready solution to the problem of restricted route segments inasmuch as no rule could be devised which the staff believed would be woricable and which would be nondiscriminatory in application. the staff recomended that no action be taken in this proceeding, and that the further consideration of routes containjing weight or other restrictions be deferred unill the next revision of the distance table.

CTA proposed, in the aitermative, two rules for incorporation in Item 100 of NRI 2.2/ The inrst alternative would make the current provistons relating to permit shipments of dangerous articles applicable to 211 shipments transported via circuitous routes. The second alternative is the same as that proposed in the proceeding leading to the issuance of Minimum Rate Tariff 8-A (MRT 8-A) applicable to transportation of fresh frufts and vegetables to market. The Commission in Decision No. 85826 (issued May 8, 1976 in Case No. 5438, OSH 99) did not adopt CTA's proposed rale, comenting that an identical rule had been denied as being unworkable (see Footnote 6, infra).

The Comission staff opposed the establishment fin MRT 2 of either proposed rule. It is the staff position that the existing rale governing permit shipments moving via circuitous routes is unorkable because the distance table contains no method for detemmining the "shortest legal route available to the carrier"; therefore, the language in the existing MRT 2 rule is meaningless and cannot be enforced.

The CTA proposals are as follows:

$$
\begin{gathered}
\text { Alernative } \\
(\text { Amend })
\end{gathered}
$$

 required to move via a circuitous route because of conditions imposed by a governmental agency, distances shall be computed along the shortest legal route available to the carriner in accordance with the method provided in the Distance Table.
$\underset{\text { Add) }}{\text { Alternative }} 2$
4. When any public highway rouve is impassable, constructive milleaze shall be computed, as provided above, along the shortest alternate route which legally may be traversec by the carriet. Striceover = deletion Underscore - additions

The posture of this issue leaves the commssion in a difficult situation. On the one hand, the Commssion postioned consideration of the issue to this proceeding in order to expedite the issuance of DT 8 and because our staff advised us it would be prepared to offer affirmative evidence. Having thus acted to adopt DT 8 without consideration of the problem, the staff presented no affirmative evidence or proposed solution, and it opposes the proposals of CTA as unworkable. We have carefully considered CTA's proposed rules and have reached the same conciusion as the staff that such rules are unworkable. The rules proposed by CTA, therefore, should not be adopted.

We should not postpone the adoption of DI 8 to govern MRT 2 because DI ô contains a ismited number of highway route segments which are unusable by fully loaded highway vehicles because of weight or other restrictions. Those same route segments are included in DT 7 and were aiso included in DT 5 and DT 6. Obviously the situation shoild be studied further and corrected. At this juncture, the only feasible course of action is to defer the problem involving use of distance table routes containing weight or other restrictions to the next revision of the distance table. Our staff has indicated during the course of this proceeding that it is prepared to undertake in the near. future the necessary field and other studies leading to the revision of DT 8.
Discussion - Point-to-Point Rates
Statewide minimu rates for the transportation of general comodities were initially established in Decision No. 31606 (1938) (41 CPJC 671). Highway Carmiers' Tariff No. 2 established by that decision contained point-to-point class rates between San Francisco Territory and Sacramento, on the one hand, and Los Angeles Territory, on the other hand. The criteria for the establishment of said rates are as stated in Decision No. 31606 as follows (supra, beginning on page 689):
"Relying principally upon the facts (1) that rafirokis and other comon carriers have long majntained rates for transportation between San Francisco Bay territory and the Los Angeles metropolitan area relatively lower than rates maintained for equivalent distances between other points in the state, (2) that an unusually beavy volume of tonnage moves between the territories mentioned, enabling the carriers to experience favorable use factors, and (3) that such tonnage is distributed rather evenly as between northbound and southbound movements, making possible the obtaining of relativeiy high load factors, the examiners proposed the establishment of point-to-point rates, lower than the mileage rates which would otherwise be applicable. The point-to-point rates are identical with the rates in the 280-300 mile mileage bracket of the general scales. Under this plan, San Francisco, Sacramento and Ios Angeles territories would be bounded, and the speciai rates would be publisked to apply from and to aII points within the described boundaries. In addition, it was suggested that when lower charges resulted, the point-to-point rates be appised from and to intermediate points along certain designated highway routes which, roughly, cover the normal routes from San Francisco to Los Angeles through the San Joaquin Vailey and via the coast, as well as the normal routes from Sacramento through Stociston and the San Joaquin Valley. No route from Sacramento to Los Angeles via the Coast was proposed."
Decivion NO, 31606 further coments (supra, page 691):
"The heavy volume of tonnage moving between the territories under consideration, and the even distribution of such tonnage as between northbound and southbound movements, undoubtediy permits the obtaining of favorable load and use factors in connection with transportation between those texritories. The jower costs resulting from these more favorable load and use factors and a consideration of the rates now in effect lead us to conclude that the proposec minimumposnt-to-poiat rates are reasonable and nondiscriminatory.
"Considering that the Ioad and use factors encountered in transportation between the termini are probably improved by the inclusion of intermediate traffic and that in any event it costs no more to pick up or deliver freight at such intermediate points moving the equipment partially ioaded and partially empty than to transport a full load the entire distance, the terminal rates should clearly be made to apply at directiy intermediate points. . . ""
The last generai adjustment of the rates in NRT $2^{4 /}$ based on fullscale cost and rate studies was accomplished in Decision No. 66453 (1963) (62 CPJC 14). The point-to-point class rates adopted in that decision were based on comprehensive cost and economic data current at that time. The relationship of the point-to-point rates to mileage class rates was changed from 250-300 miles, as originally established, to a relationship based on $400-425$ miles to reflect the specific cost and other ratemaking data presented in that proceeding. $5 \%$.

- 4 Successor to Highway Carriers' Tariff No. 2. 5 Decision No. 66453 (62 CPUC 12, at page 19) stated as follows: "Lbreboard excepted to the examiner"s recommendation that the San Francisco-Los Angeles class rates proposed by the staff be adopted. The exception is based on alleged infinrmities in petitioner's cost study. However, the examner's recommendation is consistent with his recomendation in regard to the entire class rate structure and will be adopted."
The examiner's proposed report which preceded the issuance of Decision No. 66453, stated as follows:

Whe class rates applicable between the San Irancisco territory (and Sacramento) and the Los Angeles territory have been Iower than the mileage rates because of more favorable operating conditions. Petitioner's studies show that these rates shorild still be lower, but by not as great a margin. The staff"s proposal is the same except for the same difference in rates as appear in the corresponding mileage rates. The staff's rates should be adopted."

It is clear that the point-to-point rates in MRT 2 are based on criteria other than the constructive mileage between territories. The fact that such mileage is reduced has no material effect on the criteria underiying the establishment of the point-to-point rates. No showing was made by the staff or other parties that the mileage change requires adjustment of the point-to-point rates, except that the number of pairs of points between which the point-to-point rates will apply will be reduced upon adoption of DT 8 because the mileage rates will produce lower charges than the point-to-point rates. The staff's revenue study draws a different picture. It shows that the revenues for point-to-point movements will be reduced by 0.9 percent, a substantially lesser percent than the number of pairs of points affected. The inference from the revenue data is that the heavier traffic movements are between pairs of points where the point-to point rates will continue to apply. On the other hand, shippers will be accorded the benefit of the reduced mileages by the Interstate 5 route whenever the reduced constructive mileages result in mileage rates which produce a lower charge than point-topoint rates. It will be just and reasonable to maintain the point-to-point rates in MRT 2 in their present relationship to distance rates upon adoption of $D T$, and shippers will be accorded appropriate and reasonable savings in transportation charges to the extent that the reduced constructive mileages produce lower transportation charges than the existing point-to-point rates.

Proposals of CTA that the intermediate application of the point-to-point class rates be discontinued are, in part, premised on the adoption of the staff proposal. The changes in the concept of intermediate application of point-to-point rates should be considered only in connection with a complete review of ali rates in NRT 2. Adjustments of the relationship between point-to-point class
and comodity and related mileage rates should be accomplished only upon a full and complete showing of the material changes in operating costs, volume of traffic, and distribution of traffic between the termitomies and statewide.

CIA pointed out that the Interstate 5 route is a new route not included in past distance tables and, therefore, that route is not included in MRT 2 as a route via which the point-wom point rates are intermediate in application. The staff opposed the intermeciate application of rates via that route because so littie traffic actually moves over the route. The I-5 route produces the shortest constructive mileage route between the rate temritomies; for that reason intermediate application of point-to-point rates via that route should be provided in MRT 2, irrespective of the amount of traffic involved.
Motion to Dismiss
CTA's position is that the staff proposal in this proceeding would require the motor carrier industry to operate in violation of the Law if DI 3 is used in conjunction with MRT 2 without modification for restricted routes. CTA 27 so argued that the proposol to reduce point-to-point rates is supported oniy by a showing that mileages have been reducci. It is CTA's position that the burden of proof in an Order Setting Hearing proceeding is on the Commission staff and that the staff has not dischanged that obligation. CTA movedthat the Coumission dismiss OSH 806 on the ground that the staff has not provided evidence or information from which the issues can be resolved witinn the law.

CTA's angumentsin support of iJs motion to dismiss have 20 merit. The fact that some route segments over which constructive mieage in DT $\varepsilon$ are detemined canot be used by fully loaded mits does not require any highway camier to actually operate illegally.

Oniy a minimum number of the possible highway routes in the state are used for determination of constructive mileages. 6 Carriers operate over innumerable streets and roads not cncompassed in DT $\varepsilon$ routes. Highway carriers can and co operate any route they choose and are not bound to operate over the route which produces the lowest constructive mileage. If CTA's motion to dismiss CSE 806 is graned, DI 7 will continue to govern MRI 2. DI 7 contarns the same infirmities as DT 8. Camiers would be in no different position whether DT 7 or DT $\&$ is the governing distance table for MRT 2.

The second basis for dismissal concems reduction of point-to-point rates. Dismissal for the reasons adranced by CMA has no merit. The motion will be denied.
Findings

1. Decision No. 84332 issued April 15, 1975 in Case No. 7024 (OSK 31) adopted the mileages, maps, rules, and other provistone in DI $\delta$ and stated that further hearing should be held in Case No. 5432 ( 806 ) and related proceodings to determine the amondments
$5 /$ Decision No. 78984 dated August 10, 1971 in Case No. 7024
(Pet. 25 and 26) comented as follows:
The record shows that for the distances sot forth between major points (red points) in the cistance taile, voitiaer the table nor the reiated maps show the actuai rowe usec. Therefore, it camot be reacily cceveruted if a particular highway segment is involved in the computation of mileages between two points. If is thus ciear that petitioner's proposal woule be impracticable to apply, and could only result in confusion."
That decision foum as follows:
The Commission finds that petitioner's proposal is impracticable of application, and is not required to assure reasonabic minimum rates. We conclude that the petitions should be denica."
required in the tariffs governed by the distance table as a resuit of changes in DT 8, anc that DI 8 shall supersede $D T 7$ as the governing distance table to the extent and manner determined in those proceedings.
2. Prolic hearings were held in Case No. 5432 (OSE 806) and Case No. 5439 (OSH 217) to determine the amendments required in IRT 2 and MRT $9-B$ as a result of the changes in DT \& at which all interested parties had opportunity to be heard.
3. MRI 9-3 contains no distance rates. That tariff refers to the distance table solely for the purpose of delizeating drayage zone descriptions, which correspond to the MZ descriptions in DT 7. The staff proposes that the DI $\varepsilon \mathbb{N Z}$ descriptions govern NR' 9-3 in iieu of NZ descriptions in DT 7. No opposition was macie to the staff proposal. That proposal will be reasonable and should be adopted.
4. While the constructive mileages over many route segments were changed, the principal change from DM 7 to $D T$ is reduction in constructive mileages between San Francisco Territory to Los Angeles Terxitory, which resulted from the inclusion of a new route via Interstate 5. That soute begins at Ios Banos and exteads southward to the junction of I-5 and J..S. 99 (Junction 3489) near Weeler Ridze. The constructive mileage between San Francisco Territory ( NZ 102) and Los Angeles Territory (NZ 235) was reduced from 466 to 413 miles, or a reduction of 33 constructive ( 29 actual) miles.
5. The Commission staff proposed that, concurrentiy with the adoption of $D T 8$ to govern MRI 2, the point-to-point class rates in Item 510 of MRT 2 (and related point-Jo-point commodity rates) applicable between San Francisco Territory and Sacramento - North Sacramento, on one hand, and Los Angeles Territory, on the other hand, be reduced in recognition of the change in constructive mileages between satd points.
6. The present point-to-point class rates are the equivalent of the mileage class rates for $400-425$ constructive miles or one mileage bracket bigher than that proposed by the staff.
7. In support of its proposal, the staff presented a statistical analysis showing the number of pairs of MZ's subject to the Item 510 point-to-point rates that would be substantial ly reduced if the present relationship between point-to-point and mileage class rates are retained upon adoprion of DI $\delta$.
8. A revenue analysis based on rerating of a freight sample in the files of the Commission's Data Bank shows the revenue effect of maintafning the existing felationship to point-to-point and class rates upon the adoption of DI 8 would be materially less than would appear: when compared with the numbers of pairs of MZ's affected thereby.
9. Prior Comission decisions show that the criteria for the establishment of the point-to-point rates which are lower than mileage class rates are the reduced operating costs resulting from the greater amount and equal balance of trafinc between San Francisco territory and los Angeles territory as compared with the remeinder of the state.
10. No showing was made that the criteria underlying the establishment of the reduced point-to-point rates are affected by the constructive mileage changes in DI 8.
11. Adoption of DT 8 to govern MRT 2 will result in an approximate decrease of 0.9 percent in freight charges between points subject to rates in Item 510 of MRT 2 because the mileage rates and point-to-point rates aiternate, permitting the use of the rate producing the lowest charge. Shippers will be accorded the benefits of reduced rates resulting from shorter constructive mileages between major territories upon adoption of DI 8 without the implementation of the staff proposal.
12. Reduction in the relationship of the point-to-point class rates and mileage class raves from $400-425$ miles to $375-400$ miles has not been shown to be reasonable and should not be adopted.
13. The evidence shows that certain route segments used for the development of constructive mileages in DI 8 contain weigit or other restrictions which prevent the operation of motorvehicles loaded to maximum capacity. Those same routes were included in prior distance tables.
14. CTA proposed that Item 100 of VRT 2 be amended to incorporate a rule goveming the computation of constractive mileages when shipments are requfred to move via circuitous routes because of conditions imposed by governental agencies, or when a route is impassable.
15. Rules similar to those proposed by CTA have been denied by the Comission. (Decision No. 75982 dated Augrust 10, 2971 in Case No. 7024 (Pet. 25) and Decision No. 79427 dated November. 30, 1971 in Case No. 8808 (Pet. 9).) CTA's proposals herein have tine same defects as the rines previously rejected by the Commission and should be denfed.
16. The point-to-point rates in MRT 2 apply to fntermediate points via the specific routings set forth in that tarifis. NRI 2 contains no route via I-5. Inasmuch as the short-line constructive mileage route is via I-5, such routing should be fncluded in MRT 2.
17. The adoption of DT 8 to govern the provisions of NRT 2 and MRT 9-B will result in just, reasonable, and nondiscriminatory constructive mileage rates for the transportation subject to those tariffs.
C.5432, OSH 806, C.5439, OSE 217 bea/bw *
18. Increases in rates, if any, resulting from the acoption of DT 8 to govern MRT 2 and MRT 9-B are justified.
19. Highway permit carriers and common carriers should be authorized to charge less for longer than for shorter distances to the extent necessary to charge the minimum rates set forth in MRT 2 and to observe the rules set forth in DT 8 .

## Conclusion

2. MRT 2 and MRT 9-B shourd be amended in accordance with the above findings.
3. To avoid duplication of tariff distribution, MRT 9-B should be amended by separate order.
ORDER

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 September 18,1976, the revised pages set forth in dppendix $B$ 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 hereby directed to comply with the revised tamiff provisions established herein.
3. Tarifi publications required or authorized to be made by common carriers as a result of the order herein shail be filed not earlier than the effective date of this order and may be made effective not eariler 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 September 18,1976; and as to tariff pubilcations which are authorized but not required, the authority shall expire unless exercised within sixty days after the effective date of this order.
4. Common carriers, in establishing and maintaining the amendments authorized hereinabove, are hereby authorized to depart from the provisions of Section 461.5 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 amendments published under this authority shall make a reference to the prion orders authorizing long and short-havi departures and to this order.
5. In all other respects Decision No. 31606, as amended, shall remain in full force and effect.

The effective date of tins order shall be twenty days after the date hereof.

Dated at Bar Francisco , California, this $\qquad$ 17t day of $\qquad$ , 1976.


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APPENDIX A

## IIST OF ADDITIONAL APPEARANCES

Respondents: John MeSweeney, for Delta IInes, Inc.; Joseph MacDonaid, for Califormia Motor Express; and Jerome D. Whiting, Ior Pacific Motor Irucking Co.

Interested Parties: James R. Steele, for Lesile Foods; Richard 0. Austin, for Kaiser Cement \& Gypsum; E. O. Blackman, for Califomia Dump Iruck Owners Association; James F. Orear, for C \& H Sugar Co.; Robert Cogswell, for Foremost MeKesson; Ben Turpin, for Port of San Francisco; R. C. Fels, for Californja Furniture Manufacturers Association; Willian D. Mayer, for Del Monte Corporation; J. C. Kaspar and Herbert W. Hughes, for California Trucking Association; Robert A. Kormel and Horst W. Klocke, for Pacific Gas and Electric Company; J. J. Butcher, for California Manufacturers Association; William Barklie, for California Rortland Cement Co.; William Mhtze, Ioz Riverside Cement Company; Calhoun E. Jacobson, For Traffic Managers Conference of California; kalph O. Hubbard, for Califormia Farm Bureau; Asa Button, for Anstar Corp., Spreckels Sugar Division; E. J. Bertana, for Ione Star Industries, Inc., Northern California Division; and Dale Johnson, for Canners League of California.

Comaission Staff: RobertE. Walker, George H. Morrison, and Robert E. Bouchet.

## C. 5432 (OSH 806)*

## APPENDIX B

IIST OF REVISED PAGES TO MINIMOM RATE TARIFF 2

| FORTY-FIFTE | REVISED | PAGE 3 |
| :--- | :--- | :--- |
| FIFTY-FIRST | REVISED | PAGE 11 |
| ELEVENTE | REVISED | PAGE 15-C |
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minimum rate tarife 2

|  | SECTION 1-mRULS OF GENERAL APPLICAITON (COntinuec) | ITEM |
| :---: | :---: | :---: |
|  | APPLICARION OF GOVRENING PUBLICATIONS <br> This tarift is governed to the oxtont shown herain by: <br> (a) Tho Coverning Classification, oxcopt that thil tarifi is subject to the following fules (1tems) oniy thereof (See Notes 1 and 2): <br> 120, Sections 1, $3(\mathrm{~d}), 4,4(\mathrm{a}), 4(\mathrm{~b}), 5,6(\mathrm{a}), 6(\mathrm{~b}), 6(\mathrm{c}), 7,7(\mathrm{a}), 7(\mathrm{~b})$, $7(c), 7(c), 8,8(a), 8(b), 9,20,11(a), 21(b), 21(c), 22,22(a)$, $22(\mathrm{~b}), 12(\mathrm{c}), 12(\mathrm{c}), 12(\mathrm{c}), 22(\mathrm{c}), 23(\mathrm{a}), 23(\mathrm{~b}), 23(\mathrm{c}), 24,25 \mathrm{c}$ <br> $15(\mathrm{a}), 25(\mathrm{~b}), 25(\mathrm{c}), 25(\mathrm{~d}), 25(\mathrm{c}), 16,17$ and 18 ; <br> 112: 200; 202; 205; 210; 215; 220; 222; 222-1; 222-2; 222-3; 222-4; 222-5; <br> $222-6 ; 225 ; 230 ; 235 ; 240 ; 245 ; 250 ; 255 ; 256 ; 257 ; 258 ; 260 ; 265 ; 270 ; 275$; <br> 280: 285; 291: 292: 294; 296; 297; 300; 320; <br> 360, Sections $i, 2(a), 2(b), 2(a), 2(I), 2(\Phi), 1(n), 2,2(a), 2(c), 2(a)$, 3 and 5; <br> 365; 382; 420. Sections 1, 2, 4 and 5; 421; 422: 423; 424; 426; 428; <br> 430; Sections $2,2,3,4,5,6,7,8,9,10,2 \lambda(a), 21(b)$ and 23; <br> 455; 520 ; 535; 540 ; 565; 580; 595; 640; 645; 680; 685; 687; 689; 765; <br> 780, Section 2; 845; 995; 997 (Section 2 only). <br> Note 2.-WThe provisions of Item 35890, Sub 2 of the Coverning Classisication shail be subject to a Minimum Welght of 22,000 pounds on Califomía Intrantate maific. <br> Note 2.--Where duai provisions are set forth in Items 360, 380, and the Unifom Order 8111 of Lading and the uniform Through Export bill of Lading-Order blil of Lading of the Coverning Classisication, only those provisions of said items precodec With the reference (D1), (P2), (P3) or (P5), Will appiy on Califomia intrastate traific. Tha expianations of such references aro not, howevor, applicable to Cailiomia intrantate trafilic. <br> (D) The excoption Ratings Tarifif. <br> б(c) The Hazarcous Materiais marifi (Cazifornia Regulations). <br> (d) The Distance Tabie. <br> where the ratings and rules or other provisions of condicions provided in the governing pubilcations described in paragraphe $2(a)$, (b) and (c) hareot are in contilet with those provided in this tarifif, the provisions of this tarifit will apply. Except as otherwise specilicaily provided in this taritit, where the proviaions of the Hazardoum Materiais Tarise are in conilict with the provisions sot forth in thi: tarifif or the othorwise governing pubilcations referred to in param graphe $i(a)$. ( $b$ ) and ( $($ ) hereot, the provinions of the Hazardou kateriale rarifi widi apply. | \$50 |
| $\phi$ Change, Decision No. |  |  |
| erpeictive |  |  |
| COIrection $\quad$ ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,SAN FRANCISCO, CALIFORNIA. |  |  |

CRNCETS


(a) Rates for transportation of permit shipmente wich aye reçuizad to move via a circuitou route because of concitions imposed by a governmental sgency, othei
 utilizing distances detomined undez the pzovisionn of ztem 200.
(b) In adoition to ail othez applicasie zates and chaygen tamed in this tarift, the

2. A charge of $\$ 26.80$ shail be made for the service of mocuring ach pormet, and
2. A charge mhaid be made equal to the foe, if any, amesised by the governmental agency for issuing each permit.

## MAZAROOUS MAMERIATS

Hazardous Materiais inciuco those articies Cescribed in and subject to the provisions of the Kazardous Materials Tariff.

Rates for tranaportation of shipments of hazardous materials wich are required to move via a circuitous route because of conditions imposed by a govertmantal agancy shali be distance rates utilizing distances determined under the provisions of Itam 100 .

Hazardous materials must not be accepted for transportation uniess at the time of or prior to the initial plekup the conalgnor hat iurnished to the carrier written information as requifed under the regulations of the Mazardoum Materials parifi.

To the extent herelnattex provided, the zoilowing provielons of this tarifi and tho Coverning Classilication will not apply to nippments of dangerous articles:
2. Ttem 90 and 91 (Mixad Shipmentt) widi not apply to shipments oontaining one or more commodieies wich the Hazardous Materiais sarifi prohibits being transpoxted at the same time on a singie unde of carrier's equipment.
2. Items 120 (Application of Ratas-Deductions). Items 160-263 (Spi2t Pickup), Items 270-173 (Split Deilvery), Ztam 282 (C.O.D. Snipmentu), Item 288 (MuItipie Service Shipment) and Item 430 of the coverning Clamsification will not apply to shipments, including any component parts thereof, containing explosives (Class $A, B$ or C) andor ary otiver hazardow materiala which may not be left unattended in the carxier's equapment under the regulations of the Kazardour Materlais raxifi.

## ACCESSORIAI SERVICES

When carrier performs, at shipper's or feceiver's request or order, service such as stacking, sorting, providing heipers for loading or unloading, or any other like mervice which is not authorized to be performed uncer rates named in this tariff, and for wheh a charge is not otherwise proviced, adcitional charges per man shali be assessed as provided in Item 145 (a). The charge provicec in Item $145(b)$ tor unit of aquipment ahail also apply whenever the accessorial or incidental maruce requires its use, or whenever the unit of equipment in inactivated by reason of the driver or heiper being engaged in auch service.

The provisions of this itom mhail not apply when a heiper is provided for any reason other that shipper's or receiver" request or ordez. ine teason for supplyang holpers shall be recorded on anipping and accessorial service documenta.

Whan charges aro provided in this carifif for porformance of accessorial servicen, said charges chail be basod upon the weight which the transportation rates are computed.

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C. The rate for the transportation of apilt plekup shipment shail be decemsned and applied as Lollows, subject to Note in In tam 163:

1. Subject to the altemative providec in paragraph 5 nereof, 0istance rates shail be determined by the distance to point of destination from that point of origin which produces the ohortest distance via the other point or polnts of oxigin. (See Excoptioni 2, 2, 3, 4 and ${ }^{2}$ 5)

EXCEPIION $2 .-A C d$ to the distanco detemmined under the provisions of pazam graph 2 above, two constructive miles tor each point in excess of one located within:
(a) a single metropolitan zone, ox
(b) a singhe incorporated city, including the extended area thareoi, but not within metropolitan zone, or
(c) a single unincorporated communty, inciuding the extended area thereor, but not within a moeropolitan zone, designatec in the Distance mable af a red point, black point or numered junction.
EXCEPTION 2.- In tho evont a shipment: (a) has any point of origin within a mileage torritory and the point of destination is located outside of the same mileage territory or (b) has any point of origin jocated within a mileage territory and point of destination or any other point of origin jocated outade of the same nifleage territory, the shortest distance shali be determined as foliow:
(2) Detwean a point within a metropolitan zone and a point not within the © ame metropolitean rone group but within the kelatad mileage rerritory. use for constructive mileage detemination for the point within the metropolitan zone, the mileage basing points ior the applicable metrom politan zone groupa.
(2) Between two or more metropolitan zones within the same metropolitan zone group, use tof constructive mileage detemination the milaage baning pointa for the individual motropolitan zones.
EXCEPRION 3.--On EDIIt pickup shipmonte subject to a rote bated on a minimum weight of 20,000 pounds or more and transported between points in tho saur francisco Netropolitan Zone Group, on the one hand, and pointa in the East bay metropolitan zone Group, on the other hand, the rate shali be no leas than the rate get forth 1n Itam 520.

EXCEPMION 4.-FIz a carzier attempts pickup of any component pait of a milt pickup sinipmont and if, through no lault of its own, said component part in not avaliabio zor tender to the carrier, distance shail nonetheless be computed via said point and all other points set forth on the split pickup coeumant described in poragraph 2 hereof. spilt pickup charges met forth in Note 1 wil2 not apply if Ireight is not plekad up at point of origin of any component.
-EXCEPTION 5. - The rates for the eransportation of spilt pickup may not be dotominod by the use of point-to-point ratos named in ifem $509,509.5,510$, 630, $700,726,730,740$, or 758 nor the hourdy rates sat foreh in $5 t a m 720$.
(Continued in Item 262)
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