

ORIGINAL

T/JK/BW/WPSC

Decision 82 04 108 APR 21 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Investigation )  
for the purpose of considering and )  
determining minimum rates for )  
transportation of motor vehicles )  
and related items statewide as )  
provided in Minimum Rate Tariff 12-A )  
and the revisions or reissues )  
thereof. )

Case 5604, OSH 59  
(Filed April 12, 1977)

And Related Matter. )

Case 5432, OSH 963  
(Filed April 12, 1977)

O P I N I O N

On April 12, 1977 we instituted a series of related proceedings collectively referred to as our reregulation program. In Case (C.) 5604, Order Setting Hearing (OSH) 59 and C.5432, OSH 963 (the proceedings in the series relating to regulation of the transportation of motor vehicles by truckaway service) we announced that we would explore whether our current system of minimum rates published in Minimum Rate Tariff 12-A (MRT 12-A)<sup>1/</sup> should be replaced by a system of individual carrier-filed rates. By

1/ MRT 12-A names minimum rates, rules, & regulation for the transportation of motor vehicles in secondary movement by truckaway service.

C.5604, OSH 59 et al. T/JK/BW/WPSC

Decision (D.) 90663; minimum rates on general commodities have already been canceled and general freight carriers are now operating under such a system. Since we issued the captioned proceedings in 1977,

passage of Senate Bill 860 allowed the conversion of radial highway common carrier permits to common carrier certificates under Public Utilities (PU) Code Section 1063.5. As a result of this conversion, the make-up of the truckaway industry today is materially different from what it was in 1977.

According to data developed by our Transportation Division, Freight Economics Branch staff (the staff):

1. The majority of carriers reporting revenues of \$25,000 or more from MRT 12-A during 1979 were former radial highway common carriers who converted to common carrier status under PU Code Section 1063.5.
2. On April 1, 1981, 42 out of 45 active carriers reporting MRT 12-A revenue in 1979 held highway common carrier certificates and are subject to their own filed tariff rates. Only the remaining three carriers held highway contract carrier authority exclusively.

-----

2/ Of these carriers, five were participating in Western Motor Tariff Bureau's WMT 128 Tariff, one was publishing its own tariff, 20 had adopted MRT 12-A as a common carrier tariff, 11 had filed subhaul affidavits in lieu of a tariff, and five had yet to make a filing.

C.5604, OSH 59 et al. T/JK/BW/WPSC

and agreed to no biller meter contained .o  
-part bus collection A-21 TRM to 2222  
2222 notices a to ahead and no biller  
and an evidence meter below collection  
through the issuance of Commission general order requiring  
contract carriers to observe rates which are, in the absence of  
cost and operational justification, not lower than those set forth  
in tariffs or contracts of competing highway carriers.

More specifically, under the general order proposed by

the staffs biller (1) meter not 2222 .o  
2222 2222 collection 2222 notices 2222  
MRT Highway contract carrier operations would be  
governed by the following:  
Upon cancellation of MRT 12-A, con-  
tract carriers would operate only  
under contracts filed with the  
Commission.

Any contract rate filed below the  
charges of a competing highway  
carrier would be accompanied by a  
statement of justification. Such  
justification would consist of either:  
(1) reference to a competing highway  
carrier rate being met; (2) operational  
and cost data showing that the proposed  
rate would contribute to carrier pro-  
fitability; or, (3) in the case of an  
initial filing made on or before the  
date of MRT 12-A cancellation, reference  
to a deviation from MRT 12-A that had  
been authorized under PU Code  
Section 3666 and in effect on the date  
of MRT 12-A cancellation.

*CORRECTION*

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

C.5604, OSH 59 et al. T/JK/BW/WPSC

Decision (D.) 90663, minimum rates on general commodities have already been canceled and general freight carriers are now operating under such a system. Since we issued the captioned proceedings in 1977,

passage of Senate Bill 860 allowed the conversion of radial highway common carrier permits to common carrier certificates under Public Utilities (PU) Code Section 1063.5. As a result of this conversion, the make-up of the truckaway industry today is materially different from what it was in 1977.

According to data developed by our Transportation Division, Freight Economics Branch staff (the staff):

1. The majority of carriers reporting revenues of \$25,000 or more from MRT 12-A during 1979 were former radial highway common carriers who converted to common carrier status under PU Code Section 1063.5.
2. On April 1, 1981, 42 out of 45 active carriers reporting MRT 12-A revenue in 1979 held highway common carrier certificates and were subject to their own filed tariff rates. Only the remaining three carriers held highway contract carrier authority exclusively.

2/ Of these carriers, five were participating in Western Motor Tariff Bureau's WMT 128 Tariff, one was publishing its own tariff, 20 had adopted MRT 12-A as a common carrier tariff, 11 had filed subhaul affidavits in lieu of a tariff, and five had yet to make a filing.

3/ Three of the 42 active highway (common C) motor carriers earned more than 50% of the \$28.5 million in revenue that was reported in 1979 under rates in MRT 12-A, while almost 88% of the \$28.5 million dollars was earned by ten, top earning highway carriers.

4/ Of the 45 active carriers who reported to MRT 12-A revenue in 1979, 14 reported that 100% of their revenue was earned from operations presently exempt from the application of rates in MRT 12-A. One of these 14 carriers was among the three carriers holding only contract carrier authority.

5. Both auto transporters and their affected shippers have, in the past, actively participated in minimum rate proceedings and have offered rate proposals which we have adopted.

Staff Recommendations

From these facts, the staff believes there is no longer a significant need for MRT 12-A and recommends the tariff be canceled. The staff further believes the limited regulatory benefit now derived from publication of MRT 12-A can remain available to the trucking industry.

3/ Only one of the ten carriers in this category was among the three carriers who held contract carrier authority exclusively.

4/ In addition to the \$28.5 million in minimum rate revenue earned by MRT 12-A carriers, they also earned \$10.3 million in rate exempt revenue in 1979. Most of this rate exempt revenue was earned from the hauling of motor vehicles in initial movement.

C.5604, OSH 59 et al. T/JK/BW/WPSC

and should to no bill... through the issuance of a Commission general order requiring contract carriers to observe rates which are, in the absence of cost and operational justification, not lower than those set forth in tariffs or contracts of competing highway carriers.

More specifically, under the general order proposed by the staff... Highway contract carrier operations would be governed by the following... Upon cancellation of MRT 12-A, contract carriers would operate only under contracts filed with the Commission.

Any contract rate filed below the charges of a competing highway carrier would be accompanied by a statement of justification. Such justification would consist of either: (1) reference to a competing highway carrier rate being met; (2) operational and cost data showing that the proposed rate would contribute to carrier profitability; or (3) in the case of an initial filing made on or before the date of MRT 12-A cancellation, reference to a deviation from MRT 12-A that had been authorized under PU Code Section 3666 and in effect on the date of MRT 12-A cancellation.

c. Contract rates filed on or before the date of MRT 12-A cancellation and justified on the basis of a Section 3666 deviation would remain effective at the time of MRT 12-A cancellation and its proceeds

d. Contract rates filed to meet the charges of competing highway carriers would be made effective on the date filed with the Commission (but no earlier than the effective date of the rate being met) or on such later date as might be provided by the contract terms.

e. Except for filings (1) justified under PU Code Section 3666 deviation or, (2) made to meet charges of competing highway carriers, contract rate filings below the charges of competing highway carriers would be filed on 30 days notice and would become effective 30 days after the date filed, absent protest.

f. Contract rates at or above the charges of competing highway carriers would be made effective on the date filed, or on such later date as might be provided by the terms of the contract.

2. Highway common carrier operations would be governed by the following:

a. Common carrier rate increases would be subject to justification and approval of the Commission as required by PU Code Section 454-S1 TMX to 0556

b. Any rate reduction would be accompanied by a statement of justification. Such justification would consist of either



C.5604, OSH 59 et al. T/JK/BW/WPSC

(1) reference to a competing highway carrier rate being met, or (2) operational and cost data showing that the proposed rate would contribute to carrier profitability.

c. Rate reductions below the charges of competing highway carriers would be governed by PU Code Section 452.

d. Rate reductions filed to meet the charges of competing highway carriers would be made effective on the date filed with the Commission (but no earlier than the effective date of the rate being met), or on such later date as might be provided.

e. Tariff changes which resulted in neither increases nor reductions in rates would be filed under PU Code Section 455 without justification and could be made effective on 30 days' notice or on such shorter notice as the Commission might provide.

3. The cost data required to be submitted to justify rates below the level of rates of competing highway carriers would include individual carrier costs and the prevailing labor cost as determined by the Commission in D.91265 in Order Instituting Investigation 53 (OII 53).<sup>5/</sup>

<sup>5/</sup> The level of the prevailing labor cost would be contingent upon surveys conducted by the staff in accordance with D.93767 issued in OII 53, with the exception that such surveys might be undertaken only once a year.

Also, acting consistently with our findings in D.93766 in Order Instituting Rulemaking 4, we would require Workers' Compensation insurance premiums to be considered as a business expense for overlying (prime) carriers when subhaulers were used to perform the reduced rate transportation, whether or not the prime carrier actually maintained Workers' Compensation coverage or incurred a cost for such coverage.

4. Any interested person would be entitled to file a complaint against any filed rate in accordance with PU Code Section 1702.

5. Transportation now rate exempt under MRT 12-A would remain exempt. Contract carriers would not be required to file contracts for rate exempt transportation.

By letter dated July 30, 1981, the staff solicited

comments from shipper and carrier interests regarding implementation of its reregulation plan on an ex parte basis. The staff letter is received in evidence as Exhibit 1 in C.5604 (OSH 59).

Six responses to the staff letter were received.<sup>6/</sup> Five

responses in support of the staff plan had comments on the technical details for implementing the plan. One respondent, Lima Brothers Trucking, indicated a preference for maintaining the minimum rate system. None objected to the implementation of the

staff reregulation plan on an ex parte basis.

Responses were received from Automobile Importers of America, Inc., California Teamsters Public Affairs Council, California Trucking Association, Lima Brothers Trucking, Pacific Motor Trucking Company, and Toyota Motor Sales, U.S.A., Inc.

6/ Responses were received from Automobile Importers of America, Inc., California Teamsters Public Affairs Council, California Trucking Association, Lima Brothers Trucking, Pacific Motor Trucking Company, and Toyota Motor Sales, U.S.A., Inc.

Responses were received from Automobile Importers of America, Inc., California Teamsters Public Affairs Council, California Trucking Association, Lima Brothers Trucking, Pacific Motor Trucking Company, and Toyota Motor Sales, U.S.A., Inc.

C.5604, OSH 59 et al. T/JK/BW/WPSC

These are only preliminary and are subject to change

These are only preliminary and are subject to change

Discussion

These are only preliminary and are subject to change

We agree with the staff recommendation that MRT 12-A

should be canceled. The staff data indicate that, since the

implementation of Senate Bill 860, publication of MRT 12-A remains

necessary for the operations of only two truckaway carriers. The

administrative burden of maintaining a minimum rate tariff to serve

the needs of such a small segment of the carrier industry is not in

the public interest. We also agree that there is a need to

maintain some form of regulatory control over truckaway trans-

portation to ensure equality of competitive opportunity between

classes of for-hire motor carriers.

The regulatory plan proposed by the staff is similar to

the program of competitive individual carrier-filed rates we

adopted by D.90663 for the transportation of general freight

except that it provides for no period of transition from minimum

rates to carrier-filed rates. The regulatory plan we adopt will be

reasonable for truckaway transportation.

The only individual carrier-filed rates

are those of the two carriers mentioned above.

As an adjunct to its regulatory plan the staff contemplates required use of Commission-surveyed prevailing labor costs in the justification of rates filed below the level of rates of competing highway carriers. We adopted a definition of prevailing wage and the criteria for its use in justifying rate reductions for the transportation of general freight in OII 53 by D.91265. In that proceeding, we found the information necessary to the successful determination of a rational prevailing wage to be:

1. The identity and classification of carrier labor that significantly contributes to direct carrier operating costs.
2. A geographical description of the markets from which carriers draw this labor.
3. The identity of the type of equipment operated by the labor in the performance of the carrier's transportation service.

From an analysis of the records in C.5604, OSH 52 (the proceeding in which we established the costs that underlie current MRT-12-A rates), the above information can be readily determined for carriers involved in truckaway transportation. The records in OSH 52 shows that:

1. The only individually significant direct labor cost incurred by truckway carriers is the cost of employing drivers.

2. There are two classes of drivers employed in the truckaway industry: local drivers and linehaul drivers.

3. Although local and linehaul drivers are paid at different wage rates, the majority of these drivers are employed by truckaway carriers under a single union contract which applies statewide.

4. The predominant unit of equipment used in truckaway service is a three-axle diesel truck combined with a two-axle semitrailer.

5. To a lesser degree, truckaway service is also performed using a two- or three-axle truck without trailing equipment.

It appears from the OSH 52 record that the application of a statewide prevailing wage for truckaway drivers is sufficient to implement the staff plan. However, our findings in D-91265 (OH 53) necessitate the use of the statewide prevailing wage for each of the following driver categories:

- 1. Local driver operating two- or three-axle equipment.
- 2. Local driver operating equipment having four or more axles.

For the purpose of the distinction we make here, we will consider a local driver to be a driver of truckaway equipment making a continuous round trip or portion within a 100-mile radius to any point or points without a layover period. We will consider a linehaul driver to be a driver of truckaway equipment making a round trip outside of the 100-mile radius to any point or points.

3. Linehaul driver operating two or three-  
axle equipment.

4. Linehaul driver operating equipment having  
four or more axles.

The inclusion of a prevailing wage provision, in the  
manner discussed here, should ensure that while carrier competition  
on the basis of operating efficiencies is encouraged, disruption of  
existing labor markets in the truckaway industry is avoided. If a  
period of time should lapse between the date the reregulation plan  
becomes effective and the issuance of the staff's initial truckaway

industry prevailing wage report, driver wage and fringe benefits  
reflected in labor contracts underlying MRT-12-A are available for  
use to fill this void.

A large portion of truckaway traffic, namely (initial)  
movement from plants at which motor vehicles are manufactured or  
assembled, is currently exempt from minimum rates under our present  
system. The staff program will maintain the exempt status of this  
traffic. We know of no instance of predatory pricing, excessive  
business failure, industry instability, or unreliable service

attributable to the hauling of rate exempt truckaway traffic that  
would evidence a need for change.

The staff program of carrier-filed rates, implemented in conjunction with the prevailing wage program as discussed here, is the best alternative to what has become an outmoded system of Commission-set minimum rates for truckaway transportation. We will cancel MRT-12-A and concurrently issue the staff-proposed general order contained in Appendix 2.

To ensure that those few carriers who currently make use of MRT-12-A are given reasonable time to become familiar with their responsibilities, the new system will not be implemented until 60 days after the effective date of this order. In order that this new program may otherwise promptly begin, however, the order should be effective today.

We acknowledge here that the California Supreme Court has recently directed us to consider the economic impact of our decisions when they deal with regulatory change.<sup>8/c</sup> In this case, we have considered the economic implications of our decision and find that the staff reregulation plan, as adopted, will tend to stimulate rate competition on the basis of operational

---

8/ See United States Steel Corporation v Public Utilities Commission, 29 Cal 3d 603 (S.F. 24165, order filed July 6, 1981).

efficiencies to the economic benefit of both the carrier industry and the public it serves. The prevailing wage aspect of the program will ensure that those economic relationships now prevailing between carrier firms and their labor markets will continue substantially unaffected by our decision.

Hearing in these proceedings is unnecessary.

Findings of Fact

1. The majority of former radial highway common carriers, who derived revenue from MRT 12-A in 1979, have converted their authorities to common carrier status under the provisions of PU Code Section 1063-5.

2. The carriers referred to in Finding 1 now file common carrier tariffs for the transportation of motor vehicles under the provisions of Article 2 of Division 1 of the PU Code.

3. By D-90324, a number of highway common carriers were authorized to adopt MRT 12-A as their common carrier tariff.

4. On April 1, 1981, 45 carriers reported earning MRT 12-A revenue in 1979.

5. On April 1, 1981, only three of the carriers described in Finding 4 did not hold common carrier certificates.

See United States Corporation v Public Utilities Commission, 19 Cal 2d 507 (1968), cert. den. 394 U.S. 1012 (1969).



C.5604, OSH 59 et al. T/JK/BW/WPSC

6. Three of the carriers described in Finding 4 who held highway common carrier authority on April 1, 1981 earned more than 50% of the \$28.5 million MRT 12-A revenue reported in 1979.

7. Approximately 88% of the \$28.5 million in MRT 12-A revenue reported in 1979 was earned by ten carriers. On April 1, 1981, only one of the ten carriers referred to in Finding 7 held no common carrier authority.

9. Of the 45 carriers who reported earning MRT 12-A revenue in 1979, 14 indicated that 100% of their 1979 MRT 12-A revenue was earned from operations presently exempt from MRT 12-A rates.

10. On April 1, 1981, one of the 40 carriers referred to in Finding 9 held no common carrier authority.

Carriers and shippers of commodities now subject to MRT 12-A rates are capable of negotiating transportation rate adjustments to reflect economic conditions without Commission involvement.

The following order complies with the guidelines of the Commission's Energy Efficiency Plan.

The following order complies with the guidelines of the Commission's Energy Efficiency Plan.

12. No objection to a reregulation plan involving the cancellation of MRT 12-A and the substitution of the regulatory plan discussed in the preceding opinion has been received from queried carriers or shippers now involved in transportation subject to MRT 12-A.

13. Findings of Fact throughout indicate that the publication of MRT 12-A is no longer required to meet the transportation needs of carriers and shippers of motor vehicles by or truckaway service.

14. Absent a system of minimum rates to the needs of commerce and the public interest require that carriers be allowed to meet the charges of other competing motor carriers.

15. The only individually significant direct labor cost incurred by truckaway carriers is the cost of employing drivers.

16. Truckaway carriers obtain their drivers from a single labor market that encompasses the entire State.

17. The foreseeable economic impact created by the regulatory system adopted will be of a beneficial nature.

18. The following order complies with the guidelines in the Commission's Energy Efficiency Plan.

19. It can be seen with certainty that there is no possibility that the regulatory system adopted may have a significant effect on the environment.

Conclusions of Law

1. The Commission is not required to establish minimum rates under Division 2 of the PU Code.

2. A regulatory system of competitive individual carrier filed rates should be established in lieu of the present minimum rate system.

3. The reregulation plan outlined in the body of this opinion is just and reasonable and should be adopted by the Commission.

4. The rates of any highway common carrier that has adopted MRT 12-A as its common carrier tariff by authority of D.90324 will remain in effect after cancellation of MRT 12-A.

5. The rates contained in contracts filed by contract carriers will be approved by the Commission under PU Code

Section 3662.

6. The precise rates contained in contracts filed by contract carriers and approved by the Commission under PU Code

Section 3662 will be in effect, minimum and maximum rates.

7. Since we are adopting a system of individual carrier-filed rates and canceling minimum rates, PU Code Sections 726 and 3663 will not apply.

8. Common carrier rate changes will be governed by PU Code

Sections 452, 453, 454 and 455.

9. To equalize competitive opportunity, highway common carrier rate reductions filed for the purpose of meeting competing highway carrier charges may be filed and made effective on the same day service is to be initiated, but not earlier than the effective date of the rate being met.

10. Under the reregulation plan the cost data submitted by highway carriers to justify rates below the level of rates of

competing highway carriers should be comprised of:

a. Prevailing labor costs, as defined by the Commission, not less than once annually in the manner described in AD93767, for the following classes of carrier labor:

- (1) Local drivers operating two-or three-axle equipment
- (2) Local drivers operating equipment having four or more axles.
- (3) Linehaul drivers operating two-or three-axle equipment
- (4) Linehaul drivers operating equipment having four or more axles.

b. Workers' Compensation insurance premiums as a business expense for prime carriers when subhaulers are to be used to perform the reduced rate transportation, whether or not the prime carrier actually maintains Workers' Compensation coverage or incurs a cost for such coverage.

c. The individual carrier's actual costs for all other cost elements.

For the purpose of determining the prevailing labor costs referred to in Conclusion 10, the entire State should be considered a single labor market.

12. Between the date the regulatory system adopted becomes effective and the date the staff issues the results of its initial prevailing wage survey, the appropriate driver wage and fringe benefits contained in labor contracts underlying MRT 12-A should be considered to be the prevailing labor cost.

13. Rates of individual highway contract carriers found reasonable under PU Code Section 3666 and in effect at the time we cancel MRT 12-A should remain in effect without further cost or operational justification under the reregulation plan adopted.

14. No additional financial reporting requirements for highway carriers will be required in conjunction with the reregulation plan adopted.

15. The Commission may exempt selected commodity transportation from rate regulation under Division 2 of the PU Code.

16. Under the reregulation plan adopted, transportation presently exempt from rate regulation by provisions of MRT 12-A should remain exempt.

17. The reregulation plan adopted is consistent with state antitrust law.

18. The reregulation plan adopted will not create any unfair competitive advantage for any particular class of carrier.

19. The reregulation plan adopted will not result in any unfair competitive advantage for carriers or shippers who have carrier-carrier or carrier-shipper affiliations.

20. There is a need to establish improved regulatory procedures to administer the transportation covered in these proceedings so that the overall public interest will be served.

21. The reregulation plan adopted satisfies the requirements of PUC Code Section 3502.

22. Although the policy provisions of the California Environmental Quality Act, California Public Resources Code, Sections 21000 and 21001 apply to these proceedings, the Environmental Impact Report provisions, California Public Resources Code, Sections 21001 et seq. do not.

The Commission hereby orders that the Commission shall not proceed with the proposed reregulation plan.

.0500

23. The following order should be effective today since it is in the public interest to adopt the reregulation plan.

ORDER

IT IS ORDERED that:

1. The reregulation plan outlined in the body of this opinion, and described more fully in General Order Series 151 attached as Appendix 2, is adopted and shall be effective June 20, 1982.

2. The attached Cancellation Supplement 16 to Minimum Rate Tariff 12-A is adopted and shall be effective June 20, 1982.

3. All deviations authorized under PU Code Section 3666, applicable to transportation covered by these proceedings, shall expire effective June 20, 1982.

4. Any carrier who would otherwise be allowed to perform transportation covered by these proceedings after June 19, 1982 at charges authorized by a deviation granted under PU Code Section 3666, may continue authorization to perform such trans-

portation at such charges by filing a contract with this Commission. The charges contained in such contract shall require no cost or operational justification, provided they are no different in volume or effect than those charges contained in the deviation and the contract makes reference to this ordering paragraph and bears an effective date of June 20, 1982.

03800 22 02 820 ,0082.0

5. Orders Setting Hearing 59 and 963 in Cases 5604 and 5432, respectively, are concluded.

6. The Executive Director shall serve a copy of this decision upon all parties named in Appendix 1 and upon all subscribers to Minimum Rate Tariff 12-A.

This order is effective today.

Dated APR 2 1 1982, at San Francisco, California.

- JOHN E. BRYSON, President
- RICHARD D. CRAVELLE
- LEONARD M. GRIMES, JR.
- VICTOR CALVO
- PRISCILLA C. CREW, Commissioners

Any carrier who would otherwise be allowed to perform transportation covered by these proceedings after June 30, 1982 is charged with the obligation to perform such transportation at the rate in effect on that date.

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY.

*Joseph E. Bodovitz*  
Joseph E. Bodovitz, Executive Director



APPENDIX 1

List of Parties for Service Referred to In Ordering Paragraph 6

Milton D. Andrews, Attorney at Law  
Rivkin, Sherman and Levy  
900 - 17th Street, N.W.  
Washington, D.C. 20006

Ron Broberg  
California Trucking Association  
P. O. Box 923  
Burlingame, CA 94010

Albert Brundage, Attorney at Law  
Brundage, Davis, Frommer, Jesinger  
101 Park Center Plaza, Suite 1001  
San Jose, CA 95113

Jess Butcher  
California Manufactures Assn  
P. O. Box 1138  
Sacramento, CA 95815

Gene Carmody  
15523 Sedgemen Street  
San Leandro, CA 94579

Philip Davis  
6300 Chetwood Way  
Sacramento, CA 95831

Kenneth C. Delaney  
Los Angeles Chamber of Commerce  
404 So. Bixel Street  
Los Angeles, CA 90017

Alan Edelstein, Attorney at Law  
California Teamsters Public Affairs Council  
925 "L" Street, Suite 920  
Sacramento, CA 95814

Tony Ferrera  
Volkswagen Motors Corp  
818 Sylvan Avenue  
Englewood Cliffs, NJ 07632

Joseph Garcia, Attorney at Law  
Department of Consumers Affairs  
1020 "N" Street  
Sacramento, CA 95814

Golden State Tariff Bureau  
681 Market Street, Suite 747  
San Francisco, CA 94105

Judy Hook  
Honda Motors Corp  
100 W. Alondra Blvd  
Gardena, CA 90248

Frank Jacobs  
Nissan Motors Corporation  
P. O. Box 320  
Gardena, CA 90247

C. E. Jacobson  
Traffic Mgrs. Conf. of Calif.  
5455 Wilshire Blvd.  
Los Angeles, CA 90036

Armand Karp  
743 San Simeon Drive  
Concord, CA 94518

Michael G. Lima  
Lima Brothers Trucking  
4938 Triggs Street  
Commerce, CA 90023

APPENDIX 1  
Page 2

List of parties for service referred to

Thomas Loughran, Attorney at Law  
Loughran & Hegarty  
100 Bush Street, Room 620  
San Francisco, CA 94104

John MacDonald Smith, Attorney at Law  
Pacific Motor Trucking Company  
One Market Plaza, Suite 813  
San Francisco, CA 94105

David Marchant, Attorney at Law  
Californian Carriers Association  
One Maritime Plaza "Z" 0201  
San Francisco, CA 94111

Marken Traffic Associates, Inc.  
P. O. Box 31007  
Los Angeles, CA 90031

Joe Martin  
Nissan Motor Corporation  
P. O. Box 320  
Gardena, CA 90247

Sam Miles  
3704 Candlewood Drive  
Bakersfield, CA 93306

Bob Miller  
Toyota Motors Corporation  
2055 W. 190th Street  
Torrance, CA 90504

Donald Murchison, Attorney at Law  
Murchison & Davis  
Suite 4150, One Century Plaza  
2029 Century Park East  
Los Angeles, CA 90067

M. J. Nicolaus  
Western Motor Tariff Bureau, Inc.  
P. O. Box 392  
South Gate, CA 90280

Pacific Coast Tariff Bureau  
450 Mission Street  
San Francisco, CA 94105

Pacific South Coast Freight Bureau  
2717 Market Street  
San Francisco, CA 94103

Don Shields  
Highway Carriers Association  
8696 South Atlantic  
South Gate, CA 90280

Frank Spellman  
P. O. Box 349  
Santa Rosa, CA 95402

Wigle & Larimore, Tariffic Mgrs.  
260 California Street  
San Francisco, CA 94111

Kenneth C. Delaney  
Los Angeles Chamber of Commerce  
404 So. Bixel Street  
Los Angeles, CA 90017

Alan Belafante, Attorney at Law  
California Tariffers Public Affairs Council  
925 "L" Street, Suite 211  
Bakersfield, CA 93307

Armed Kait  
443 San Simons Drive  
Concord, CA 94520  
Michael J. Smith  
California Tariffers Public Affairs Council  
925 "L" Street, Suite 211  
Bakersfield, CA 93307

(END OF APPENDIX 1)

APPENDIX 2

Page 1

GENERAL ORDER 151

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

RULES AND REGULATIONS GOVERNING THE TRANSPORTATION  
OF MOTOR VEHICLES IN SECONDARY TRUCKAWAY MOVEMENT BY  
COMMON CARRIERS AND CONTRACT CARRIERS UNDER THE  
COMMISSION'S REREGULATION PROGRAM

Adopted April 21, 1982. Effective June 20, 1982.  
Decision 92-04-10 in C.5604, OSH 59 and C.5432, OSH 963.

	<u>INDEX</u>	<u>PAGE</u>
RULE 1	APPLICATION	2
RULE 2	DEFINITIONS	4
RULE 3	EXCEPTIONS	11
RULE 4	DEPARTURES	13
RULE 5	TARIFF FILINGS BY COMMON CARRIERS	14
RULE 6	CONTRACT FILINGS BY CONTRACT CARRIERS	15
RULE 7	FILING PROCEDURES - CARRIER RESPONSIBILITY	20
RULE 8	RATE JUSTIFICATION	25
RULE 9	EFFECTIVE DATES OF RATE FILINGS AND PUBLIC NOTICE	28
RULE 10	PROTEST AND SUSPENSION OF RATES	30
RULE 11	COMPLAINTS	33
APPENDIX A	- COMMISSION POLICY ON THE PROPER SCOPE OF HIGHWAY CONTRACT CARRIER OPERATIONS	
APPENDIX B	- CONTENTS OF COMMON CARRIER RATE INCREASE APPLICATIONS	
APPENDIX C	- FORMS FOR OPERATIONAL AND COST DATA IN JUSTIFICATION STATEMENTS	

APPENDIX 2  
Page 2

RULE 1 - APPLICATION

- A. This General Order is issued to implement the Commission's reregulation program and to provide guidance for tariff and contract filings in connection with the secondary movement of commodities described below by truckaway service:
1. Motor vehicles and motor vehicle chassis.
  2. Parts, spare parts, extra parts, or accessories for a motor vehicle when accompanying the vehicle to which they belong or for which they are intended.
  3. Personal effects or other commodities aggregating 300 pounds or less when tendered for transportation with a motor vehicle or motor vehicle chassis.
  4. Shipments of motor vehicles and motor vehicle chassis when part of the shipment is transported on the truckaway portion of carrier's equipment and another part of the shipment is towed by the same unit of equipment and rests partially upon that unit of equipment.
- B. When provisions of this General Order are in conflict with the Commission's Rules of Practice and Procedure, the provisions of this General Order shall apply.
- C. Except as otherwise provided, the carriers listed below are subject to this General Order:

APPENDIX 2  
Page 3

VOITMOLISSA - 1 2102

- 1. Highway common carriers as defined in Code Section 213 and referred to in Code Sections 1063 and 1063.5;

2. Highway contract carriers as defined in Code Section 357-M-1; and

3. Highway contract carriers as defined in Code Section 357-M-1; and

4. Highway contract carriers as defined in Code Section 357-M-1; and

5. Highway contract carriers as defined in Code Section 357-M-1; and

6. Highway contract carriers as defined in Code Section 357-M-1; and

7. Highway contract carriers as defined in Code Section 357-M-1; and

8. Highway contract carriers as defined in Code Section 357-M-1; and

9. Highway contract carriers as defined in Code Section 357-M-1; and

10. Highway contract carriers as defined in Code Section 357-M-1; and

11. Highway contract carriers as defined in Code Section 357-M-1; and

12. Highway contract carriers as defined in Code Section 357-M-1; and

13. Highway contract carriers as defined in Code Section 357-M-1; and

14. Highway contract carriers as defined in Code Section 357-M-1; and

15. Highway contract carriers as defined in Code Section 357-M-1; and

APPENDIX 2  
Page 4

RULE 2 - DEFINITIONS

For the purpose of this General Order and when used in tariffs or contracts filed pursuant to this General Order, the definitions for the following terms shall apply:

A. "Assembly Plant" means a place at which motor vehicle parts are put together to make a complete motor vehicle. It does not include a place where accessories are added to a motor vehicle.

B. "Carrier's Equipment" means any motor truck, or other self-propelled highway vehicle, trailer, semitrailer, or any combination of such highway vehicles, operated by the carrier.

C. "Code" means the Public Utilities Code of the State of California.

D. "Commission" means the Public Utilities Commission of the State of California.

E. "Common Carrier" means every highway common carrier described in Rule

APPENDIX 2  
Page 5

F. "Contract" means an agreement in writing which binds both shipper and contract carrier to goods for faith performance for a specific term. For terms of contract, see Rule 6(E)(1).

G. "Contract Carrier" means every highway contract carrier described in Rule 1.

H. "Distance Table" means Distance Table 8 and/or the Optional All Points to All Points Table for Distance Table 8 issued by the Commission and any amendments or reissues (D-89303, dated August 22, 1978, C-7024).

I. "Exempt Commodities" and/or "Exempt Transportation" means the commodities and geographic areas described in the Commission's publication, including any revisions, entitled "Commodities and Geographic Areas Exempt from Rate Regulation." This definition also includes transportation which has been exempted for specific carriers by Commission decision.

APPENDIX 2  
Page 6

J. "Highway Carrier" means every carrier defined in paragraphs (E) and (G) of this rule.

K. "Independent-Contractor Subhauler" means any carrier who renders service for a principal carrier, for a specified recompense, for a specified result as to the work only and not as to the means by which such result is accomplished. This term includes sub-haulers when such carriers are engaged by other subhaulers.

L. "Initial Movement" means the transportation of motor vehicles from the plant at which the motor vehicles were manufactured or assembled to the point of destination and the return transportation of such vehicles to the plant in cases where delivery has not been accomplished.

M. "Manufacturing Plant" means a place at which motor vehicle parts are manufactured and/or assembled to produce a motor vehicle. It does not include a place where accessories are added to a motor vehicle.



APPENDIX 2  
Page 7

N. "Motor Vehicle" means any self-propelled vehicle (either new, used, or wrecked) designed for the transportation of persons or property or persons and property (other than upon fixed rails or tracks), whether or not in operating condition, including any such vehicles without one or more parts which may have been damaged, removed, broken off, or towed away; also any auto show motor vehicle with one or more integral parts useful for exhibit purposes only.

O. "New Vehicle" means a vehicle that has never been sold and operated, or registered with the Department of Motor Vehicles, or registered with the appropriate agency of authority, or sold and operated upon the highway of any other state, District of Columbia, territory or possession of the United States or foreign state, province, or country.

P. "Point" means a particular city, town, community, extended area, metropolitan zone, or other area which is defined for the application of rates.

APPENDIX 2  
Page 8

Q. "Rate" means the figure stated in cents, dollars and cents, or fractions, including the charge and, also, the rules governing, and any accessorial charges, to be used in computing the charge on the property transported.

R. "Rate Bureau" means each conference, bureau, committee, or other organization established or continued under any agreement approved by the Commission under the provisions of Code Section 496.

S. "Secondary Movement" means the transportation of motor vehicles except as described in initial movement.

T. "Special Mobile Equipment" means any of the following vehicles or mobile machines: any water or oil well drilling rig; crane; power shovel; air compressor; air drill; bituminous mixer; bucket loader; ditcher; leveling grader; road-finishing machine; motor grader; paving mixer; road roller; scarifier; earth moving scraper; carryall; lighting plant; welder; pump; dragline; searchlight; generator; snow plow; and any other vehicle or mobile machine used in the transportation of property.

APPENDIX 2

Page 9

on transit; concrete mixer; lift truck; gantry truck;  
and motorcycle; motor-driven cycle; invalid chair;  
pageantry float; vehicle which exerts driving force  
through self-laying (caterpillar) tracks; self-  
propelled and self-erecting work platforms; and any  
vehicle designed exclusively for agricultural  
purposes.

U. "Tariff" means a publication containing the rates  
and charges of common carrier(s) including operating  
rights (scope of operations), rules, regulations, and  
provisions governing the service(s) of the carrier(s)  
including any supplements, amendments, or revised  
pages or issues.

V. "Tow car" means a motor vehicle which has been altered  
or designed and equipped for and exclusively used in  
the business of towing or is otherwise exclusively  
used to render assistance to other vehicles.

W. "Truckaway Service" means the transportation of one  
or more motor vehicles where the weight of such  
vehicle or vehicles rests wholly or partly upon  
carrier's equipment.

APPENDIX 2  
Page 10

X. "Used Vehicle" means a vehicle that has been sold and operated on the highways of this State or has been registered with the California Department of Motor Vehicles, or has been sold and operated upon the highways, or has been registered with the appropriate agency of authority of any other state, District of Columbia, territory or possession of the United States or foreign state, province, or country, or unregistered vehicles regularly used or operated as demonstrators in the sales work of a dealer, or unregistered vehicles regularly used or operated by a manufacturer in the sale or distribution work of such manufacturer.

Y. "Wrecked Vehicle" means a vehicle which has been disabled as a result of an accident and which has been damaged to the extent that it is not capable of moving under its own power. It is a vehicle which has not been dismantled or crushed. The "wrecked vehicle" definition does not apply to vehicles, vehicle bodies or parts which have been in the possession of a vehicle dismantler, and are shipped beyond from such dismantler.

APPENDIX 2  
Page 11

RULE 3-22 EXCEPTIONS

A. The provisions of this General Order do not apply to transportation by independent-contractor subhaulers when such transportation is performed for other carriers. This exception shall not be construed to exempt from this General Order carriers for whom the independent-contractor subhaulers are performing transportation service.

B. The provisions of this General Order do not apply to transportation of the following:

1. Motor vehicles weighing less than 800 pounds each.
2. Motor vehicles weighing in excess of 7,000 pounds each.
3. Motor vehicles drawn under their own power or towed wholly upon their own wheels.
4. Trailers, semitrailers, and dollies.
5. Special mobile equipment.
6. Motor vehicles when towed by a tow car, except when the tow car movement is part of a continuous through movement involving use of other transport equipment by the same carrier.

and even follow along to avoid avoid avoid  
and the following avoid a to avoid avoid  
avoid avoid avoid avoid avoid avoid

APPENDIX 2  
Page 12

7. Disaster supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of extreme emergency.
8. Property of the United States or property transported under an agreement whereby the United States contracted for the carrier's service.
9. Property transported for a displaced person when the cost thereof is borne by a public entity as provided in Section 7262 of the Government Code.
10. The transportation of exempt commodities and/or exempt transportation by contract carriers.

APPENDIX 2  
Page 13

RULE 4 - DEPARTURES

- 7. Departure from the provisions of this General Order may be granted upon formal application to the Commission and if the Commission finds that such departure is reasonable and necessary.
- 8. Property of the United States or property under an agreement whereby the carrier's services are provided for the carrier's service.
- 9. Property transported for a disabled person when the cost thereof is borne by a public entity as provided in Section 7252 of the Government Code.
- 10. The transportation of exempt commodities by contract carriers.

APPENDIX 2  
Page 14

RULE 5 - TARIFF FILINGS BY COMMON CARRIERS

- A. Common carriers shall file tariffs in accordance with the requirements of Division 70 of the Code and General Order Series 80; provided, however, that when the provisions of this General Order are in conflict with the provisions of General Order Series 80, the provisions of this General Order shall apply.
- B. Every common carrier shall maintain and keep open for public inspection a copy of its adoption notices, tariffs, and any revisions or supplements in accordance with General Order Series 122.
- C. Every contract carrier shall keep and maintain in files all contracts for a period of three years after the termination date of the contract.



APPENDIX 2  
Page 15

RULE 6 - CONTRACT FILINGS BY CONTRACT CARRIERS

A. No contract carrier shall commence to perform any transportation or accessorial service until it has on file and in effect with the Commission three copies of an executed binding contract for such service.

B. No contract carrier shall provide any transportation or accessorial service except in accordance with its contract or contracts as filed and in effect with the Commission.

Contract carriers shall strictly observe, as their exact rates, the rates and provisions of their contracts.

C. Contracts must be in conformance with Commission policy on the proper scope of contract carrier operations as provided in attached Appendix A.

D. Every contract carrier shall keep and maintain in its files all contracts for a period of three years after the termination date of the contracts.

S HIGHSSA  
APPENDIX 2  
Page 16

E. Content and Form of Contracts, Amendments and Supplements

to Contracts

1. Every contract shall contain:

- (a) The name, address, signature, and "T" file number of the carrier.
- (b) The name, address, and signature of the shipper.
- (c) Date contract executed, effective date, and the duration of the contract.
- (d) The area involved in performance, such as the route and/or termini.
- (e) A description of all mutual obligations and understandings of the parties, including but not limited to:
  - (1) The service to be provided and the projected frequency.
  - (2) The commodities involved and the projected tonnage (or other appropriate unit of measurement) of the commodities to be transported.
  - (3) The compensation to be paid and received. (Rate items may not be published by reference to other tariffs or contracts. Each rate item must be published in its entirety.)
- (f) The conditions, if any, under which changes in compensation or other terms of the contract may be made by the parties.

APPENDIX 2  
S. HIGHWAY  
Page 17  
of 3857

(g) Reference to the Distance Table, if applicable.

(h) Such explanatory statements as may be necessary to remove all reasonable doubt of its proper application.

2. Contracts shall be plainly typed or prepared by other similar durable process on letter-size (not less than 8" x 10 1/2" nor larger than 8 1/2" x 11") paper of good quality and shall be clear and legible.

3. Each carrier shall issue contracts under the "T" file number assigned to it by the Commission with a suffix number beginning with the number 1. Subsequent contracts shall bear consecutive suffix numbers. The contract number shall appear on every page in the following manner:

"CONTRACT NUMBER  
CAL T-000-000-1

4. A contract or an amendment which is required or authorized to be filed under a decision of the Commission shall refer to that decision in connection with the item or supplement which incorporates the change resulting from that decision.

APPENDIX 2  
Page 18

5. Contracts may be amended by filing a supplement or by filing new pages on which changes are made. Revised pages shall be identified as consecutively numbered revisions of the previous page, e.g., "First Revised Page 2 Cancels Original Page 2."

6. A supplement to a contract shall contain:  
(a) Those requirements set forth in subparagraph (E)(1) necessary to clearly and effectively identify and amend the original contract.

(b) Reference to the item number, page number, and/or previous supplement number which it amends.

7. When a carrier changes its name, as shown in the Commission's records, without transfer of control from one company to another, it shall immediately amend each contract issued by it to show the new name of the company. (See subparagraph (E)(9).)

8. When a shipper changes its name, whether or not control is transferred from one company to another, the carrier shall immediately amend its contract with such shipper to reflect the change. (See subparagraph (E)(9).)

APPENDIX 2  
Page 19

9. Amendments required by subparagraphs (E)(7) and (E)(8) may be accomplished by the filing of a supplement containing a provision that "Whenever the name [enter the old name] appears herein, it shall be construed as meaning [enter the new name]."

10. The Commission shall be notified in writing when a contract is canceled. Unless an amendment is filed with the Commission extending the duration of the

contract, it shall be deemed canceled on the expiration date.

7. When a carrier changes its name, as shown in the Commission's records, without transfer of control from one company to another, it shall immediately amend each contract issued by it to show the new name of the company. (See subparagraph (E)(7).)

8. When a shipper changes its name, whether or not control is transferred from one company to another, the carrier shall immediately amend its contract with such shipper to reflect the change. (See sub-paragraph (E)(8).)

APPENDIX 2  
Page 20

**RULE 7 - FILING PROCEDURES - CARRIER RESPONSIBILITY**

**A. Rate Filings - Where and When Filed**

1. Three copies of tariffs, adoption notices, and contract filings, including any supplements and amendments, which are rate reductions and result in rates lower than rates of competing highway carriers, together with a statement of rate justification (See EXCEPTION), shall be received at the Commission's office at:

Truck Tariff Section, PUC

State Building  
San Francisco, CA 94102, or

State Building

107 South Broadway  
Los Angeles, CA 90012, or

State Building

1350 Front Street  
San Diego, CA 92101

Documents received are not considered filed until they have been reviewed for compliance with this

General Order and accepted for filing. A document accepted for filing in accordance with this

APPENDIX 2  
Page 21

paragraph will be deemed filed as of the date it is published in the Commission's Daily Calendar.

(or any other Commission publication that may in the future be designated for this purpose). Only hand-delivered documents shall be received by the Los Angeles and San Diego offices. First class postage to San Francisco shall be paid at the time documents are tendered at the Los Angeles and San Diego offices. Payment of postage shall be made by personal check or money order.

**EXCEPTION:** The provisions of subparagraph (A)(1) shall not apply to initial contract rate filings based on Code Section 3662 deviations. For provisions applying to such filings, see subparagraph (A)(2) of this rule.

2. Three copies of tariffs, adoption notices, and contract filings, including supplements and amendments;

(a) Which are rate increases,

APPENDIX 2  
Page 22

(b) Which are changes in rules or provisions not resulting in a reduction in rates lower than rates of competing highway carriers,

(c) Which are filed to meet the rates of competing highway carriers (if equal or above the level of a competing highway carrier),

(d) Which are initial contract filings made on or before June 20, 1982, containing rates based on a Code Section 3666 deviation expiring on such date;

together with a statement of justification, may be mailed directly to the Truck Tariff Section, San Francisco Office, or hand-delivered to the Los Angeles or San Diego Offices or any district office. Tariff and contract filings made in accordance with this paragraph and accepted for filing shall be deemed filed: (1) on the date of mailing as evidenced by the postmark, or (2) if hand-delivered, on the date received at any of the Commission's offices or district offices.



2 XICAPPENDIX 2  
22 Page 23

- B. Transmittal Letters (d)  
Regardless of where documents are filed, they shall be accompanied by a letter of transmittal identifying the documents filed and addressed to the Public Utilities Commission of the State of California, Truck Tariff Section, PUC, State Building, San Francisco, California 94102. If a receipt for the filings is desired, the letter of transmittal shall be sent in duplicate; one copy will be stamped and returned as a receipt. A self-addressed stamped envelope must be provided for the copy to be returned. Tariffs, contracts, rate filings, adoption notices, and supporting documents shall be filed in a single package which shall also include the letter of transmittal required to accompany the filing.
- C. Rejected documents will be returned to the sender with a statement explaining why the documents were not accepted.

APPENDIX 2  
Page 24

D. Carrier Responsibility for Maintenance of tariffs

etc.

1. Carriers shall maintain tariffs, contracts, and the Distance Table at all times in a current condition.

2. Upon request, a carrier or its agent shall furnish a copy of, or a subscription to, any tariff which it issues, or a copy of any tariff, contract, or rate filing, with supporting documents, including any statement of justification. A reasonable charge may be assessed for such copies or subscriptions.

E. Public Inspection  
All contracts and tariffs will be available for public inspection at the Commission's office, San Francisco.

Common carrier rate increase applications shall be filed in accordance with the rules provided in attached Appendix B. Justification supporting the need for an increase in rates shall be prepared accordingly the application. The proposed increase shall not become effective until it has been approved by order of the Commission.

APPENDIX 2  
Page 25

RULE 8 - RATE JUSTIFICATION

A. Common Carrier Rate Justification

1. Common carrier rate reductions must be accompanied by a statement of justification. Such statement

shall consist of:

(a) Reference to the rate of a competing highway carrier, including the identity of the tariff and item number or contract containing the rate being met, or

(b) Operational and cost data showing that the proposed rate will contribute to carrier profitability. These data must reflect individual carrier costs, except those labor costs which are subject to prevailing wage criteria (See Appendix C.)

2. Common carrier rate increase applications shall be filed in accordance with the rules provided in attached Appendix B. Justification supporting the need for an increase in rates and/or charges must accompany the application. The proposed increase shall not become effective until it has been approved by order of the Commission.

APPENDIX 2  
Page 26

3. Common carrier rate filings which depart from the rules of its tariff or the Distance Table, and result neither in an increase nor a reduction, must be accompanied by a statement demonstrating that the filing does not result in any change in rates.

4. Increases will be authorized on 30 days' notice unless sooner requested and justified by applicants.

B. Contract Carrier Rate Justification

1. Any contract carrier rate reduction must be accompanied by a statement of justification with each copy of the contract filing. Such justification shall consist of:

- (a) Reference to the rate of a competing highway carrier, including the identity of the tariff and item number or contract containing the rate being met, or
- (b) Operational and cost data showing that the proposed rate will contribute to carrier profitability. These data must reflect individual carrier costs, except those labor costs which are subject to prevailing wage criteria (See Appendix C), or
- (c) In the case of initial filings made on or before June 20, 1982 and based on a Code Section 3666 deviation expiring on such date, reference to both Ordering Paragraph 4 of Decision 81-04-108 and the deviation.

APPENDIX 2  
Page 27

2. A contract carrier may increase its rates by filing an appropriate amendment or a new contract. The increases will be effective on the date filed or on such later date as may be provided by terms of the contract.

...

(a) ...

(d) ...

(e) ...

APPENDIX 2  
Page 28

**RULE 9 - EFFECTIVE DATES OF RATE FILINGS AND PUBLIC NOTICE**

A. No tariff or contract filing resulting in a rate reduction below the rates of competing highway carriers which is required to be cost and operationally justified under provisions of this General Order shall be made effective on less than 30 days' notice to the Commission and the public. (See paragraph (C).)

B. Except as provided in paragraphs (A) and (C), contracts may be made effective on the date filed with the Commission or on such later date as may be provided by the terms of the contract. Neither contract rate increases nor initial contract rate filings based on Code Section 3666 deviations require prior notice. (See paragraph (F)).

C. No tariff or contract rate reduction filed to meet a rate of a competing highway carrier shall be made effective earlier than the effective date of the competing carrier rate. If the rate of the competing carrier is already effective such filing may be made effective on the date filed (See paragraph (F)).

APPENDIX 2

Page 29

D. Except as provided in paragraphs (A) and (C), common carrier tariff filings resulting in rate reductions, or in changes which are neither increases nor reductions, may be made effective on 30 days' notice to the Commission or on such later date as may be provided in the tariff filings. Tariff filings resulting in increases shall not be made effective until the increased rates have been approved by order of the Commission.

E. Tariff and contract filings which result in rates less than the rates of competing highway common carriers shall be docketed and published in the Commission's Daily Calendar, or any Commission publication designated for this purpose. Publication in the Commission's Daily Calendar shall constitute public notice.

F. If a filing to meet the rate of a competing highway carrier is deficient with respect to (1) the kind and quantity of property, (2) points of origin or destination, or (3) limitations, conditions, and privileges, the filing may be rejected by the Executive Director of the Commission within a 10-day period of the filing.

APPENDIX 2  
Page 30

RULE 10 - PROTEST AND SUSPENSION OF RATES

A. Commission review of any tariff or contract rate, required to be filed on 30 days notice, may be initiated by the filing of a protest.

1. Any such protest must be filed five or more days before the rate is scheduled to become effective.

2. Protests shall be deemed filed on the date received by the Truck Tariff Section, PUC, State Building, San Francisco, California 94102.

3. Protests must be in writing, must identify the rate protested, and must clearly state the grounds on which the protest is based.

4. Protests must be filed in triplicate with the Commission.

5. A copy of each protest filed shall be simultaneously served upon the carrier making the rate filing, or his designated agent.

admon xia yabbeexs



APPENDIX 2  
Page 31

6. Notice of any protest filed will be provided in the Commission's Daily Calendar (or any other Commission publication that may in the future be designated for this purpose).

B. 1. If a protest is filed, or if the Commission on its own motion decides to suspend a tariff or contract, the tariff or contract provision at issue may be temporarily suspended for a period of time not to exceed 45 days beyond the date it is suspended, during which time the Commission will either reject the protest or further suspend the rate and set the matter for hearing. In the event the Commission further suspends the effective date of the tariff, or contract filing, or any provision, and sets the matter for hearing, the period of suspension shall not extend more than 120 days beyond the date it would otherwise go into effect, unless the Commission extends the period of suspension for a further period not exceeding six months.

APPENDIX 2  
Page 32

2. Notice of any rate suspension will be provided

in the Commission's Daily Calendar (or any other Commission publication that may in the future be designated for this purpose).

3. In the event the Commission suspends a tariff, or contract, or any provision, and sets the matter for hearing, the burden of proof to show that the tariff, or contract, or provision at issue is just, reasonable, and nondiscrimi-

natory shall be upon the proponent of the tariff or contract filing.

C. When in the absence of a protest the Commission, on its own motion, suspends a tariff, or contract, or any provision, and sets the matter for hearing, the burden of proof to show that the proposal is just, reasonable, and nondiscriminatory shall be upon the proponent of the tariff or contract filing.

APPENDIX 2  
Page 33

RULE 11 - COMPLAINTS

Commission review of any tariff or contract rate which is in effect may be initiated by filing a formal complaint in accordance with the Commission's Rules of Practice and Procedure. The burden of proof to show that any tariff or contract rate in effect is not just, reasonable, and non-discriminatory shall be upon the complainant.

Approved and dated APR 21 1982, at San Francisco, California.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA

*[Handwritten Signature]*  
Executive Director

(END OF APPENDIX 2)

APPENDIX A-TO GENERAL ORDER

Page 1

COMMISSION POLICY ON THE PROPER SCOPE OF HIGHWAY CONTRACT CARRIER OPERATIONS

The purpose of this statement is to inform carriers engaged in contract carriage of the Commission's policy on the proper scope of such operations and to set the following guidelines which the Commission will apply in determining whether a highway carrier is operating as a contract carrier. The question of whether a contract carrier is lawfully operating is determined on a case-by-case basis dependent upon the facts surrounding the carrier's operations.

1. A contract carrier generally may not solicit individual one-time shipments; it may solicit and enter into negotiated continuing hauling relationships with shippers, i.e., contracts. Individual one-time shipments may be solicited where the specialized nature of the transportation is sufficient to distinguish it from common carrier service or where a carrier is performing a rate-exempt transportation service.

2. A contract carrier must generally have a continuing relationship with the shipper or shippers it serves. A continuing relationship requires that service be provided periodically over a period of time, not less than 30 days in duration. A continuing relationship cannot be predicated upon a single shipment.

APPENDIX A TO GENERAL ORDER

Page 2

RECORDS SECTION  
U.S. DEPARTMENT OF LABOR  
WASHINGTON, D.C. 20340

3. A shipper using the service of a contract carrier can be either the consignee or consignor. Normally, the shipper is regarded as the party who pays the charges for the transportation; provided, however, the shipper may also be the party who controls the traffic such as the manufacturer of Brand X who ships freight collect to exclusive dealers of Brand X.
4. A contract carrier must provide services that are specialized or tailored to the particular requirements of the shipper being served. Examples of specialized services include, but are not limited to, providing repeat service over a period of time with specialized equipment, unique loading/unloading and accessorial activity, or specialized scheduling of service. Such specialization alone in some instances distinguishes contract from common carrier operations. Heavy hauling and the transportation of rate-exempt commodities are examples of such specialized operations.
5. All contract carriers, except carriers engaged in rate-exempt transportation, must file written contracts with the Commission. Such contracts shall be available for inspection by the public. Contract carriers may provide service only pursuant to written contracts which shall bind both carrier and shipper to good faith performance for a specific term.
6. Copies of contracts must also be kept on file in the carrier's office and available for inspection by the Commission or the Commission staff. They shall be retained by the carrier for not less than three years after expiration.

(END OF APPENDIX A)

APPENDIX B TO GENERAL ORDER  
Page 1

CONTENTS OF  
COMMON CARRIER RATE INCREASE APPLICATIONS (c)

Common carrier applications for increases in rates and charges, except increases filed under the provisions of Article 7 of the Rules of Practice and Procedure, shall be filed with the Docket Office and in accordance with the following:

- (a) Form and Size. Pleadings and briefs shall be typewritten or printed upon paper 8 1/2" wide and 11" long, and attached exhibits shall be folded to the same size. Unless printed, the impression shall be on one side of the paper only and shall be double-spaced, except that footnotes and quotations in excess of a few lines may be single-spaced. Pleadings shall be bound on the left side. Reproductions may be by any process, provided all copies are clear and permanently legible.

...

APPENDIX B TO GENERAL ORDER

Page 2

(b) Title and Docket Number All applications

presented for filing shall show the caption for the proceeding, the docket number, and the title of the document, and leave sufficient space in the upper right-hand corner for a time and date stamp.

(c) Signatures. The original of each application

or amendment shall be signed in ink by each party. If the party is a corporation or association, the pleading may be signed by an officer. Any attorney for or representative of a party shall also sign the pleading, and show his address and telephone number.

(d) Verification. Applications or amendments shall

be verified by each applicant. If the party filing the pleading is a corporation or association, the pleading may be verified by an officer. Verification may be made before a notary public or by certificate or declaration under the penalty of perjury.

RECORD JARREXED OT E KICKESSA  
APPENDIX B TO GENERAL ORDER  
Page 3

(e) Signature and Verification by Attorney. The attorney for an applicant may sign and verify a pleading if the applicant is absent from the county where the attorney has his office, or for some reason is unable to sign and verify the application. When an application is signed and verified by the attorney, he shall set forth in the affidavit the reasons why the verification is not made by the applicant.

(f) Copies. There shall be filed with the Commission's Docket Office the original and four conformed copies of each application or amendment.

(g) Amended Applications. Amendments to applications may be filed before a hearing, provided they are served upon all known interested parties, are filed at least five days before the hearing, and contain a certification of service. Thereafter, applications may be amended as permitted or directed by the commission or the presiding officer.



APPENDIX B TO GENERAL ORDER  
RECORD NUMBER Page 412355A  
8 2005

(b) Contents. All applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought, and shall state the following:

1. The exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust, association, or other organized group, the State under the laws of which applicant was created or organized.
2. The name, title, address, and telephone number of the person to whom correspondence or communications in regard to the application are to be addressed. Notices, orders, and other papers may be served upon the person so named, and such service shall be deemed to be service upon applicant.
3. Such additional information as may be required by the Commission in a particular proceeding.
4. Applications for ex parte (without formal hearing) action shall set forth the basis for such request, and those seeking the granting of relief pending full hearing shall set forth the necessity for such relief.

RECRO LAREMBO OT S KICKERPA

APPENDIX B TO GENERAL ORDER

(i) Articles of Incorporation. If applicant is a corporation, a copy of its articles of incorporation, certified by the Secretary of State, shall be attached to the original of the application but need not be attached to the copies. If current articles have already been filed, the application need only make specific reference to such filings.

(j) Applications shall contain the following data, either in the body of the application or as attached exhibits or accompanying the application:

1. A balance sheet as of the latest available date, together with an income statement covering period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

2. A statement of the presently effective rates or charges which are proposed to be increased, or of the classification, contract, practice, or rule proposed to be altered. Such statement need not be in tariff form.

APPENDIX B TO GENERAL ORDER

Page 6.

RECORD MAINTAINED BY THE ARCHIVES

2 0000

3. A statement of the proposed increases or changes which will result in increases, which applicant requests authority to make effective. Such statement need not be in tariff form, but shall set forth the proposed rate structure with reasonable clarity. Where a general rate increase application is filed, the statement shall include an estimate of the amount of additional annual gross revenue estimated to result from the increase, which shall be based on the amount of involved traffic handled for the preceding calendar year and shall indicate the percentage by which such estimate exceeds the gross revenues on the involved traffic for the preceding calendar year, if more than one percent.

4. A general rate increase application shall contain a general description of applicant's property and equipment, or reference to such description in a recent prior application, and a statement of the original cost thereof, together with a statement of the applicable depreciation reserve. If it is impossible to state original cost, the facts creating such impossibility shall be set forth.

5. Applicant's exhibits must accompany the application and applicant shall state the date it will be ready to proceed with its showing.

6. In the event applicant desires to revise the level of rates shown in its original application before hearing, applicant shall file an amendment to application in accordance with paragraph (g). Such amendment shall contain a complete revised statement of proposed changes as required by paragraph (j)3.

(END OF APPENDIX B)

APPENDIX C TO GENERAL ORDER  
Page 1

APPENDIX C TO GENERAL ORDER  
Page 1

FORMS FOR OPERATIONAL AND  
COST DATA IN JUSTIFICATION STATEMENTS

The forms on pages 2 through 9 of this Appendix are supplied as models for carriers' statements of justification in support of rate reduction filings.

If a rate reduction filing includes scales of distance rates, the Summary of Revenues and Expenses on page 2 should be prepared for typical distances. For example, a scale of rates for distances of 5 to 500 miles could be supported by revenues and expenses for selected hauls of 25, 100, 175, 250, 350, and 450 miles.

_____	F. Gross Revenue Expenses (See page 9)
_____	E. Indirect Expenses \$ _____ (See page 9)
_____	D. Any Other Direct Cost, e.g., Substitution Allowance
_____	C. Vehicle Running Cost (See page 8) Mileage \$ _____
_____	B. Vehicle Fixed Costs (See page 8) Mileage \$ _____
_____	TOTAL
_____	NET
_____	OR

- 1. Revenue for typical examples of hauls included in rate reduction filing.
- 2. Revenue, if any, derived from return movements.
- 3. Include mileage to and from terminals.
- 4. Includes driver, vehicle, and related time, if used.

APPENDIX C TO GENERAL ORDER  
Page 2

SUMMARY OF REVENUES AND EXPENSES

I. REVENUE

A. Front Haul Revenue <sup>1/</sup> \_\_\_\_\_

B. Back-Haul Revenue <sup>2/</sup> \_\_\_\_\_

C. Total Revenue (A + B) \_\_\_\_\_

D. Actual Round Trips Mileage <sup>3/</sup> \_\_\_\_\_  
(including all empty miles)

E. Revenue Per Mile (C-D) \_\_\_\_\_

F. Revenue Per Other Unit of Measurement,  
if any, (C-Units of Measurement) \_\_\_\_\_

II. EXPENSE

A. Labor

1. Hourly Basis (See page 3) \_\_\_\_\_

2. Mileage Basis (See page 4) \_\_\_\_\_

3. Loading & Unloading Expense <sup>4/</sup> \_\_\_\_\_  
@ \_\_\_\_\_ Per Hour

B. Vehicle Fixed Costs (See page 6)  
Mileage @ \_\_\_\_\_

C. Vehicle Running Cost (See page 8)  
Mileage @ \_\_\_\_\_

D. Any Other Direct Cost, e.g.,  
Subsistence Allowance \_\_\_\_\_

E. Indirect Expense @ \_\_\_\_\_ %  
(See page 9) \_\_\_\_\_

F. Gross Revenue Expenses (See page 9) \_\_\_\_\_

TOTAL \_\_\_\_\_

NET \_\_\_\_\_

OR \_\_\_\_\_ %

- 1/ Revenue for typical examples of hauls included in rate reduction filing.
- 2/ Revenue, if any, derived from return movement.
- 3/ Include mileage to and from terminals.
- 4/ Includes driver, vehicle, and helper time, if used.

C.5604, OSH 59 et al. T/JK/BW/WPSC

REC'D OFFICE OF D. NICHESIA

APPENDIX C TO GENERAL ORDER

(2008 ROADLINK) T20000W REVISED Page 3

DRIVER WAGE COST (HOURLY BASIS)

In developing driver labor costs, carriers must use the prevailing wages established by the Commission. Carriers should refer to Prevailing Wage Report 382 and succeeding reports issued by the Transportation Division staff to obtain the prevailing wage elements and the methodology (including determination of annual hours and appropriate premium pay factors) for total labor cost development based on those prevailing wage elements.

Line	Item	Hourly Amount
* 1.	Base Wage	\$ _____
2.	Holiday-sick-funeral leave (____ % x L.1)	_____
3.	Vacation (____ % x L.1)	_____
4.	Subtotal	\$ _____
5.	Health, welfare, & pension	_____
6.	Subtotal	_____
7.	Payroll taxes	_____
8.	Worker's Comp. Ins. (L.16 % x L.4)	_____
9.	Total hourly labor cost	\$ _____
* 10.	Holidays _____ days/yr. x 8)	_____
* 11.	Sick leave & funeral leave _____ days/yr. x 8) Hrs. = L.17 = _____ %	_____
* 12.	Vacation _____ days/yr. x 8 = _____ Hrs. = L.17 = _____ %	_____
* 13.	Health & welfare \$ _____ /mo. x 12)	_____
* 14.	Pension \$ _____ /wk. x 52) \$ _____ = \$ _____ /hr.	_____
15.	Payroll taxes	_____
	a. FICA** _____ % x \$ _____ = \$ _____	_____
	b. FUI _____ % x \$ _____ = \$ _____	_____
	c. SUI _____ % x \$ _____ = \$ _____	_____
16.	Worker's Comp. Ins. Modifier x Manual Rate = _____ %	_____
17.	Annual hours _____ hrs.	_____

\* Prevailing Wage Elements obtained from current prevailing wage

\*\* Self-employment (FICA) taxes applicable to owner-driven operations should reflect actual cost.

APPENDIX C TO GENERAL ORDER

DRIVER WAGE COST (MILEAGE BASIS)

In developing driver labor costs, carriers must use the prevailing wages established by the Commission. Carriers should refer to Prevailing Wage Report 382 and succeeding reports issued by the Transportation Division staff to obtain the prevailing wage elements and the methodology (including determination of annual hours and appropriate premium pay factors) for total labor cost development based on those prevailing wage elements.

Line	Item	Mileage Amount
1.	Base Wage.....	\$ _____
2.	Holiday-sick-funeral leave (_____% x L.1).....	_____
3.	Vacation (_____% x L.1).....	_____
4.	Subtotal.....	\$ _____
5.	Health, welfare, & pension.....	_____
6.	Subtotal.....	\$ _____
7.	Payroll taxes.....	_____
8.	Worker's Comp. Ins. (_____% x L.4).....	_____
9.	Total Mileage labor cost.....	\$ _____
* 10.	Holidays _____ days/yr. x 8).....	_____
* 11.	Sick leave & funeral leave _____ days/yr. x 8) _____ Hrs. : L.17 = _____ %	_____
* 12.	Vacation _____ days/yr. x 8 = _____ Hrs. : L.17 = _____ %	_____
* 13.	Health & welfare \$ _____ /mo. x 12) _____	_____
* 14.	Pension \$ _____ /wk. x 52) \$ _____ /hr.	_____
15.	Payroll taxes _____ or \$ _____ /MPH = \$ _____ /mi.	_____
	a. FICA** _____ % x \$ _____	_____
	b. FUI _____ % x \$ _____	_____
	c. SUI _____ % x \$ _____	_____
16.	Worker's Comp. Ins. Modifier x Manual Rate = _____ %	_____
17.	Annual hours.....	_____ hrs.

\* Prevailing Wage Elements obtained from current prevailing wage report.

\*\* Self-employment (FICA) taxes applicable to owner-driver operations should reflect actual costs.

RECRO APPENDIX C TO GENERAL ORDER  
APPENDIX C TO GENERAL ORDER  
Page 5

THIS GUIDE IS DERIVED FROM THE FOLLOWING

EQUIPMENT INVESTMENT AND FEES

Equipment investment costs allow you to recover the value of equipment lost through depreciation. The method set forth in this section depreciates the equipment over the useful (service) life of the equipment. (Such method differs from methods used for income tax purposes, where rapid, accelerated depreciation is allowed.)

To properly develop depreciation costs, carriers must determine the following for each unit of equipment:

1. The price of the equipment (less tires and tubes) including any additional equipment on the vehicle at the time of vehicle licensing and any sales taxes;
2. The useful (service) life of the specific equipment;
3. The estimated salvage value of the equipment at the end of its useful life;
4. License fees, including but not limited to, the following:
  - a. Registration;
  - b. Vehicle license fees;
  - c. Vehicle weight fees;
  - d. Highway use taxes.

(Any additional fees incurred on a regular basis may also be included)

It may be desirable, because of varying service lives, to segregate equipment costs by categories such as: power equipment, trailing equipment, dollies, tractors (diesel and gas), trucks (diesel and gas), trailers (van, flatbed), etc.

Page 6 sets forth investment and fee costs on hourly and mileage bases. This development is considered the simplest method for calculating depreciation costs. It can be used to develop total costs on an hourly, mileage, tonnage, shipment, or trip basis.

Additional information is available in the following sections:



APPENDIX C TO GENERAL ORDER  
 Page 6

INVESTMENT - DEPRECIATED SERVICE LIFE

Line No.	Item	Equipment Classification
1	Equipment Cost	
2	Salvage Value (Note 1)	
3	Service Value (Note 2)	
4	Service Life (Note 3)	
5	Depreciation Cost per Year (Note 4)	
6	Vehicle Registration (Note 5)	
7	Vehicle License Fee (Note 6)	
8	Vehicle Weight Fee (Note 7)	
9	Highway Use Tax (Note 8)	
10	TOTALS (Lines 5 thru 9)	
11	Cost Per Hour (Note 9)	
12	Cost Per Mile (Note 10)	

Notes:

- 1 Salvage value at end of useful life
- 2 Equipment cost less salvage value
- 3 Useful life of equipment in years
- 4 Service value ÷ service life
- 5 Current registration fee under California Vehicle Code Sec. 9250
- 6 Current license fee under Revenue and Taxation Code Sec. 10753
- 7 Current weight fee under California Vehicle Code Sec. 9400
- 8 Current tax under U.S. Publication No. 349
- 9 Line 10 ÷ Annual hours that vehicle is in revenue service
- 10 Line 10 ÷ Annual miles that vehicle is in revenue service

APPENDIX C TO GENERAL ORDER  
Page 7

RUNNING AND INSURANCE COSTS

Running costs are those costs which are incurred during actual operation of the vehicle or which are required to maintain the vehicle in adequate operating condition.

- The elements of these costs are as follows:
- 1. Cost of fuel;
- 2. Cost of oil;
- 3. Cost of tires and tubes; and,
- 4. Cost of maintenance and repairs.

Prices should reflect the cost of both bulk and road purchases of gasoline and diesel fuel. Fuel costs should include all applicable taxes.

Oil costs should give consideration to the quantity purchased, frequency of change, and frequency of adding oil.

The cost of tires and tubes should consider the purchase price of tires and tubes, the frequency of recapping tires, and the annual miles experienced (including new tires and recaps).

Repair and maintenance costs should include all costs for materials and labor incurred by carrier performing its own maintenance work on operating equipment. (The labor cost should not be limited only to time spent on repairs, but should include all labor costs associated with fueling, with adding or changing oil, and with changing or repairing tires and tubes.) Additionally, any costs incurred for outside repairs should be included in this item.

Insurance costs on equipment may be stated either as an annualized premium or as a percentage of revenue. (For percentage of revenue see page 9.) Insurance cost for equipment should include the premiums paid for public liability, property damage, and cargo.

APPENDIX C TO GENERAL ORDER  
Page 8

RUNNING COSTS - INSURANCE COSTS  
PER MILE

Line No.	Item	Equipment Classification
1	Fuel Cost (Note 1)	
2	Oil Cost (Note 2)	
3	Tire and Tubes Cost (Note 3)	
4	Repair and Maintenance Cost (Note 4)	
5	Total Cost	
6	Running Costs Per Mile (Note 5)	

Notes:

1 - Include all applicable taxes and consider bulk and pump purchases.

2 - Include consideration of bulk and road purchases.

3 - Include all costs including outside service costs.

4 - Include all labor and material costs.

5 - Divide line 5 by miles traveled during cost period.

Insurance Cost per Mile

(Annual Premium divided by annual miles traveled)

APPENDIX C TO GENERAL ORDER  
Page 9

INDIRECT COSTS

Indirect operating costs include those expenses which are necessary for the operation of a transportation service but which cannot be directly assigned to any particular phase of the operation. Such items include general administrative salaries and expenses; general office salaries and expenses; supervision of the various phases of the operation; solicitation and advertising expense; rent; utilities; other expenses of like nature. They may be expressed as a percentage of direct costs.

$$\text{INDIRECT RATIO} = \frac{\text{INDIRECT EXPENSE}}{\text{DIRECT EXPENSE}}$$

GROSS REVENUE EXPENSES

Gross revenue expenses include:

PUC Tax \_\_\_\_\_%

City Business License Tax \_\_\_\_\_%

\*Insurance (Variable)

\*Insurance on equipment when the premium is computed as a percentage of gross revenue. (Insurance costs include PL/PD and cargo premiums.)

(END OF APPENDIX C)

CANCELLATION SUPPLEMENT

SUPPLEMENT 16

TO

MINIMUM RATE TARIFF 12-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF MOTOR VEHICLES

(As described herein)

IN SECONDARY MOVEMENT

BY

TRUCKAWAY SERVICE

OVER THE PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

HIGHWAY CONTRACT CARRIERS

CANCELLATION NOTICE

Minimum Rate Tariff 12-A is cancelled. The rates of any highway common carrier that adopted Minimum Rate Tariff 12-A as its common carrier tariff by authority of Decision 90324 shall remain in effect.

Decision No.

82 04 108

EFFECTIVE JUNE 20, 1982

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

Decision 82 04 1CS APR 2 1 1982

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Investigation )  
for the purpose of considering and )  
determining minimum rates for )  
transportation of motor vehicles )  
and related items statewide as )  
provided in Minimum Rate Tariff 12-A )  
and the revisions or reissues )  
thereof. )  
\_\_\_\_\_ )

Case 5604, OSH 59  
(Filed April 12, 1977)

And Related Matter. )  
\_\_\_\_\_ )

Case 5432, OSH 963  
(Filed April 12, 1977)

O P I N I O N

On April 12, 1977 we instituted a series of related proceedings collectively referred to as our reregulation program. In Case (C.) 5604, Order Setting Hearing (OSH) 59 and C.5432, OSH 963 (the proceedings in the series relating to regulation of the transportation of motor vehicles by truckaway service) we announced that we would explore whether our current system of minimum rates published in Minimum Rate Tariff 12-A (MRT 12-A)<sup>1/</sup> should be replaced by a system of individual carrier-filed rates. By

---

1/ MRT 12-A names minimum rates, rules, & regulation for the transportation of motor vehicles in secondary movement by truckaway service.

Decision (D.) 90663, minimum rates on general commodities have already been canceled and general freight carriers are now operating under such a system.

Since we issued the captioned proceedings in 1977, passage of Senate Bill 860 allowed the conversion of radial highway common carrier permits to common carrier certificates under Public Utilities (PU) Code Section 1063.5. As a result of this conversion, the make-up of the truckaway industry today is materially different from what it was in 1977.

According to data developed by our Transportation Division, Freight Economics Branch staff (the staff):

1. The majority of carriers reporting revenues of \$25,000 or more from MRT 12-A during 1979 were former radial highway common carriers who converted to common carrier status under PU Code Section 1063.5.
2. On April 1, 1981, 42 out of 45 active carriers reporting MRT 12-A revenue in 1979 held highway common carrier certificates and are subject to their tariff filed rates. Only the remaining three carriers held highway contract carrier authority exclusively.

---

2/ Of these carriers, five were participating in Western Motor Tariff Bureau's WMT 128 Tariff, one was publishing its own tariff, 20 had adopted MRT 12-A as a common carrier tariff, 11 had filed subhaul affidavits in lieu of a tariff, and five had yet to make a filing.

3. Three of the 42 active highway common carriers earned more than 50% of the \$28.5 million in revenue that was reported in 1979 under rates in MRT 12-A, while almost 88% of the \$28.5 million dollars was earned by ten, top earning highway carriers.
4. Of the 45 active carriers who reported MRT 12-A revenue in 1979, 14 reported that 100% of their revenue was earned from operations presently exempt from the application of rates in MRT 12-A. One of these 14 carriers was among the three carriers holding only contract carrier authority.
5. Both auto transporters and their affected shippers have, in the past, actively participated in minimum rate proceedings and have offered rate proposals which we have adopted.

#### Staff Recommendations

From these facts, the staff believes there is no longer a significant need for MRT 12-A and recommends the tariff be canceled. The staff further believes the limited regulatory benefit now derived from publication of MRT 12-A can remain available to the truckaway industry

---

3/ Only one of the ten carriers in this category was among the three carriers who held contract carrier authority exclusively.

4/ In addition to the \$28.5 million in minimum rate revenue earned by MRT 12-A carriers, they also earned \$10.3 million in rate exempt revenue in 1979. Most of this rate exempt revenue was earned from the hauling of motor vehicles in initial movement.



through the issuance of a Commission general order requiring contract carriers to observe rates which are, in the absence of cost and operational justification, not lower than those set forth in tariffs or contracts of competing highway carriers.

More specifically, under the general order proposed by the staff:

1. Highway contract carrier operations would be governed by the following:
  - a. Upon cancellation of MRT 12-A, contract carriers would operate only under contracts filed with the Commission.
  - b. Any contract rate filed below the charges of a competing highway carrier would be accompanied by a statement of justification. Such justification would consist of either: (1) reference to a competing highway carrier rate being met; (2) operational and cost data showing that the proposed rate would contribute to carrier profitability; or, (3) in the case of an initial filing made on or before the date of MRT 12-A cancellation, reference to a deviation from MRT 12-A that had been authorized under PU Code Section 3666 and in effect on the date of MRT 12-A cancellation.

- c. Contract rates filed on or before the date of MRT 12-A cancellation and justified on the basis of a Section 3666 deviation would remain effective at the time of MRT 12-A cancellation.
  - d. Contract rates filed to meet the charges of competing highway carriers would be made effective on the date filed with the Commission (but no earlier than the effective date of the rate being met), or on such later date as might be provided by the contract terms.
  - e. Except for filings (1) justified under PU Code Section 3666 deviation or, (2) made to meet charges ~~of competing of~~ highway carriers, contract rate filings below the charges of competing highway carriers would be filed on 30 days' notice and would become effective 30 days after the date filed, absent protest. SS
  - f. Contract rates at or above the charges of competing highway carriers would be made effective on the date filed, or on such later date as might be provided by the terms of the contract.
2. Highway common carrier operations would be governed by the following:
- a. Common carrier rate increases would be subject to justification and approval of the Commission as required by PU Code Section 454.
  - b. Any rate reduction would be accompanied by a statement of justification. Such justification would consist of either

- (1) reference to a competing highway carrier rate being met, or (2) operational and cost data showing that the proposed rate would contribute to carrier profitability.
- c. Rate reductions below the charges of competing highway carriers would be governed by PU Code Section 452.
  - d. Rate reductions filed to meet the charges of competing highway carriers would be made effective on the date filed with the Commission (but no earlier than the effective date of the rate being met), or on such later date as might be provided.
  - e. Tariff changes which resulted in neither increases nor reductions in rates would be filed under PU Code Section 455 without justification and could be made effective on 30 days' notice or on such shorter notice as the Commission might provide.
3. The cost data required to be submitted to justify rates below the level of rates of competing highway carriers would include individual carrier costs and the prevailing labor cost as determined by the Commission in D.91265 in 5/ Order Instituting Investigation 53 (OII 53).

---

5/ The level of the prevailing labor cost would be contingent upon surveys conducted by the staff in accordance with D.93767 issued in OII 53, with the exception that such surveys might be undertaken only once a year.

Also, acting consistently with our findings in D.93766 in Order Instituting Rulemaking 4, we would require Workers' Compensation insurance premiums to be considered as a business expense for overlying (prime) carriers when subhaulers were used to perform the reduced rate transportation, whether or not the prime carrier actually maintained Workers' Compensation coverage or incurred a cost for such coverage.

4. Any interested person would be entitled to file a complaint against any filed rate in accordance with PU Code Section 1702.
5. Transportation now rate exempt under MRT 12-A would remain exempt. Contract carriers would not be required to file contracts for rate exempt transportation.

By letter dated July 30, 1981, the staff solicited comments from shipper and carrier interests regarding implementation of its reregulation plan on an ex parte basis. The staff letter is received in evidence as Exhibit 1 in C.5604 (OSH 59). Six responses to the staff letter were received.<sup>6/</sup> Five responses in support of the staff plan had comments on the technical details for implementing the plan. One respondent, Lima Brothers Trucking, indicated a preference for maintaining the minimum rate system. None object~~ed~~ed to the implementation of the staff reregulation plan on an ex parte basis.

---

<sup>6/</sup> Responses were received from Automobile Importers of America, Inc., California Teamsters Public Affairs Council, California Trucking Association, Lima Brothers Trucking, Pacific Motor Trucking Company, and Toyota Motor Sales, U.S.A., Inc.

Discussion

We agree with the staff recommendation that MRT 12-A should be canceled. The staff data indicate that, since the implementation of Senate Bill 860, publication of MRT 12-A remains necessary for the operations of only two truckaway carriers. The administrative burden of maintaining a minimum rate tariff to serve the needs of such a small segment of the carrier industry is not in the public interest. We also agree that there is a need to maintain some form of regulatory control over truckaway transportation to ensure equality of competitive opportunity between classes of for-hire motor carriers.

The regulatory plan proposed by the staff is similar to the program of competitive individual carrier-filed rates we adopted by D.90663 for the transportation of general freight, except that it provides for no period of transition from minimum rates to carrier-filed rates. The regulatory plan we adopt will be reasonable for truckaway transportation.

As an adjunct to its regulatory plan the staff contemplates required use of Commission-surveyed prevailing labor costs in the justification of rates filed below the level of rates of competing highway carriers. We adopted a definition of prevailing wage and the criteria for its use in justifying rate reduction for the transportation of general freight in OII 53 by D.91265. In that proceeding, we found the information necessary to the successful determination of a rational prevailing wage to be:

1. The identity and classification of carrier labor that significantly contributes to direct carrier operating costs.
2. A geographical description of the markets from which carriers draw this labor.
3. The identity of the type of equipment operated by the labor in the performance of the carrier's transportation service.

From an analysis of the record in C.5604, OSH 52 (the proceeding in which we established the costs that underlie current MRT 12-A rates), the above information can be readily determined for carriers involved in truckaway transportation. The record in OSH 52 shows that:

1. The <sup>only</sup> individually significant direct labor cost incurred by truckway carriers is the cost ~~only~~ of employing drivers.

2. There are two classes of drivers employed in the truckaway industry: local drivers and linehaul drivers.
3. Although local and linehaul drivers are paid at different wage rates, the majority of these drivers are employed by truckaway carriers under a single union contract which applies statewide.
4. The predominant unit of equipment used in truckaway service is a three-axle diesel truck combined with a two-axle semitrailer.
5. To a lesser degree, truckaway service is also performed using a two-or three-axle truck without trailing equipment.

It appears from the OSH 52 record that the application of a statewide prevailing wage for truckaway drivers is sufficient to implement the staff plan. However, our findings in D.91265 (OII 53) necessitate the use of the statewide prevailing wage for each of the following driver categories;

1. Local driver operating two-or three-axle equipment.
2. Local driver operating equipment having four or more axles.

---

7/ For the purpose of the distinction we make here, we will consider a local driver to be a driver of truckaway equipment making a continuous round trip or portion within a 100-mile radius to any point or points without a layover period. We will consider a linehaul driver to be a driver of truckaway equipment making a round trip outside of the 100-mile radius to any point or points.

3. Linehaul driver operating two-or three-axle equipment.
4. Linehaul driver operating equipment having four or more axles.

The inclusion of a prevailing wage provision, in the manner discussed here, should ensure that while carrier competition on the basis of operating efficiencies is encouraged, disruption of existing labor markets in the truckaway industry is avoided. If a period of time should lapse between the date the reregulation plan becomes effective and the issuance of the staff's initial truckaway industry prevailing wage report, driver wage and fringe benefits reflected in labor contracts underlying MRT 12-A are available for use to fill this void.

A large portion of truckaway traffic is currently exempt from minimum rates under our present system. The staff program will maintain the exempt status of this traffic. We know of no instance of predatory pricing, excessive business failure, industry instability, or unreliable service attributable to the hauling of rate exempt truckaway traffic that would evidence a need for change.



The staff program of carrier-filed rates, implemented in conjunction with the prevailing wage program as discussed here, is the best alternative to what has become an outmoded system of Commission-set minimum rates for truckaway transportation. We will cancel MRT 12-A and concurrently issue the staff-proposed general order contained in Appendix 2.

To ensure that those few carriers who currently make use of MRT 12-A are given reasonable time to become familiar with their responsibilities, the new system will not be implemented until 60 days after the effective date of this order. In order that this new program may otherwise promptly begin, however, the order should be effective today.

We acknowledge here that the California Supreme Court has recently directed us to consider the economic impact of our decisions when they deal with regulatory change.<sup>8/</sup> In this case, we have considered the economic implications of our decision and find that the staff reregulation plan, as adopted, will tend to stimulate rate competition on the basis of operational

---

<sup>8/</sup> See United States Steel Corporation v Public Utilities Commission, 29 Cal 3d 603 (S.F. 24165, order filed July 6, 1981).

efficiencies to the economic benefit of both the carrier industry and the public it serves. The prevailing wage aspect of the program will ensure that those economic relationships now prevailing between carrier firms and their labor markets will continue substantially unaffected by our decision.

Hearing in these proceedings is unnecessary.

Findings of Fact

1. The majority of former radial highway common carriers who derived revenue from MRT 12-A in 1979 have converted their authorities to common carrier status under the provisions of PU Code Section 1063.5.

2. The carriers referred to in Finding 1 now file common carrier tariffs for the transportation of motor vehicles under the provisions of Article 2 of Division 1 of the PU Code.

3. By D.90324, a number of highway common carriers were authorized to adopt MRT 12-A as their common carrier tariff.

4. On April 1, 1981, 45 carriers reported earning MRT 12-A revenue in 1979.

5. On April 1, 1981, only three of the carriers described in Finding 4 did not hold common carrier certificates.

6. Three of the carriers described in Finding 4 who held highway common carrier authority on April 1, 1981 earned more than 50% of the \$28.5 million MRT 12-A revenue reported in 1979.

7. Approximately 88% of the \$28.5 million in MRT 12-A revenue reported in 1979 was earned by ten carriers.

8. On April 1, 1981, only one of the ten carriers referred to in Finding 7 held no common carrier authority.

9. Of the 45 carriers who reported earning MRT 12-A revenue in 1979, 14 indicated that 100% of their 1979 MRT 12-A revenue was earned from operations presently exempt from MRT 12-A rates.

10. On April 1, 1981, one of the 14 carriers referred to in Finding 9 held no common carrier authority.

11. Carriers and shippers of commodities now subject to MRT 12-A rates are capable of negotiating transportation rate adjustments to reflect economic conditions without Commission involvement.

12. No objection to a reregulation plan involving the cancellation of MRT 12-A and the substitution of the regulatory plan discussed in the preceding opinion has been received from queried carriers or shippers now involved in transportation subject to MRT 12-A.

13. Findings of Fact 1 through 12 indicate the publication of MRT 12-A is no longer required to meet the transportation needs of carriers and shippers of motor vehicles by truckaway service.

14. Absent a system of minimum rates, the needs of commerce and the public interest require that carriers be allowed to meet the charges of other competing motor carriers.

15. The <sup>only</sup> individually significant direct labor cost incurred by truckaway carriers is the cost ~~only~~ of employing drivers.

16. Truckaway carriers obtain their drivers from a single labor market that encompasses the entire State.

17. The foreseeable economic impact created by the regulatory system adopted will be of a beneficial nature.

18. The following order complies with the guidelines in the Commission's Energy Efficiency Plan.

19. It can be seen with certainty that there is no possibility that the regulatory system adopted may have a significant effect on the environment.

Conclusions of Law

1. The Commission is not required to establish minimum rates under Division 2 of the PU Code.

2. A regulatory system of competitive individual carrier-filed rates should be established in lieu of the present minimum rate system.

3. The reregulation plan outlined in the body of this opinion is just and reasonable and should be adopted by the Commission.

4. The rates of any highway common carrier that has adopted MRT 12-A as its common carrier tariff by authority of D.90324 will remain in effect after cancellation of MRT 12-A.

5. The rates contained in contracts filed by contract carriers will be approved by the Commission under PU Code Section 3662.

6. The precise rates contained in contracts filed by contract carriers and approved by the Commission under PU Code Section 3662 will be, in effect, minimum and maximum rates.

7. Since we are adopting a system of individual carrier-filed rates and canceling minimum rates, PU Code Sections 726 and 3663 will not apply.

8. Common carrier rate changes will be governed by PU Code Sections 452, 453, 454 and 455.

9. To equalize competitive opportunity, highway common carrier rate reductions filed for the purpose of meeting competing highway carrier charges may be filed and made effective on the same day service is to be initiated, but not earlier than the effective date of the rate being met.

10. Under the reregulation plan the cost data submitted by highway carriers to justify rates below the level of rates of competing highway carriers should be comprised of:

a. Prevailing labor costs, as defined by the Commission in D.91265 and set no less than once annually in the manner described in D.93767, for the following classes of carrier labor:

- (1) Local drivers operating two-or three-axle equipment.
- (2) Local drivers operating equipment having four or more axles.
- (3) Linehaul drivers operating two-or three-axle equipment.
- (4) Linehaul drivers operating equipment having four or more axles.

- b. Workers' Compensation insurance premiums as a business expense for prime carriers when subhaulers are to be used to perform the reduced rate transportation, whether or not the prime carrier actually maintains Workers' Compensation coverage or incurs a cost for such coverage.
- c. The individual carrier's actual costs for all other cost elements.

11. For the purpose of determining the prevailing labor costs referred to in Conclusion 10, the entire State should be considered a single labor market.

12. Between the date the regulatory system adopted becomes effective and the date the staff issues the results of its initial prevailing wage survey, the appropriate driver wage and fringe benefits contained in labor contracts underlying MRT 12-A should be considered to be the prevailing labor cost.

13. Rates of individual highway contract carriers found reasonable under PU Code Section 3666 and in effect at the time we cancel MRT 12-A should remain in effect without further cost or operational justification under the reregulation plan adopted.

14. No additional financial reporting requirements for highway carriers will be required in conjunction with the reregulation plan adopted.

15. The Commission may exempt selected commodity transportation from rate regulation under Division 2 of the PU Code.

16. Under the reregulation plan adopted, transportation presently exempt from rate regulation by provisions of MRT 12-A should remain exempt.

17. The reregulation plan adopted is consistent with state antitrust law.

18. The reregulation plan adopted will not create any unfair competitive advantage for any particular class of carrier.

19. The reregulation plan adopted will not result in any unfair competitive advantage for carriers or shippers who have carrier-carrier or carrier-shipper affiliations.

20. There is a need to establish improved regulatory procedures to administer the transportation covered in these proceedings so that the overall public interest will be served.

21. The reregulation plan adopted satisfies the requirements of PU Code Section 3502.

22. Although the policy provisions of the California Environmental Quality Act, California Public Resources Code, Sections 21000 and 21001 apply to these proceedings, the Environmental Impact Report provisions, California Public Resources Code, Sections 21100, et seq. do not.



23. The following order should be effective today since it is in the public interest to adopt the reregulation plan.

O R D E R

IT IS ORDERED that:

1. The reregulation plan outlined in the body of this opinion, and described more fully in General Order Series 151 attached as Appendix 2, is adopted and shall be effective June 20, 1982.
2. The attached Cancellation Supplement 16 to Minimum Rate Tariff 12-A is adopted and shall be effective June 20, 1982.
3. All deviations authorized under PU Code Section 3666, applicable to transportation covered by these proceedings, shall expire effective June 20, 1982.
4. Any carrier who would otherwise be allowed to perform transportation covered by these proceedings after June 19, 1982 at charges authorized by a deviation granted under PU Code Section 3666, may continue authorization to perform such transportation at such charges by filing a contract with this Commission. The charges contained in such contract shall require no cost or operational justification, provided they are no different in volume or effect than those charges contained in the deviation and the contract makes reference to this ordering paragraph and bears an effective date of June 20, 1982.

C.5604, OSH 59 et al. T/JK/BW/WPSC

5. Orders Setting Hearing 59 and 963 in Cases 5604 and 5432, respectively, are concluded.

6. The Executive Director shall serve a copy of this decision upon all parties named in Appendix 1 and upon all subscribers to Minimum Rate Tariff 12-A.

This order is effective today.

Dated APR 21 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. CREW  
Commissioners

APPENDIX 1  
Page 1

List of Parties for Service Referred to  
In Ordering Paragraph 6

Milton D. Andrews, Attorney at Law  
Rivkin, Sherman and Levy  
900 - 17th Street, N.W.  
Washington, D.C. 20006

Ron Broberg  
California Trucking Association  
P. O. Box 923  
Burlingame, CA 94010

Albert Brundage, Attorney at Law  
Brundage, Davis, Frommer, Jesinger  
101 Park Center Plaza, Suite 1001  
San Jose, CA 95113

Jess Butcher  
California Manufactures Assn.  
P. O. Box 1138  
Sacramento, CA 95815

Gene Carmody  
15523 Sedgemen Street  
San Leandro, CA 94579

Philip Davis  
6300 Chetwood Way  
Sacramento, CA 95831

Kenneth C. Delaney  
Los Angeles Chamber of Commerce  
404 So. Bixel Street  
Los Angeles, CA 90017

Alan Edelstein, Attorney at Law  
California Teamsters Public Affairs Council  
925 "L" Street, Suite 920  
Sacramento, CA 95814

Tony Ferrera  
Volkswagen Motors Corp.  
818 Sylvan Avenue  
Englewood Cliffs, NJ 07632

Joseph Garcia, Attorney at Law  
Department of Consumers Affairs  
1020 "N" Street  
Sacramento, CA 95814

Golden State Tariff Bureau  
681 Market Street, Suite 747  
San Francisco, CA 94105

Judy Hook  
Honda Motors Corp.  
100 W. Alondra Blvd.  
Gardena, CA 90248

Frank Jacobs  
Nissan Motors Corporation  
P. O. Box 320  
Gardena, CA 90247

C. E. Jacobson  
Traffic Mgrs. Conf. of Calif.  
5455 Wilshire Blvd.  
Los Angeles, CA 90036

Armand Karp  
743 San Simeon Drive  
Concord, CA 94518

Michael G. Lima  
Lima Brothers Trucking  
4938 Triggs Street  
Commerce, CA 90023

APPENDIX 1  
Page 2

Thomas Loughran, Attorney at Law  
Loughran & Hegarty  
100 Bush Street, Room 620  
San Francisco, CA 94104

John MacDonald Smith, Attorney at Law  
Pacific Motor Trucking Company  
One Market Plaza, Suite 813  
San Francisco, CA 94105

David Marchant, Attorney at Law  
California Carriers Assn.  
One Maritime Plaza  
San Francisco, CA 94111

H. Marken  
Traffic Associates, Inc.  
P. O. Box 31007  
Los Angeles, CA 90031

Joe Martin  
Nissan Motor Corporation  
P. O. Box 320  
Gardena, CA 90247

Sam Miles  
3704 Candlewood Drive  
Bakersfield, CA 93306

Bob Miller  
Toyota Motors Corporation  
2055 W. 190th Street  
Torrance, CA 90504

Donald Murchison, Attorney at Law  
Murchison & Davis  
Suite 4150, One Century Plaza  
2029 Century Park East  
Los Angeles, CA 90067

M. J. Nicolaus  
Western Motor Tariff Bureau, Inc.  
P. O. Box 392  
South Gate, CA 90280

Pacific Coast Tariff Bureau  
450 Mission Street  
San Francisco, CA 94105

Pacific Southcoast Freight Bureau  
717 Market Street  
San Francisco, CA 94103

Don Shields  
Highway Carriers Association  
8696 South Atlantic  
South Gate, CA 90280

Frank Spellman  
P. O. Box 349  
Santa Rosa, CA 95402

Wigle & Larimore, Tariffic Mgrs.  
260 California Street  
San Francisco, CA 94111

APPENDIX 2  
Page 1

GENERAL ORDER 151

PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA

RULES AND REGULATIONS GOVERNING THE TRANSPORTATION  
OF MOTOR VEHICLES IN SECONDARY TRUCKAWAY MOVEMENT BY  
COMMON CARRIERS AND CONTRACT CARRIERS UNDER THE  
COMMISSION'S REREGULATION PROGRAM

Adopted April 21, 1982. Effective June 20, 1982.  
Decision \_\_\_\_\_ in C.5604, OSH 59 and C.5432, OSH 963.

	<u>INDEX</u>	<u>PAGE</u>
RULE 1	APPLICATION	2
RULE 2	DEFINITIONS	4
RULE 3	EXCEPTIONS	11
RULE 4	DEPARTURES	13
RULE 5	TARIFF FILINGS BY COMMON CARRIERS	14
RULE 6	CONTRACT FILINGS BY CONTRACT CARRIERS	15
RULE 7	FILING PROCEDURES - CARRIER RESPONSIBILITY	20
RULE 8	RATE JUSTIFICATION	25
RULE 9	EFFECTIVE DATES OF RATE FILINGS AND PUBLIC NOTICE	28
RULE 10	PROTEST AND SUSPENSION OF RATES	30
RULE 11	COMPLAINTS	33
APPENDIX A	- COMMISSION POLICY ON THE PROPER SCOPE OF HIGHWAY CONTRACT CARRIER OPERATIONS	
APPENDIX B	- CONTENTS OF COMMON CARRIER RATE INCREASE APPLICATIONS	
APPENDIX C	- FORMS FOR OPERATIONAL AND COST DATA IN JUSTIFICATION STATEMENTS	

APPENDIX 2  
Page 2

RULE 1 - APPLICATION

- A. This General Order is issued to implement the Commission's reregulation program and to provide guidance for tariff and contract filings in connection with the secondary movement of commodities described below by truckaway service:
1. Motor vehicles and motor vehicle chassis.
  2. Parts, spare parts, extra parts, or accessories for a motor vehicle when accompanying the vehicle to which they belong or for which they are intended.
  3. Personal effects or other commodities aggregating 300 pounds or less when tendered for transportation with a motor vehicle or motor vehicle chassis.
  4. Shipments of motor vehicles and motor vehicle chassis when part of the shipment is transported on the truckaway portion of carrier's equipment and another part of the shipment is towed by the same unit of equipment and rests partially upon that unit of equipment.
- B. When provisions of this General Order are in conflict with the Commission's Rules of Practice and Procedure, the provisions of this General Order shall apply.
- C. Except as otherwise provided, the carriers listed below are subject to this General Order:

APPENDIX 2

Page 3

1. Highway common carriers as defined in Code Section 213 and referred to in Code Sections 1063 and 1063.5;
2. Highway contract carriers as defined in Code Section 3517.

APPENDIX 2  
Page 4

RULE 2 - DEFINITIONS

For the purpose of this General Order and when used in tariffs or contracts filed pursuant to this General Order, the definitions for the following terms shall apply:

- A. "Assembly Plant" means a place at which motor vehicle parts are put together to make a complete motor vehicle. It does not include a place where accessories are added to a motor vehicle.
- B. "Carrier's Equipment" means any motor truck, or other self-propelled highway vehicle, trailer, semitrailer, or any combination of such highway vehicles, operated by the carrier.
- C. "Code" means the Public Utilities Code of the State of California.
- D. "Commission" means the Public Utilities Commission of the State of California.
- E. "Common Carrier" means every highway common carrier described in Rule 1.



APPENDIX 2  
Page 5

- F. "Contract" means an agreement in writing which binds both shipper and contract carrier to good faith performance for a specific term. For terms of contract, see Rule 6(E)(1).
- G. "Contract Carrier" means every highway contract carrier described in Rule 1.
- H. "Distance Table" means Distance Table 8 and/or the Optional All Points to All Points Table for Distance Table 8 issued by the Commission and any amendments or reissues. (D. 89303, August 22, 1978, C. 7024).
- I. "Exempt Commodities" and/or "Exempt Transportation" means the commodities and geographic areas described in the Commission's publication, including any revisions, entitled "Commodities and Geographic Areas Exempt from Rate Regulation." This definition also includes transportation which has been exempted for specific carriers by Commission decision.

APPENDIX 2  
Page 6

- J. "Highway Carrier" means every carrier defined in paragraphs (E) and (G) of this rule.
- K. "Independent-Contractor Subhauler" means any carrier who renders service for a principal carrier, for a specified recompense, for a specified result as to the work only and not as to the means by which such result is accomplished. This term includes sub-subhaulers when such carriers are engaged by other subhaulers.
- L. "Initial Movement" means the transportation of motor vehicles from the plant at which the motor vehicles were manufactured or assembled to the point of destination and the return transportation of such vehicles to the plant in cases where delivery has not been accomplished.
- M. "Manufacturing Plant" means a place at which motor vehicle parts are manufactured and/or assembled to produce a motor vehicle. It does not include a place where accessories are added to a motor vehicle.

APPENDIX 2  
Page 7

- N. "Motor Vehicle" means any self-propelled vehicle (either new, used, or wrecked) designed for the transportation of persons or property or persons and property (other than upon fixed rails or tracks), whether or not in operating condition, including any such vehicles without one or more parts which may have been damaged, removed, broken off, or towed away; also any auto show motor vehicle with one or more integral parts useful for exhibit purposes only.
- O. "New Vehicle" means a vehicle that has never been sold and operated, or registered with the Department of Motor Vehicles, or registered with the appropriate agency of authority, or sold and operated upon the highway of any other state, District of Columbia, territory or possession of the United States or foreign state, province, or country.
- P. "Point" means a particular city, town, community, extended area, metropolitan zone, or other area which is defined for the application of rates.

APPENDIX 2

Page 8

- Q. "Rate" means the figure stated in cents, dollars and cents, or fractions, including the charge and, also, the rules governing, and any accessorial charges to be used in computing the charge on the property transported.
- R. "Rate Bureau" means each conference, bureau, committee, or other organization established or continued under any agreement approved by the Commission under the provisions of Code Section 496.
- S. "Secondary Movement" means the transportation of motor vehicles except as described in initial movement.
- T. "Special Mobile Equipment" means any of the following vehicles or mobile machines: any water or oil well drilling rig; crane; power shovel; air compressor; air drill; bituminous mixer; bucket loader; ditcher; leveling grader; road-finishing machine; motor grader; paving mixer; road roller; scarifier; earth moving scraper; carryall; lighting plant; welder; pump; drag line; searchlight; generator; snow plow;

APPENDIX 2

Page 9

transit concrete mixer; lift truck; gantry truck; motorcycle; motor-driven cycle; invalid chair; pageantry float; vehicle which exerts driving force through self-laying (caterpillar) tracks; self-propelled and self-erecting work platforms; and any vehicle designed exclusively for agricultural purposes.

- U. "Tariff" means a publication containing the rates and charges of common carrier(s) including operating rights (scope of operations), rules, regulations, and provisions governing the service(s) of the carrier(s) including any supplements, amendments, or revised pages or reissues.
- V. "Tow car" means a motor vehicle which has been altered or designed and equipped for and exclusively used in the business of towing or is otherwise exclusively used to render assistance to other vehicles.
- W. "Truckaway Service" means the transportation of one or more motor vehicles where the weight of such vehicle or vehicles rests wholly or partly upon carrier's equipment.

APPENDIX 2  
Page 10

- X. "Used Vehicle" means a vehicle that has been sold and operated on the highways of this State or has been registered with the California Department of Motor Vehicles, or has been sold and operated upon the highways, or has been registered with the appropriate agency of authority of any other state, District of Columbia, territory or possession of the United States or foreign state, province, or country, or unregistered vehicles regularly used or operated as demonstrators in the sales work of a dealer, or unregistered vehicles regularly used or operated by a manufacturer in the sale or distribution work of such manufacturer.
- Y. "Wrecked Vehicle" means a vehicle which has been disabled as a result of an accident and which has been damaged to the extent that it is not capable of moving under its own power. It is a vehicle which has not been dismantled or crushed. The "wrecked vehicle" definition does not apply to vehicles, vehicle bodies or parts which have been in the possession of a vehicle dismantler, and are shipped beyond from such dismantler.

APPENDIX 2  
Page 11

RULE 3 - EXCEPTIONS

- A. The provisions of this General Order do not apply to transportation by independent-contractor subhaulers when such transportation is performed for other carriers. This exception shall not be construed to exempt from this General Order carriers for whom the independent-contractor subhaulers are performing transportation service.
- B. The provisions of this General Order do not apply to transportation of the following:
  - 1. Motor vehicles weighing less than 800 pounds each.
  - 2. Motor vehicles weighing in excess of 7,000 pounds each.
  - 3. Motor vehicles drawn under their own power or towed wholly upon their own wheels.
  - 4. Trailers, semitrailers, and dollies.
  - 5. Special mobile equipment.
  - 6. Motor vehicles when towed by a tow car, except when the tow car movement is part of a continuous through movement involving use of other transport equipment by the same carrier.

APPENDIX 2

Page 12

7. Disaster supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of extreme emergency.
8. Property of the United States or property transported under an agreement whereby the United States contracted for the carrier's service.
9. Property transported for a displaced person when the cost thereof is borne by a public entity as provided in Section 7262 of the Government Code.
10. The transportation of exempt commodities and/or exempt transportation by contract carriers.



APPENDIX 2  
Page 13

RULE 4 - DEPARTURES

Departure from the provisions of this General Order may be granted upon formal application to the Commission and if the Commission finds that such departure is reasonable and necessary.

APPENDIX 2  
Page 14

RULE 5 - TARIFF FILINGS BY COMMON CARRIERS

- A. Common carriers shall file tariffs in accordance with the requirements of Division 1 of the Code and General Order Series 80; provided, however, that when the provisions of this General Order are in conflict with the provisions of General Order Series 80, the provisions of this General Order shall apply.
- B. Every common carrier shall maintain and keep open for public inspection a copy of its adoption notices, tariffs, and any revisions or supplements in accordance with General Order Series 122.

APPENDIX 2  
Page 15

RULE 6 - CONTRACT FILINGS BY CONTRACT CARRIERS

- A. No contract carrier shall commence to perform any transportation or accessorial service until it has on file and in effect with the Commission three copies of an executed binding contract for such service.
- B. No contract carrier shall provide any transportation or accessorial service except in accordance with its contract or contracts as filed and in effect with the Commission. Contract carriers shall strictly observe, as their exact rates, the rates and provisions of their contracts.
- C. Contracts must be in conformance with Commission policy on the proper scope of contract carrier operations as provided in attached Appendix A.
- D. Every contract carrier shall keep and maintain in its files all contracts for a period of three years after the termination date of the contracts.

APPENDIX 2

Page 16

E. Content and Form of Contracts; Amendments and Supplements to Contracts.

1. Every contract shall contain:

- (a) The name, address, signature, and "T" file number of the carrier.
- (b) The name, address, and signature of the shipper.
- (c) Date contract executed, effective date, and the duration of the contract.
- (d) The area involved in performance, such as the route and/or termini.
- (e) A description of all mutual obligations and understandings of the parties, including but not limited to:
  - (1) The service to be provided and the projected frequency.
  - (2) The commodities involved and the projected tonnage (or other appropriate unit of measurement) of the commodities to be transported.
  - (3) The compensation to be paid and received. (Rate items may not be published by reference to other tariffs or contracts. Each rate item must be published in its entirety.)
- (f) The conditions, if any, under which changes in compensation or other terms of the contract may be made by the parties.

APPENDIX 2  
Page 17

- (g) Reference to the Distance Table, if applicable.
  - (h) Such explanatory statements as may be necessary to remove all reasonable doubt of its proper application.
2. Contracts shall be plainly typed or prepared by other similar durable process on letter-size (not less than 8" x 10 1/2" nor larger than 8 1/2" x 11") paper of good quality and shall be clear and legible.
  3. Each carrier shall issue contracts under the "T" file number assigned to it by the Commission with a suffix number beginning with the number 1. Subsequent contracts shall bear consecutive suffix numbers. The contract number shall appear on every page in the following manner:

"CONTRACT NUMBER  
CAL T-000,000-1"
  4. A contract or an amendment which is required or authorized to be filed under a decision of the Commission shall refer to that decision in connection with the item or supplement which incorporates the change resulting from that decision.

APPENDIX 2  
Page 18

5. Contracts may be amended by filing a supplement or by filing new pages on which changes are made. Revised pages shall be identified as consecutively numbered revisions of the previous page, e.g., "First Revised Page 2 Cancels Original Page 2."
6. A supplement to a contract shall contain:
  - (a) Those requirements set forth in subparagraph (E)(1) necessary to clearly and effectively identify and amend the original contract.
  - (b) Reference to the item number, page number, and/or previous supplement number which it amends.
7. When a carrier changes its name, as shown in the Commission's records, without transfer of control from one company to another, it shall immediately amend each contract issued by it to show the new name of the company. (See subparagraph (E)(9).)
8. When a shipper changes its name, whether or not control is transferred from one company to another, the carrier shall immediately amend its contract with such shipper to reflect the change. (See subparagraph (E)(9).)

APPENDIX 2

Page 19

9. Amendments required by subparagraphs (E)(7) and (E)(8) may be accomplished by the filing of a supplement containing a provision that "Whenever the name [enter the old name] appears herein, it shall be construed as meaning [enter the new name]."
10. The Commission shall be notified in writing when a contract is canceled. Unless an amendment is filed with the Commission extending the duration of the contract, it shall be deemed canceled on the expiration date.

APPENDIX 2  
Page 20

RULE 7 - FILING PROCEDURES - CARRIER RESPONSIBILITY

A. Rate Filings - Where and When Filed

1. Three copies of tariffs, adoption notices, and contract filings, including any supplements and amendments, which are rate reductions and result in rates lower than rates of competing highway carriers, together with a statement of rate justification (See EXCEPTION), shall be received at the Commission's office at:

Truck Tariff Section, PUC  
State Building  
San Francisco, CA 94102, or

State Building  
107 South Broadway  
Los Angeles, CA 90012, or

State Building  
1350 Front Street  
San Diego, CA 92101

Documents received are not considered filed until they have been reviewed for compliance with this General Order and accepted for filing. A document accepted for filing in accordance with this



APPENDIX 2  
Page 21

paragraph will be deemed filed as of the date it is published in the Commission's Daily Calendar. (or any other Commission publication that may in the future be designated for this purpose). Only hand-delivered documents shall be received by the Los Angeles and San Diego offices. First class postage to San Francisco shall be paid at the time documents are tendered at the Los Angeles and San Diego offices. Payment of postage shall be made by personal check or money order.

EXCEPTION: The provisions of subparagraph (A)(1) shall not apply to initial contract rate filings based on Code Section 3666 deviations. For provisions applying to such filings, see subparagraph (A)(2) of this rule.

2. Three copies of tariffs, adoption notices, and contract filings, including supplements and amendments;
  - (a) Which are rate increases,

APPENDIX 2  
Page 22

- (b) Which are changes in rules or provisions not resulting in a reduction in rates lower than rates of competing highway carriers,
- (c) Which are filed to meet the rates of competing highway carriers (i.e., at or above the level of a competing highway carrier), or
- (d) Which are initial contract filings, made on or before June 20, 1982, containing rates based on a Code Section 3666 deviation expiring on such date;

together with a statement of justification, may be mailed directly to the Truck Tariff Section, San Francisco Office, or hand-delivered to the Los Angeles or San Diego Offices or any district office. Tariff and contract filings made in accordance with this paragraph and accepted for filing shall be deemed filed: (1) on the date of mailing as evidenced by the postmark, or (2) if hand-delivered, on the date received at any of the Commission's offices or district offices.

APPENDIX 2

Page 23

B. Transmittal Letters

Regardless of where documents are filed, they shall be accompanied by a letter of transmittal identifying the documents filed and addressed to the Public Utilities Commission of the State of California, Truck Tariff Section, PUC, State Building, San Francisco, California 94102. If a receipt for the filings is desired, the letter of transmittal shall be sent in duplicate; one copy will be stamped and returned as a receipt. A self-addressed stamped envelope must be provided for the copy to be returned. Tariffs, contracts, rate filings, adoption notices, and supporting documents shall be filed in a single package which shall also include the letter of transmittal required to accompany the filing.

C. Rejected documents will be returned to the sender with a statement explaining why the documents were not accepted.

APPENDIX 2  
Page 24

D. Carrier Responsibility for Maintenance of tariffs,  
etc.

1. Carriers shall maintain tariffs, contracts, and the Distance Table at all times in a current condition.
2. Upon request, a carrier or its agent shall furnish a copy of, or a subscription to, any tariff which it issues, or a copy of any tariff, contract, or rate filing, with supporting documents, including any statement of justification. A reasonable charge may be assessed for such copies or subscriptions.

E. Public Inspection

All contracts and tariffs will be available for public inspection at the Commission's office, San Francisco.

APPENDIX 2  
Page 25

RULE 8 - RATE JUSTIFICATION

A. Common Carrier Rate Justification

1. Common carrier rate reductions must be accompanied by a statement of justification. Such statement shall consist of:
  - (a) Reference to the rate of a competing highway carrier, including the identity of the tariff and item number or contract containing the rate being met, or
  - (b) Operational and cost data showing that the proposed rate will contribute to carrier profitability. These data must reflect individual carrier costs, except those labor costs which are subject to prevailing wage criteria. (See Appendix C.)
2. Common carrier rate increase applications shall be filed in accordance with the rules provided in attached Appendix B. Justification supporting the need for an increase in rates and/or charges must accompany the application. The proposed increase shall not become effective until it has been approved by order of the Commission.

APPENDIX 2

Page 26

3. Common carrier rate filings which depart from the rules of its tariff or the Distance Table, and result neither in an increase nor a reduction, must be accompanied by a statement demonstrating that the filing does not result in any change in rates.
4. Increases will be authorized on 30 days' notice unless sooner requested and justified by applicants.

B. Contract Carrier Rate Justification

1. Any contract carrier rate reduction must be accompanied by a statement of justification with each copy of the contract filing. Such justification shall consist of:
  - (a) Reference to the rate of a competing highway carrier, including the identity of the tariff and item number or contract containing the rate being met, or
  - (b) Operational and cost data showing that the proposed rate will contribute to carrier profitability. These data must reflect individual carrier costs, except those labor costs which are subject to prevailing wage criteria (See Appendix C), or
  - (c) In the case of initial filings made on or before June 20, 1982 and based on a Code Section 3666 deviation expiring on such date, reference to both Ordering Paragraph 4 of Decision 82-04-103 and the deviation.

APPENDIX 2  
Page 27

2. A contract carrier may increase its rates by filing an appropriate amendment or a new contract. The increases will be effective on the date filed or on such later date as may be provided by terms of the contract.

APPENDIX 2  
Page 28

RULE 9 - EFFECTIVE DATES OF RATE FILINGS AND PUBLIC NOTICE

- A. No tariff or contract filing resulting in a rate reduction below the rates of competing highway carriers which is required to be cost and operationally justified under provisions of this General Order shall be made effective on less than 30 days' notice to the Commission and the public. (See paragraph (C).)
- B. Except as provided in paragraphs (A) and (C), contracts may be made effective on the date filed with the Commission or on such later date as may be provided by the terms of the contract. Neither contract rate increases nor initial contract rate filings based on Code Section 3666 deviations require prior notice. (See paragraph (F)).
- C. No tariff or contract rate reduction filed to meet a rate of a competing highway carrier shall be made effective earlier than the effective date of the competing carrier rate. If the rate of the competing carrier is already effective such filing may be made effective on the date filed (See paragraph (F)).



APPENDIX 2  
Page 29

- D. Except as provided in paragraphs (A) and (C), common carrier tariff filings resulting in rate reductions, or in changes which are neither increases nor reductions, may be made effective on 30 days' notice to the Commission or on such later date as may be provided in the tariff filings. Tariff filings resulting in increases shall not be made effective until the increased rates have been approved by order of the Commission.
- E. Tariff and contract filings which result in rates less than the rates of competing highway common carriers shall be docketed and published in the Commission's Daily Calendar, or any Commission publication designated for this purpose. Publication in the Commission's Daily Calendar shall constitute public notice.
- F. If a filing to meet the rate of a competing highway carrier is deficient with respect to (1) the kind and quantity of property, (2) points of origin or destination, or (3) limitations, conditions, and privileges, the filing may be rejected by the Executive Director of the Commission within a 10-day period of the filing.

APPENDIX 2  
Page 30

RULE 10 - PROTEST AND SUSPENSION OF RATES

- A. Commission review of any tariff or contract rate, required to be filed on 30 days' notice, may be initiated by the filing of a protest.
1. Any such protest must be filed five or more days before the rate is scheduled to become effective.
  2. Protests shall be deemed filed on the date received by the Truck Tariff Section, PUC, State Building, San Francisco, California 94102.
  3. Protests must be in writing, must identify the rate protested, and must clearly state the grounds on which the protest is based.
  4. Protests must be filed in triplicate with the Commission.
  5. A copy of each protest filed shall be simultaneously served upon the carrier making the rate filing, or his designated agent.

APPENDIX 2  
Page 31

6. Notice of any protest filed will be provided in the Commission's Daily Calendar (or any other Commission publication that may in the future be designated for this purpose).
- B. 1. If a protest is filed, or if the Commission on its own motion decides to suspend a tariff or contract, the tariff or contract provision at issue may be temporarily suspended for a period of time not to exceed 45 days beyond the date it is suspended, during which time the Commission will either reject the protest or further suspend the rate and set the matter for hearing. In the event the Commission further suspends the effective date of the tariff, or contract filing, or any provision, and sets the matter for hearing, the period of suspension shall not extend more than 120 days beyond the date it would otherwise go into effect, unless the Commission extends the period of suspension for a further period not exceeding six months.

APPENDIX 2  
Page 32

2. Notice of any rate suspension will be provided in the Commission's Daily Calendar (or any other Commission publication that may in the future be designated for this purpose).
  3. In the event the Commission suspends a tariff, or contract, or any provision, and sets the matter for hearing, the burden of proof to show that the tariff, or contract, or provision at issue is just, reasonable, and nondiscriminatory shall be upon the proponent of the tariff or contract filing.
- C. When in the absence of a protest the Commission, on its own motion, suspends a tariff, or contract, or any provision, and sets the matter for hearing, the burden of proof to show that the proposal is just, reasonable, and nondiscriminatory shall be upon the proponent of the tariff or contract filing.

APPENDIX 2  
Page 33

RULE 11 - COMPLAINTS

Commission review of any tariff or contract rate which is in effect may be initiated by filing a formal complaint in accordance with the Commission's Rules of Practice and Procedure. The burden of proof to show that any tariff or contract rate in effect is not just, reasonable, and non-discriminatory shall be upon the complainant.

Approved and dated APR 21 1982, at San Francisco, California.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA

By   
Executive Director

(END OF APPENDIX 2)

APPENDIX A TO GENERAL ORDER  
Page 1

COMMISSION POLICY ON THE PROPER SCOPE OF  
HIGHWAY CONTRACT CARRIER OPERATIONS

The purpose of this statement is to inform carriers engaged in contract carriage of the Commission's policy on the proper scope of such operations and to set the following guidelines which the Commission will apply in determining whether a highway carrier is operating as a contract carrier. The question of whether a contract carrier is lawfully operating is determined on a case-by-case basis dependent upon the facts surrounding the carrier's operations.

1. A contract carrier generally may not solicit individual one-time shipments; it may solicit and enter into negotiated continuing hauling relationships with shippers, i.e., contracts. Individual one-time shipments may be solicited where the specialized nature of the transportation is sufficient to distinguish it from common carrier service or where a carrier is performing a rate-exempt transportation service.
2. A contract carrier must generally have a continuing relationship with the shipper or shippers it serves. A continuing relationship requires that service be provided periodically over a period of time, not less than 30 days in duration. A continuing relationship cannot be predicated upon a single shipment.

APPENDIX A TO GENERAL ORDER  
Page 2

3. A shipper using the service of a contract carrier can be either the consignee or consignor. Normally, the shipper is regarded as the party who pays the charges for the transportation; provided, however, the shipper may also be the party who controls the traffic such as the manufacturer of Brand X who ships freight collect to exclusive dealers of Brand X.
4. A contract carrier must provide services that are specialized or tailored to the particular requirements of the shipper being served. Examples of specialized services include, but are not limited to, providing repeat service over a period of time with specialized equipment, unique loading/unloading and accessorial activity, or specialized scheduling of service. Such specialization alone in some instances distinguishes contract from common carrier operations. Heavy hauling and the transportation of rate-exempt commodities are examples of such specialized operations.
5. All contract carriers, except carriers engaged in rate-exempt transportation, must file written contracts with the Commission. Such contracts shall be available for inspection by the public. Contract carriers may provide service only pursuant to written contracts which shall bind both carrier and shipper to good faith performance for a specific term.
6. Copies of contracts must also be kept on file in the carrier's office and available for inspection by the Commission or the Commission staff. They shall be retained by the carrier for not less than three years after expiration.

(END OF APPENDIX A)

APPENDIX B TO GENERAL ORDER  
Page 1

CONTENTS OF  
COMMON CARRIER RATE INCREASE APPLICATIONS

Common carrier applications for increases in rates and charges, except increases filed under the provisions of Article 7 of the Rules of Practice and Procedure, shall be filed with the Docket Office and in accordance with the following:

- (a) Form and Size. Pleadings and briefs shall be typewritten or printed upon paper 8 1/2" wide and 11" long, and attached exhibits shall be folded to the same size. Unless printed, the impression shall be on one side of the paper only and shall be double-spaced, except that footnotes and quotations in excess of a few lines may be single-spaced. Pleadings shall be bound on the left side. Reproductions may be by any process, provided all copies are clear and permanently legible.



APPENDIX B TO GENERAL ORDER  
Page 2

- (b) Title and Docket Number. All applications presented for filing shall show the caption for the proceeding, the docket number, and the title of the document, and leave sufficient space in the upper right-hand corner for a time and date stamp.
- (c) Signatures. The original of each application or amendment shall be signed in ink by each party. If the party is a corporation or association, the pleading may be signed by an officer. Any attorney for or representative of a party shall also sign the pleading, and show his address and telephone number.
- (d) Verification. Applications or amendments shall be verified by each applicant. If the party filing the pleading is a corporation or association, the pleading may be verified by an officer. Verification may be made before a notary public or by certificate or declaration under the penalty of perjury.

APPENDIX B TO GENERAL ORDER  
Page 3

- (e) Signature and Verification by Attorney. The attorney for an applicant may sign and verify a pleading if the applicant is absent from the county where the attorney has his office, or for some reason is unable to sign and verify the application. When an application is signed and verified by the attorney, he shall set forth in the affidavit the reasons why the verification is not made by the applicant.
- (f) Copies. There shall be filed with the Commission's Docket Office the original and four conformed copies of each application or amendment.
- (g) Amended Applications. Amendments to applications may be filed before a hearing, provided they are served upon all known interested parties, are filed at least five days before the hearing, and contain a certification of service. Thereafter, applications may be amended as permitted or directed by the commission or the presiding officer.

APPENDIX B TO GENERAL ORDER  
Page 4

(h) Contents. All applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought, and shall state the following:

1. The exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust, association, or other organized group, the State under the laws of which applicant was created or organized.
2. The name, title, address, and telephone number of the person to whom correspondence or communications in regard to the application are to be addressed. Notices, orders, and other papers may be served upon the person so named, and such service shall be deemed to be service upon applicant.
3. Such additional information as may be required by the Commission in a particular proceeding.
4. Applications for ex parte (without formal hearing) action shall set forth the basis for such request, and those seeking the granting of relief pending full hearing shall set forth the necessity for such relief.

APPENDIX B TO GENERAL ORDER  
Page 5

- (i) Articles of Incorporation. If applicant is a corporation, a copy of its articles of incorporation, certified by the Secretary of State, shall be attached to the original of the application but need not be attached to the copies. If current articles have already been filed, the application need only make specific reference to such filings.
- (j) Applications shall contain the following data, either in the body of the application or as attached exhibits or accompanying the application:
1. A balance sheet as of the latest available date, together with an income statement covering period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.
  2. A statement of the presently effective rates or charges which are proposed to be increased, or of the classification, contract, practice, or rule proposed to be altered. Such statement need not be in tariff form.

APPENDIX B TO GENERAL ORDER  
Page 6

3. A statement of the proposed increases or changes which will result in increases, which applicant requests authority to make effective. Such statement need not be in tariff form, but shall set forth the proposed rate structure with reasonable clarity. Where a general rate increase application is filed, the statement shall include an estimate of the amount of additional annual gross revenue estimated to result from the increase, which shall be based on the amount of involved traffic handled for the preceding calendar year and shall indicate the percentage by which such estimate exceeds the gross revenues on the involved traffic for the preceding calendar year, if more than one percent.
4. A general rate increase application shall contain a general description of applicant's property and equipment, or reference to such description in a recent prior application, and a statement of the original cost thereof, together with a statement of the applicable depreciation reserve. If it is impossible to state original cost, the facts creating such impossibility shall be set forth.
5. Applicant's exhibits must accompany the application and applicant shall state the date it will be ready to proceed with its showing.
6. In the event applicant desires to revise the level of rates shown in its original application before hearing, applicant shall file an amendment to application in accordance with paragraph (g). Such amendment shall contain a complete revised statement of proposed changes as required by paragraph (j)3.

(END OF APPENDIX B)

APPENDIX C TO GENERAL ORDER  
Page 1

FORMS FOR OPERATIONAL AND  
COST DATA IN JUSTIFICATION STATEMENTS

The forms on pages 2 through 9 of this Appendix are supplied as models for carriers' statements of justification in support of rate reduction filings.

If a rate reduction filing includes scales of distance rates, the Summary of Revenues and Expenses on page 2 should be prepared for typical distances. For example, a scale of rates for distances of 5 to 500 miles could be supported by revenues and expenses for selected hauls of 25, 100, 175, 250, 350, and 450 miles.

APPENDIX C TO GENERAL ORDER  
Page 2

SUMMARY OF REVENUES AND EXPENSES

I. REVENUE

- A. Front Haul Revenue<sup>1/</sup> \_\_\_\_\_
- B. Back Haul Revenue<sup>2/</sup> \_\_\_\_\_
- C. Total Revenue (A + B) \_\_\_\_\_
- D. Actual Round Trip Mileage<sup>3/</sup>  
(including all empty miles) \_\_\_\_\_
- E. Revenue Per Mile (C-D) \_\_\_\_\_
- F. Revenue Per Other Unit of Measurement,  
if any, (C-Units of Measurement) \_\_\_\_\_

II. EXPENSE

- A. Labor
  - 1. Hourly Basis (See page 3) \_\_\_\_\_
  - 2. Mileage Basis (See page 4) \_\_\_\_\_
  - 3. Loading & Unloading Expense<sup>4/</sup>  
@ \_\_\_\_\_ Per Hour \_\_\_\_\_
- B. Vehicle Fixed Costs (See page 6)  
Mileage @ \_\_\_\_\_
- C. Vehicle Running Cost (See page 8)  
Mileage @ \_\_\_\_\_
- D. Any Other Direct Cost, e.g.,  
Subsistence Allowance \_\_\_\_\_
- E. Indirect Expense @ \_\_\_\_\_ %  
(See page 9) \_\_\_\_\_
- F. Gross Revenue Expenses (See page 9) \_\_\_\_\_

TOTAL \_\_\_\_\_

NET \_\_\_\_\_

OR \_\_\_\_\_ %

---

1/ Revenue for typical examples of hauls included in rate reduction filing.

2/ Revenue, if any, derived from return movement.

3/ Include mileage to and from terminals.

4/ Includes driver, vehicle, and helper time, if used.

APPENDIX C TO GENERAL ORDER  
Page 3

DRIVER WAGE COST (HOURLY BASIS)

In developing driver labor costs, carriers must use the prevailing wages established by the Commission. Carriers should refer to Prevailing Wage Report 382 and succeeding reports issued by the Transportation Division staff to obtain the prevailing wage elements and the methodology (including determination of annual hours and appropriate premium pay factors) for total labor cost development based on those prevailing wage elements.

<u>Line</u>	<u>Item</u>	<u>Hourly Amount</u>
* 1.	Base Wage.....	\$ _____
2.	Holiday-sick-funeral leave ( _____ % x L.1)...	_____
3.	Vacation ( _____ % x L.1).....	_____
4.	Subtotal.....	\$ _____
5.	Health, welfare, & pension.....	_____
6.	Subtotal.....	_____
7.	Payroll taxes.....	_____
8.	Worker's Comp. Ins. ( <u>L.16</u> % x L.4).....	_____
9.	Total hourly labor cost.....	\$ _____
* 10.	Holidays _____ days/yr. x 8)	
* 11.	Sick leave & funeral leave _____ days/yr. x 8) _____ Hrs. ÷ <u>L.17</u> = _____ %	
* 12.	Vacation _____ days/yr. x 8 = _____ Hrs. ÷ <u>L.17</u> = _____ %	
* 13.	Health & welfare \$ _____/mo. x 12)	
* 14.	Pension \$ _____/wk. x 52) \$ _____ ÷ _____ = \$ _____/hr.	
15.	Payroll taxes	
	a. FICA** _____ % x \$ _____ )	
	b. FUI _____ % x \$ _____ )	
	c. SUI _____ % x \$ _____ )	\$ _____ ÷ <u>L.17</u> = \$ _____/hr.
16.	Worker's Comp. Ins. <u>Modifier</u> x <u>Manual Rate</u> = _____ %	
17.	Annual hours.....	_____ hrs.

\* Prevailing Wage Elements obtained from current prevailing wage report.

\*\* Self-employment (FICA) taxes applicable to owner-driver operations should reflect actual cost.



APPENDIX C TO GENERAL ORDER  
Page 4

DRIVER WAGE COST (MILEAGE BASIS)

In developing driver labor costs, carriers must use the prevailing wages established by the Commission. Carriers should refer to Prevailing Wage Report 382 and succeeding reports issued by the Transportation Division staff to obtain the prevailing wage elements and the methodology (including determination of annual hours and appropriate premium pay factors) for total labor cost development based on those prevailing wage elements.

<u>Line</u>	<u>Item</u>	<u>Mileage Amount</u>
* 1.	Base Wage.....	\$ _____
2.	Holiday-sick-funeral leave ( _____ % x L.1)...	_____
3.	Vacation ( _____ % x L.1).....	_____
4.	Subtotal.....	\$ _____
5.	Health, welfare, & pension.....	_____
6.	Subtotal.....	\$ _____
7.	Payroll taxes.....	_____
8.	Worker's Comp. Ins. ( _____ L.16 % x L.4).....	_____
9.	Total Mileage labor cost.....	\$ _____
* 10.	Holidays _____ days/yr. x 8)	
* 11.	Sick leave & funeral leave _____ days/yr. x 8) _____ Hrs. ÷ L.17 = _____ %	
* 12.	Vacation _____ days/yr. x 8 = _____ Hrs. ÷ L.17 = _____ %	
* 13.	Health & welfare \$ _____ /mo. x 12)	
* 14.	Pension \$ _____ /wk. x 52) \$ _____ ÷ _____ = \$ _____ /hr.	
15.	Payroll taxes or \$ _____ ÷ MPH = \$ _____ /mi.	
	a. FICA** _____ % x \$ _____	} \$ _____ ÷ L.17 = \$ _____ /hr. or \$ _____ ÷ MPH = \$ _____ /mi.
	b. FUI _____ % x \$ _____	
	c. SUI _____ % x \$ _____	
16.	Worker's Comp. Ins. <u>Modifier</u> x <u>Manual Rate</u> = _____ %	
17.	Annual hours.....	_____ hrs.

\* Prevailing Wage Elements obtained from current prevailing wage report.

\*\* Self-employment (FICA) taxes applicable to owner-driver operations should reflect actual cost.

APPENDIX C TO GENERAL ORDER  
Page 5

EQUIPMENT INVESTMENT AND FEES

Equipment investment costs allow you to recover the value of equipment lost through depreciation. The method set forth in this section depreciates the equipment over the useful (service) life of the equipment. (Such method differs from methods used for income tax purposes, where rapid, accelerated depreciation is allowed.)

To properly develop depreciation costs, carriers must determine the following for each unit of equipment:

1. The price of the equipment (less tires and tubes) including any additional equipment on the vehicle at the time of vehicle licensing and any sales taxes;
2. The useful (service) life of the specific equipment;
3. The estimated salvage value of the equipment at the end of its useful life.
4. License fees, including but not limited to, the following:
  - a. Registration;
  - b. Vehicle license fees;
  - c. Vehicle weight fees;
  - d. Highway use taxes.

(Any additional fees incurred on a regular basis may also be included).

It may be desirable, because of varying service lives, to segregate equipment costs by categories such as: power equipment, trailing equipment, dollies, tractors (diesel and gas), trucks (diesel and gas), trailers (van, flatbed), etc.

Page 6 sets forth investment and fee costs on hourly and mileage bases. This development is considered the simplest method for calculating depreciation costs. It can be used to develop total costs on an hourly, mileage, tonnage, shipment, or trip basis.

APPENDIX C TO GENERAL ORDER  
Page 6

INVESTMENT - DEPRECIATED SERVICE LIFE

Line No.	Item	Equipment Classification
1	Equipment Cost	
2	Salvage Value (Note 1)	
3	Service Value (Note 2)	
4	Service Life (Note 3)	
5	Depreciation Cost per Year (Note 4)	
6	Vehicle Registration (Note 5)	
7	Vehicle License Fee (Note 6)	
8	Vehicle Weight Fee (Note 7)	
9	Highway Use Tax (Note 8)	
10	TOTALS (Lines 5 thru 9)	
11	Cost Per Hour (Note 9)	
12	Cost Per Mile (Note 10)	

## Notes:

- 1 Salvage value at end of useful life
- 2 Equipment cost less salvage value
- 3 Useful life of equipment in years
- 4 Service value ÷ service life
- 5 Current registration fee under California Vehicle Code Sec. 9250
- 6 Current license fee under Revenue and Taxation Code Sec. 10753
- 7 Current weight fee under California Vehicle Code Sec. 9400
- 8 Current tax under U.S. Publication No. 349
9. Line 10 ÷ Annual hours that vehicle is in revenue service
- 10 Line 10 ÷ Annual miles that vehicle is in revenue service

APPENDIX C TO GENERAL ORDER  
Page 7

RUNNING AND INSURANCE COSTS

Running costs are those costs which are incurred during actual operation of the vehicle or which are required to maintain the vehicle in adequate operating condition.

The elements of these costs are as follows:

1. Cost of fuel;
2. Cost of oil;
3. Cost of tires and tubes; and,
4. Cost of maintenance and repairs.

Prices should reflect the cost of both bulk and road purchases of gasoline and diesel fuel. Fuel costs should include all applicable taxes.

Oil costs should give consideration to the quantity purchased, frequency of change, and frequency of adding oil.

The cost of tires and tubes should consider the purchase price of tires and tubes, the frequency of recapping tires, and the annual miles experienced (including new tires and recaps).

Repair and maintenance costs should include all costs for materials and labor incurred by carrier performing its own maintenance work on operating equipment. (The labor cost should not be limited only to time spent on repairs, but should include all labor costs associated with fueling, with adding or changing oil, and with changing or repairing tires and tubes.) Additionally, any costs incurred for outside repairs should be included in this item.

Insurance costs on equipment may be stated either as an annualized premium or as a percentage of revenue. (For percentage of revenue see page 9.) Insurance cost for equipment should include the premiums paid for public liability, property damage, and cargo.

PAGE 8 DEVELOPS TOTAL RUNNING AND INSURANCE COSTS ON A PER MILE BASIS.

APPENDIX C TO GENERAL ORDER  
Page 8

RUNNING COSTS - INSURANCE COSTS  
PER MILE

Line No.	Item	Equipment Classification
1	Fuel Cost (Note 1)	
2	Oil Cost (Note 2)	
3	Tire and Tubes Cost (Note 3)	
4	Repair and Maintenance Cost (Note 4)	
5	Total Cost	
6	Running Costs Per Mile (Note 5)	

Notes:

- 1 Include all applicable taxes and consider bulk and pump purchases.
- 2 Include consideration of bulk and road purchases.
- 3 Include all costs including outside service costs.
- 4 Include all labor and material costs.
- 5 Divide line 5 by miles traveled during cost period.

---

Insurance Cost per Mile

(Annual Premium divided by annual miles traveled.)

APPENDIX C TO GENERAL ORDER  
Page 9

INDIRECT COSTS

Indirect operating costs include those expenses which are necessary for the operation of a transportation service but which cannot be directly assigned to any particular phase of the operation. Such items include general administrative salaries and expenses; general office salaries and expenses; supervision of the various phases of the operation; solicitation and advertising expense; rent; utilities; other expenses of like nature. They may be expressed as a percentage of direct costs.

$$\text{INDIRECT RATIO} = \frac{\text{INDIRECT EXPENSE}}{\text{DIRECT EXPENSE}}$$

GROSS REVENUE EXPENSES

Gross revenue expenses include:

PUC Tax \_\_\_\_\_ %

City Business License Tax \_\_\_\_\_ %

\*Insurance (Variable)

\*Insurance on equipment when the premium is computed as a percentage of gross revenue. (Insurance costs include PL/PD and cargo premiums.)

(END OF APPENDIX C)

CANCELLATION SUPPLEMENT

SUPPLEMENT 16

TO  
MINIMUM RATE TARIFF 12-A  
NAMING  
MINIMUM RATES AND RULES  
FOR THE  
TRANSPORTATION OF MOTOR VEHICLES  
(As described herein)  
IN SECONDARY MOVEMENT  
BY  
TRUCKAWAY SERVICE  
OVER THE PUBLIC HIGHWAYS WITHIN THE  
STATE OF CALIFORNIA  
BY  
HIGHWAY CONTRACT CARRIERS

CANCELLATION NOTICE

Minimum Rate Tariff 12-A is cancelled. The rates of any highway common carrier that adopted Minimum Rate Tariff 12-A as its common carrier tariff by authority of Decision 90324 shall remain in effect.

Decision No. 82 04 108

EFFECTIVE JUNE 20, 1982

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