ORIGINAL

Decision 82 04 108 APR 2 ! 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 DEI NION

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) should be replaced by a system of individual carrier-filed rates. By

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

passage of Senate-Billw860sallowedvthesconversion of radial highway such between A1,000 at success A1,000 at success A1,000 and success and a public with some virtues of senate success and public with some as well as a success and a success and a success and a success and and an anomal as well as a success and and anomal as well as a success and anomal as well as a success and anomal as well as a success and anomal as a success and anomal as a success and a su

- 1. The majority of carriers reporting revenues of \$25,000 or more from MRT 12-Arduring 1998 18932 1979 were former radial highway common carriers who aconverted to acommon carrier status under PU Code Section 1063.5.
 - 2. On April 1, 1981, 42 out of 45 active

 carriers reporting MRT 12-Afrevenue in .5.15.000
 1979 held highway common carrier

 certificates and care subject to other wor orders

 tariff filed rates.— Only the
 remaining three-carriers sheldshighway or oldslives
 contract carrier authority exclusively.

3/ Only/one of the ten carriers in this category was amens and three carriers who held contract and the life.

^{2/} Of these carriers, five were participating in Western Motor Tariff Bureau's WMT 128 Tariff, one was publishing its communicatiff, 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

Contract rates filled on or before the date of MRT 72-A cancellation and fouriffed on the basis of a Section 3666 deviation would remain effective at the through the issuance of a Commission general order requiring contract carriers to observe rates which are, in the absence of of competing highway carriers would be cost and operational justification, not lower than those set forth Commission (but no earlier than the in tariffs or contracts of competing highway carriers. avelvong od sniglm an osab total nowa no More specifically, under the general order proposed by The Staffer besitted (1) cantilit rot teeps and code Section 3656 deviation or. (2) and code Section or continued to the staff of the continued to the staff of the continued to the staff of the staff Highway contract carrier operations would be ent would regoverned by the afollowing strand charges of competing highway carries on of MRT 2-A, contract carriers would operate only under contracts filed with the Commission. f, Contract rates at or spove the charmen and a contract rate filled below the charges of a competing highway was a carrier would be accompanied by a statement of justification. Such justification would consist of either: - - (T) reference to a competing highway carrier rate being met > (2) operational and cost data showing that the proposed rate would contribute corcarrier profitability for (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 - Land Correct been authorized sunder PUnCode d out - ross Section 3666 and bin seffect on the date

TOTAL TOF MRT T2-Awcancellation.

CORRECTION

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HAS BEEN REPHOTOGRAPHED

TO ASSURE LEGIBILITY

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

passage of Senate-Billw860-allowed/thesconversion of Aradial highway sent buryoger Are 1970 or surject to summon variety centrificates under Public of mort sense viscostates and public of mort sense viscostates and this conversion, they make up so fothe struckaway industry today is materially different from what it was in 1977.

| Description | Descr

Division, Freight Economics Branch staff (the staff):

1. The majority of carriers reporting revenues of \$25,000 or more from MRT 1/2-Abduring 0005 12003 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-Afrevenue in belooms 1979 held highway common carrier accertificates and rare subject to their wor offened tariff filed rates.— Only the remaining three-carriers heldshighway or offened contract carrier authority exclusively.

3/ Only one of the ten carriers in this extegory was amene the three corriers who held contract our curium enthemism evolutions in.

^{2/} Of these carriers, five were participating in Western Motor Tariff Bureau's WMT 128 Tariff, one was publishing its communicarrier; 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.

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would redic3.comThreemofathen42.activewhighway@common.C) noisipoC carriers earned more than 50% of the was one s\$28x5smillionrindrevenuesthatowasass good vissaris reported in 1979 under rates in MRT 12-A. while almost 88% of the \$28.5 dmillion au haltarego dollars was earned by ten, top earning the chighway carriers of bousel ow some

Time if it is to r415 Of the v45 pactive scarriers 3 who ireported to same as a MRT 12-A revenue in 1979, 14 reported that and the state of the control of their trevenue owast earned of romatical normal operations presently exempt from the unit inapplication of rates in OMRTO 22-Ac- One) assisting of these 14 carriers was among the three of the carriers holding conly contract scarrier, actative converge authority. ాగ్నిస్ ఇది అనుగా వేద్దిందారు. మండామై వడించాలమీమీమీపు కాడ్డ్స్ కార్యం

> 5. Both auto transporters and their affected nois specishippers have; sin the past, eactively on A participated in minimum rate proceedings can be proceedings have adopted.

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From these facts, othe staff believes there is no longer status under PU Gode Section 1063.3.

a significant need for MRT 12-A and recommends the tariff be On Aptil 1, 1981, 42 out of 45 detive

The staff further believes the limited regulatory molegia acamos yswigid blad 9797

benefit now derived from publication of MRT 112-Accan remain odo vino (1. sector belia salitase available to the struckaway mindustry each solitases

contract carrier suthority enclusively.

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

^{4/3} In addition to the \$28.5 million in minimum rate revenue earned by MRT 12-A carriers other also earned \$70.3 million in rate exempt revenue in 1979. Most of this rate exempt revenue was earned from the hauling of motor vehicles in which movement.

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

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through the issuance of eastCommission general order requiring

contract carriers to observe rates which tare, in the absence of

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cost and operational gustification, end to lower than those set forth

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in tariffs or contracts of competing whighway carriers.

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HHES Highway contract carrier operations would be estable specific representations of matter of the sellinous of matter on
HEAR OF THE POINT CARREST WOULD OPERATE ON
HEAR OF THE CONTRACT SHIELD WITH the Commission.

Any contract rate filled below the charges of a competing highway carrier would be accompanied by a statement of justification. Such justification would consist of either:

(7) reference to a competing highway carrier rate being met 5 (2) operational and cost data showing that the proposed rate would contribute to carrier profitability for, (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 of Section 3666 and in reffect on the date

C.5604] OSH 59 et dl. T/JK/BW/XPSC

- 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
- Contractivates filed, to meet the charges to of competing highway carriers would be made effective on the date filed, with the concommission (but no earlier than the effective date of the rate being met) the on such later date as might be provided
 - e. Except for filings (1) justified under PU do Code Section 3666 deviation or, (2) made 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 would be wondered effective on the date filed, or on such later date as might be provided by the terms of the contract.
 - 2. Highway, common coarrier operations would be made to governed by the following to the
 - a. Common carrier orate increases would be subject (to justification and approval of the Commission as required by PU Code
 - Section:454-1: TRM to stab

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 justification:would consist of either

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of heliting of bloom gotted betantesting highway carrier rate being met, or (2) hoperational and cost data showing that the proposed rate would contribute to the proposed rate would contribute to carrier profitability; now will contribute to the proposed profitability; now will contribute to the proposed profitability; now will carrier profitability; now will contribute to the proposed profitability; now will be something that the profitability; now will be something the profitability; now will be something that the profitability; now will be something the profitability; now will be something that the profitability; now will be something that the profitability; now will be something that the profitability of the profitability; now will be something that the profitability of the profitability of the profitability of the 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 state of 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.
- - 3. The cost data required to be submitted to a list 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).

Also, acting consistently with our findings in D193766 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.

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 state of the prevailing of the staff of the surveys might be a survey once a year state of the prevail of the survey of the

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- 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, Justine staff solicited

comments from shipper and carrier interests regarding implementation of its reregulation plan on an exparte basis. The staff letter is received in evidence as Exhibit lin C.5604 (OSH 59). Six responses to the staff letter were received. Five responses in support of the staff plan had comments on the technical details for implementing the plan. One respondent, Lima Brothers Trucking, indicated as preference for maintaining the minimum rate system. None objected to the implementation of the

staff remegulation plan on any exprante basis of more the control of remegulation of sold and woled sector with states of the control of real control of the control of the

^{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., Standard Toyota To

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

As an adjunct to its regulatory plan the statif concemplates required use of Commission-surveyes trevailing lassr Discussion costs in the justification of rates filed below the Leec of t We agree with the staff recommendation that MRT 12-A οξ σοπρυσίτης λίςληναγ σαννίθνο. Το ασορουό α συθίπισίου οθ 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 D.91265. In that proceeding, we found the information accessor of 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 publicainterestrane also agree that there is a need to -ಜಾಪದರು ಜ್ಞಮನಸ್ಥಾರ, ಸಾಚಿಸಸವಾ ಪಾರಾಸಚಿತ maintain some form of regulatory control over truckaway trans- A geographical dešeription of the makets portation to ensure equality of competitive wopportunity between classes of for-hirepmotors carriers to you take by od T operated by the labor in the particentee . The regulatory plans proposed by the staff is similar to the program of competitive individuals carrier-filed rates we adopted by D. 90663 for the transportation of general freighters except that it provides for no period of transition from minimum = rates to carrier-filed rates. YETheoregulatory plan we adopt will be The enly individually significant direct labor cost incurred by truckway carriers is the cost of employing drivers.

C.5604. OSH 59 et al. T/UK/BW/WBSC

As an adjunct to its regulatory plan the staff

contemplates required use of Commission-surveyed prevailing labor

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costs in the justification of rates filed below the level of rates

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of competing highway carriers. We adopted a definition of

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prevailing wage and the criteria for its use in justifying rate

reductions for the transportation of general freight in OII 53 by

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12 .Stritted off municipal proceeding, we found the information necessary to

the successful determination of a rational prevailing wage to be:

- The identity and classification of carrier to have significantly contributes to be discounted to the contributes of the contrib
 - and years town lotten grothleger to made emoc aletalem 2. A geographical description of the markets

 The Mark from which carriers draw this dabor. or no its state
 - 3. The identity of the type of equipment to appeals operated by the labor in the performance loss the carrier's transportation service.

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 to lead because became
- truckaway service is a three-axle diesel truck/combined/with/artwo-axle/semitrafler/
- milm mest. com 5. m Toka elesseridegree petruckaway service disc believe also performed using a two-or three-axle messered laborate etruck without trailing equipmentwittes for assessed

a statewide prevailing wage for truckaway drivers is sufficient to implement the staff plan. However, our findings in D.91265 our (OIL 53) necessitate the use of the statewide prevailing wage for each of the following driver categories as a traff of more transported.

equipment.

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^{2/} EFOR the purpose of the distinction we make here consider a local driver to be a driver of truckaway equipment making a continuous round trip or portion within a violemile 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.

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manner discussed here, should ensure that while carrier competition on the basis of operating efficiencies its encouraged, disruption of the basis of operating efficiencies its encouraged, disruption of existing labor markets in the struckaway industry is avoided. If a period of time should appearance of the date the reregulation plan of the should hapse between the date the reregulation plan becomes effective and the issuance of the staff is initial truckaway industry prevailing wage report? driver wage and fringe benefits reflected in labor contracts underlying MRT FRA are available for use to fall this vord; as a source of the staff is incomplete for use to fall this vord; as a source of the staff is incomplete.

The staff program of carrier-filled 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'll cancel MRT 12-A and concurrently issue the staff-proposed general order contained in Appendix 2.20013 Gt 302305

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 very deal with regulatory change. 8/C In this case, we have considered the economic implifications of our decision and find that the staff reregulation plan, as adopted, will tend to stimulate rate competition on the basis of operational?

Finding 4 did not hold common carrier certificates.

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

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

Hearing in these proceedings is unnecessary to larones Findings of Fact one executor were words said excess of

- derived revenue from MRT, 12-A in 1979, have converted their converted their authorities, to common carrier status under the provisions, of PU Code Section, 1063-5-1096 viscost enivered to the market was also to common carrier status under the provisions, of PU
 - 2. The carriers referred to in Finding, J. now file common carrier tariffs for the transportation of motor vehicles under the provisions of Article, 2 of Division 1 of the PU Code.
 - 3-2 By D-90324, a number of highway common carriers were, authorized to adopt MRT-12-A as their common carrier, tariff as
 - 14- On April d. 1981, 45 carriers reported earning MRT 12-A revenue in 1979 aread out no notitiognoo oper operations of brot
 - 5. On April 1, 1981, only three of the carriers described in Finding 4 did not hold common carrier certificates.

^{3/} See United States Steel Corporation v 3ublic Utilities Commission, 29 Car 3d 503 (S.F. 24100, order zilve Utily 4, 1981).

- of privious related assessed to a colorated of colorated on .1;

 production Three of the carriers described in Finding 4: who helds

 highway common carrier authority on April; bad 981 tearned more than

 10.50% of the \$28.5 million MRT 32-Aprevenue reported in 1979 it 1929
 - 7. Approximately 88% of the \$28.5 million in MRTS 12-AM of revenue reported time 1979 (was rearmed by then learniers 1988). Standard 84% On April Marik 98%, confly lone; of the tentical reference to in Finding 7 wheld no common scarrier authority. See a collected
 - 9. Of the 45 carriers who reported earning MRT N2-As revenue ain 1979 114 indicated that 100% of their 1979 MRT 12-A revenue was earned from operations presently exempt from MRT d2-As maters.
 - 10. On April 1985, tone to fithe district referred to in Finding 9theld more common carrier authority of vice onto 1886. Carriers and shippers to forcommodities move subject to MRT 12-Attrates taxe capable of megotiating transportation rate adjustments to reflect economic conditions, without Commission and I involvement of the conditions without Commission and I involvement.
- 17. The foreseable economic impact created by themsylpyningry system adopted will be of a beneficial nature.
 - 18. The following order complies with the guldelines in 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 a queried carriers or shippers now finvolved in transportation subject to MRT 12-A. of colding 2.832 and he was visconized. . T
- 13. Findings of Fact of through the Undicate the company of apublication of MRD 12-A is not longer required from eet the transportation needs of carriers and shippers of motor vehicles by or attruckaway service and because one are truckaway service.
- and the public interest require that carriers be sallowed to meet
- 15. The only individually significant direct labor costs: Incurred by truckaway carriers describe the costs of temploying drivers.

 Truckaway carriers obtain their drivers from a single labor market that encompasses the lentire State. To live of them.
 - 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.

7. It can be seen with certainty that there is no 19. It can be seen with certainty that there is no 19. It can be seen with certainty that there is no 20.000 cancoling minimum rates. PU Code Sections 726 cancoling and passibility that the regulatory system adopted may have a 2662 will not apply.

Significant effect on the environment.

Common carrier rate changes will be governed by PU Code.

Conclusions of Law

- Sections 453, 453, 456 and 455.

 1. The Commission is not required to establish minimum rates to equalize competitive opportunity, highway admost under Division 2 of the PU Code.
- arrier grizos de recursos de rot tot tot competitive de recursos competitive.

 2. A regulatory system of competitive individual carrier
 2. A regulatory system of competitive individual carrier
 3. A regulatory system of the present minimum filed rates should be established in lieu of the present minimum filed rates are considered, jour not carrier telification for the present management rate system.
 - .The reregulation plan outlined in the body of this
 3. The reregulation plan outlined in the body of this
 yo buttandus assisted only only all substantial of the opinion is just and reasonable and should be adopted by the
 to success to lovel and woled seese yitted to startary yawhaid
 Commission.
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 4. The rates of any highway common carrier that has adopted

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 MRT 12-A as its-common-carrier fariffiby eauthorpty of D.90324 will

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 remain in leffect after cancellation of MRT 822-Azi

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 - 5. The rates contained in contracts filed by contract ro-own gairnage around facout (1) carriers will be approved aby other Commission number PU Code
 - (2) Local drivers operation equip- .2662 notices ment having four or more axiles.
 - 6. The precise rates contained in contracts filed by -0wd anisotogo emptying lundonial (E) contract carriers and approved by withe Commission under PU Code Section 3662 will be coinceffecty iminimum and maximum rates.

- 7. Since we are adopting a system of individual carrier-19. It can be seen with certainty that there is no filed rates and canceling minimum rates, PU Code Sections 726 and possibility that the regulatory system adopted may have c 3663 will not apply.
- cignificant effect on the environment. 8. Common carrier rate changes will be governed by PU Code Conclusions of Law Sections 452, 453, 454 and 455.
 - 9. To equalize competitive opportunity, highway common under Division 2 of the PU Code.
 carrier rate reductions filed for the purpose of meeting competing 2. A regulatory eyetem of competituve individual carrierhighway carrier charges may be filed and made effective on the manifest and made effective on the same day service is to be initiated, but not earlier than the effective date of the rate being met.
 - 3. The reregulation plan outlined in the body of this 10. Under the reregulation plan the cost data submitted by highway carriers to justify rates below the level of rates of Commission. competing highway carriers should be comprised of:
 - 4. Του ποτος οπ απγ οληρωκον κοππου συντάδε πόλιο διασικό μ a. Prevailing labor costs, as defined by the Than willing to vCommissiondintD.9.1265 and set mnobless as A-St Tam than once annually in the manner described in D293767, Riomothe Ifollowing relasses hofer all amount carrier labor:
 - 5. The rates contained in contracts filled up assure of [.3]

 (1) Local drivers operating two-or and II The tothree-axleDequipmentavorqua ed liliw arelataso
 - (2) Local drivers operating equip- .2002 noisses ment having four or more axles. The precise rates contained in contained to its contained in the contained
 - (3) Linehaul drivers operating twocontract carriers and mendings extree-axis equipment and residence of Code
 - www.rat mun(4), m Linehaulndriversloperating equip-lobe norsons ment having four or more axles.

b. Workers' Compensation insurance premiums

-1. The bourds are to be used to perform when subhaulers are to be used to perform the reduced rate transportation, whether bloods or not the prime carrier actually maintiments. Workers's Compensation, coverage on incurs a cost for such coverage.

c. The individual carrier's actual costs for

referred to sin Conclusion 10 pathersenting State should be considered a single labor market. State and apparatos by anamates by a single labor market.

- 12. Between the date the regulatory system adopted becomes effective and the date the staff sissues othe results for its initial prevailing wage survey; the appropriate driver wage and fringer benefits contained in that or contracts sunderlying MRT sh2-A should be a considered to be the prevailing habor cost (proper off 15)
- 13. Rates of individual highway contractocarriers found to reasonable numbers PU Code Section 3666 [and sin effect fat the time we cancel MRT 12-A should remain in perfect without further cost or operational justification numbers the greregulation plansadopted to highway carriers will be required in conjunction with the post merculation 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 cases and control cases and control cases and control cases and control cases and cases ar
- 17. The reregulation plantadopted wish consistent with state . Service four road reco a crushi antitrust law.
- 18. The reregulation plandadopted wfff on the create any unfair competitive advantage for any particular class of carrier.

 19.5 The reregulation plandadopted will mod result bin any unfair competitive advantage for carriers or shippers who shave a carrier carrier or carrier shipper affillations.
- proceedings Tso that the overall public interest will be served:
 - 21. The reregulation aplan adopted satisfies the brequirements of PU-Code Section 350200 Yawagia Laubivibai to setam .Ef
- Environmental Quality Act; California Public Resources Codes of Sections 27000 and 2100 rapply to these proceedings, the foresconces Code, Sections 27000 and Provisions; California Public Resources Code, Sections 2700 retesed; do notes of like assistant years and sections 2700 retesed; do notes of like assistant years.
 - 75. The Commission may exempt selected commodity transportation from rate regulation under Division 2 of the FU Code.

1. According to the point of the public interest to adopt the reregulation plan. The Executive to adopt the rescutive to the public interest to adopt the resulting plan. The Executive Director plane are the Executive Director plane of the Executive Director and DER $\frac{D}{E}$

Then ban I widelege and became sold the flat mode noicles by IT IS ORDERED that:

- 1. The reregulation plan outlined in the body of this opinion, and described more fully in General Order Series /5/ 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 contract paragraph and bears an effective date of June 20, 1982.

5. Orders Setting Hearing 59 and 963 in Cases 5604 and the serve we waste of all the restriction of the serve waste of the serv

6. The Executive Director shall serve a copy of this

decision upon all parties named in Appendix 1 and upon all sub-

scribers to Minimum Rate Tariff 12-A.

This order is effective today.

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\text{\text{Dated} APR 2 1982 . at San Francisco. California.} \] Dated at San Francisco, California.

1982.

The attached Cancellation Supplement if to Minimum Rate RICHARD D. GRAVELLE A CRIMES IN CRIMOLILions authorized under PU Code Section Site VICTOR CALVO application covered by these proceedings, shall Commissioners

empire officative June 20, 1982.

4. Any carrier who would otherwise be allowed to perform transportation covered by these proceedings after-June 19, 1962 at charges authorized by a deviation granted under PU Occe-Section 3566, may continue authoriaacion to perform such trans-

Alic double to state a gailiful to contract the contract with this Decision STORA TENDENT TENDENT TENDENT OF THE STORE CONTRACT SHALL TECHTE COMMISSIONERS TODAY

ification, provided they are no

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Joseph R. Bodovitz, Executive Di ring paragetina and bears an effective date of June 20, 1980.

Market Comments

NICHERS APPENDIX 1 Page 1

List of Parties for Service Referred to

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Wad JosephyGarciagnAttorney;atclaw DepartmentsofyConsumers:Affairs 1020 "N" StreetsmisingM 900 SacramentohOCAos9581477 mag

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APPENDIX 1

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DusHouMarkensT 90808 005100. Traffic Associates 2 Inc. 188 P. 00 Box 3.0007022566575 662 Los Angeles, CA 90031

ಸಂದರ್ ಸಂಘರ Joe Martinered exeroM abnex Nissan Motor Corporation 00: P. O. Box 320 Corporation Gardena, CA 90247

Samowiles Corolla action and all 3704 Candlewood Drive . . Bakersfield; CA 793306

- ಗಂಣರೇಂಡಿರಿ .3 -.3 Bob Miller Toyota Motors Corporation 77 2055 W. 190th Street 4 4642 Torrance? CAR 90504 864 864

> אַבהעחל אנבדה 743 San Simeon Drave Concord, Ca 94313

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2029 Century Park East
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WPacific Southcoast Freight Burea San Francisco CA 94403 22 10:

Don Shields Highway Carriers Association 200 8696 South WELEY FLEE IN SOUTH OF South Gate, CA 90280 Nos O P

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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 27-04-10/2 C. 5604, OSH 59 and C.5432, OSH 963.

	INDEX	PAGE
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 HIG	YAWH
APPENDIX B -	CONTENTS OF COMMON CARRIER RATE INCREASE APP	LICATIONS
APPENDIX C -	FORMS FOR OPERATIONAL AND COST DATA IN JUSTI: STATEMENTS	FICATION

APPENDIX 2 Page 2

RULE 1 - APPLICATION

A. This General Order is issued to implement the Commission's (c.200) ban 8000 about 200 per reregulation program and to provide guidance for tariff of bearing the stourness apprends younged ... and contract filings in connection with the secondary movement of commodities described below by truckaway service:

٠.

- 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

以口与国 defined in Code [1 [2] [4] [8] Highway common carriers as derined in Section-213 and referred to in Code Sections 1063 and 1063.5; PRIN COME

1 1 1 columnasses defined in COURTEGE openating chrote of the margore - Highway contract carriers as as accode. Section 3547 at agains

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Seratoe:

. Motor Vehicales and motor vehicle education

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Q provide of this General Order shell spirit Badone as otherwise provided, Commission's Roles of Presented and Procedury. 2005000 provisions of 110 1) G THE SAS ASSERT CHOSE SAS AN 00000000 Organi 0 11 0 · 好意料料外面料件。同时是打造作 60881461

APPENDIX 2

RULE 2 - DEFINITIONS of Incomparing on ensem "Incomparing". 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: 20% one .30000000000

- A. "Assembly Plant" means a place at which motor ovehicle 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 track, or other self-propelled highway vehicle, trailer, semitrailer, or any combination of such highway
- incircles, operated by other carries of a compart of the compart o
- তিওৱা Cuast Code ভালি mean's the Public Butilities Code of the

 প্ত State of California (বিল্লু হ' স্বাহ্র স্কলি বিল্লু স্কলি
- The Dark "Commission" means the Public Utilities Commission
 - will solofathe State of California, wook more squaxE
 - described in Rulei #700 vo and interpolation of its page

2 Y APPENDIX 2

- F. "Contract" means an agreement in writing which a grow to make the points both shipper and contract carrier to good: to the same that the performance for a specific term to For terms not of contract, see Rule, 6(E)(1) and agree griwolioh and
 - G. "Contract Carrier" means every highways contract A
 - 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 a any amendments or reissues of (D-89303) and August 22, 1978, C-67024) and to the commission and th
 - 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 (C) of this rule reasie)

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 subsubhaulers when such carriers are engaged by other

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L. "Initial Movement" means the transportation of motor vehicles from the plant at which the motor vehicles

The Transport of the point of assembled to the point of

destination and the return transportation of such

vehicles to the plant in cases where delivery has

not been accomplished.
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M. "Manufacturing Plant" means a place at which motor to appeal borial out to noiseassed to grositted

place where accessories are added to a motor vehicle.

which is defined for the application of rates.

APPENDIX 2

- 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 hever 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 sold as to be state, province, or country.
- P. "Point" means a particular city, town, community, color and a particular city, town, community, color and a particular city, town, community, color and a particular cone, conduction area extended area, metropolitan zone, or other area which is defined for the application of rates.

S MIAPPENDIX 2 9 0gPage 8

Q.be"Rate" emeans the figurerstated sinocents and others grandocentsymor; fractions; rincluding other charge and, world also no the rules ogoverning avandmany accessorial - icharges to be used in scomputing the scharge don the ven beaproperty atransported apero -blee bas believer R. "Rate Bureau" -means each conference bureau voommittee, or other organization established or continued under any agreement approved by the Commission under the Section 496% approxisions of Code, Section 496% approach bas Secondary Movement "cmeans the transportation of motor The subject of the second of t Tagi "Special Mobile Equipment" means any sofother following vehicles or mobile machines 200 any owater 200 coil well _____drillinggrig: crane; powermshovel pmair compressor: al come air/drillgobituminousomixers bucketaloaderroditcher; er ser leveling; grader; proad-finishing machines motor graders paying mixer; road roller so scarifier; earth 970 90 movings scraper; carryalls lighting plants welders doupump; dragwline; esearchlight; vgeneratoromsnow plow; vehicle or vehicles rests wholly or nartly upon

carrier's ecuipment.

2 MIAPPENDIX 2 8 SpRage 9

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APPENDIX 2 Page 10

"Used Vehicle" means a vehicle that has been sold give or vice, 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 wat merw appropriate agency of authority of any other state, District of Columbia, territory or possession of the United States or foreign state, province, or or warden son of the reductions of the reduction of the r 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 andura Codistributionoworksoffsuch manufacturer Y. "Wrecked Vehicle" means a vehicle which has been as young mwo mayon appoin house subjects to love the property of the prope 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 com It is a vehicle which has not been dismantled of crushed. The The Two ecked went cley definition of desonout apply to vehicles, vehicle bodies or parts which have been in the possession of a vehicle dismantler, and are

shipped beyond from such dismantler.

2 MICAPPENDIX 2

RULE 3-22 EXCEPTIONS that elolidev a adsem "elolideV best" .N

Af The provisions of this General Order do not apply to

" Transportation by independent contractor subhaulers

when such transportation is performed for other

and arriers. This exception shall not be construed to

exempt from this General Order carriers for whom the

independent contractor subhaulers are performing

the United States or foreign state and sale to commit the transportation service.

B. The provisions of this General Order do not apply to

TO ATTENSPORTATION of the following:

- Virginiar applicated by refuseer of the particles weighing less than 800 pounds to seach and the results as the particles weighing less than 800 pounds.
- 2. Motor vehicles weighing in excess of 7,000 pounds each.
- 3. Motor vehicles drawn under their own power or to towed wholly upon their own wheels to als
- 4. Trailers, semitrailers, and dollies nood
 - Special mobile equipment to anivor to
 - 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.

vehicles, vehicle bodies or purth which have been

in the possession of a vehicle dismantler, and are

shipped beyond from much dimmentles.

S SPAGE 12

RUDE 4 - DEPARTURES

- 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 activit defense or disaster organization established and functioning in accordance with the Callfornia 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.

S MICAPPENDIX 2 St oxeage 13

RULE 4 - DEPARTURES

- 8. Property of the United States or property transported under an agreement whereby the United States contracted for the darrier's service.
- 9. Property transported for a displaced person when the cost thereof is borne by a public entity as province in Section 7252 of the Government Code.
 - 10. The transportation of exempt commodition and/or exempt transportation by contract Garrens.

RULE 5 - TARIFF FILINGS BY COMMON CARRIERS IN TOASTROD - & ELUX

ALT Common carriers shall file tariffs in accordance with the

requirements of Division Toof the Code and General Order

Series 80; provided, however, that when the provisions of

this General Order are in conflict with the provisions of

Consul General Order Series 80; the provisions of this General

Consul General Order Series 80; the provisions of this General

Consul General Order Sarrier shall maintain and keep open for

Divisions of the provision and keep open for

Consul General Order Sarrier shall maintain and keep open for

Consul General Order Series 1222 at ad sour consults.

- Contracts must be in Center Series Ofder Series on policy on the proper scope of contract carrier operations at provided in attached Appendix A.
- 2. Every contract carrier shall keep and refined in its files all contracts for a period of three years after the termination date of the contracts.

- 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.

- E. Content and Form of Contracts, Amendments and Supplements
 - erconcontracts messes yrosenaloxe dous (d)

 1. Every contract shall contains of
- The name, address, signature, and "I" file number of the carrier.
- The name, address, and signature of the mane, address, and signature of the mane, address, and signature of the
 - and the duration of the contract.
- (d) The area involved in performance, such as
 - (e) A description of all mutual obligations and understandings of the parties, including but not limited to an analysis of the parties.
 - (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 XICESPage 17

- (g) Reference to the Distance Table, if
 - (h) Such explanatory statements as may be necessary to remove all reasonable doubt of its proper application.
 - - 3. Each carrier shall issue contracts under the "T" file nous , somewoods of asyloval asts one (a) number assigned to it by the Commission with a suffix number beginning with the number 1(a) Subsequent con
 - tracts shall bear consecutive suffix numbers. The
 - following manner:

 10 The commodulation of Contract Number 1000 and a contr
 - 4. A contract or an amendment which is required or sold authorized to be filled 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 () () and ()(E) and angerage we bestraped at members are made. Revised filing new pages on which changes are made. Revised considered as an emiliar end yet bedrillemoses ed yem pages shall be identified as consecutively numbered review, and add tovered." and notativety a gainfination revisions of the previous page, e.g., "First Revised and to the page 2 Cancels Original Page 2."

as meaning (enters true rew nearly)."

- 6. A supplement to a contract shall contain: or the commission of liberation of the commission of the contains of the contract shall contain:
- (a) Those requirements set forth in subparagraph (E)5(1) mecessary to chearly and effectively identify and amend the original contract among the
 - number, and/or previous supplement number which it amends rolls are constant of the contract o
 - 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).)

S Page 19

The Commission shall be notified in writing when a size of distriction of the volume of the commission shall be notified in writing when a size of distriction of the virtue of the commission respective to the distriction of the virtue of the commission respective the duration of the

orcontractpuditushaldsidedeemeducanceled on the specific actions of the expiration dates of his to he attention dates.

- 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 (B)(9).)
- When a chipper changes its name, whether or net control is transferred from one company to another, the carrier shall immediately amend its control wath such chipper to reflect the change. (See such paragraph (E)(9).)

S MAPPENDIX 2 SPage 20

ti stab off to so belif bemed be Iliw figstgatag RULE 7 - FILING PROCEDURES - CARRIER RESPONSIBILITY is published in the Commission's Daily Calender. A. Rate Filings - Where and When Filed as you make actionable notable model and when Filed (notable model) 1. Three copies of tariffs, adoption notices, and the future be designabled for bits purposes. contract filings, including any supplements hand-delivered documente cakill oe recelved on the and amendments, which are rate reductions and Los Angeles and San Diago offices. First them result in rates lower than rates of competing postage to San Francisco chall be paid it the time highway carriers, together with a statement ar . ພວມບຊີດີດ ພ້ວມ ວິດສ ສະ ພ້ວສອົລດວ່າ ອາຊຸດ ເສດອຸດພ**ວວວ່** of rate justification (See EXCEPTION), shall Sam Diego offices. Payment of postage shall be be received at the Commission's office at: Truck Tariff Section, PUC San Francisco, CA 94102, or οισμέν μους σορατισού δείσξες ου γέσου του Πλούν State Building Los Angeles, CA 90012, or erovisions applying to such fillings, see autopassering State Building 1350 Front Street and 30 (2)(A) San Diego, CA 92101

Documents received are not considered filed until

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they have been reviewed for compliance with this

General Order and accepted for filing. A document

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accepted for filing in accordance with this

S MAPPENDIX 2

paragraph will be deemed filed as of the date it YTILIEIRNOSER REIRRAD - RERUGEDORS DNILLS - 7 ELUR is published in the Commission's Daily Calendar.

Soil's norw bas aronw - agailit sac .A (or any other Commission publication that may in

the future be designated for this purpose). Only

considered van garibulari .agaille tasataco hand-delivered documents shall be received by the

and amendments, which are rate reductions and Los Angeles and San Diego offices. First class

result in rates tower than rates of association of the paid at the time postage to San Francisco shall be paid at the time pightap carriers, together with a statument.

documents are tendered at the Los Angeles and line face justification (See EXCEPTION), about

San Diego offices. Payment of postage shall be

made by personal check or money order.

EXCEPTION: The provisions to Subparagraph (A)(1) to .20128 AD .ossions T mb2

shall not apply to initial contract rate filings gainling espect

based on Code Section 3666 deviations. For

provisions applying to such filings, see subparagraph

(A)(2) of this rate and 10(2) San Diego, October 100(2)

2. Three copies of tariffs, adoption notices, and

contract filings, including supplements and amend-

ments:
.gaille voi bejogooos bas vebvo isveneb

The second of the second of the country of the country (a) Which are rate increases,

accepted for filing in accordance with this

S MICAPPENDIX 2 SS SPage 22

(b) Which are changes in rules or provisions of not resulting in a reduction in rates from that the carriers, and the competing highways carriers,

(c) Which are filed to meet the rates of colds a competing highways carriers a (dueupolate or above the level of a competing highway colds a competing highway)

on or before June 20, 1982, containing on or before June 20, 1982, containing the containing of the containing deviation expiring on such date;

office. Tariff and contract filings made in contract filings made in contract filings made in coldways as a second of the contract filings made in coldways as a second of the coldways of the coldways of the contract of the coldways of the

mailing as evidenced by the postmark, or (2) if solve allowed by the postmark, or (2) if solve allowed of because of like streambook betaging. Defined hand-delivered, on the date received at any of the solve attended of the commission's offices or district offices.

accepted.

S XICAPPENDIX 2

B. Transmittal Letters: Segment one doin (d)

Server at collected a sit gold weet for they shall
Regardless of where documents are filled, they shall
be accompanied by a letter of transmittal identifying

To serve end them or belief one doing (b)
the documents filed and addressed to the Public
years and gold end end end evods
Utilities Commission of the States Building (b San Francisco,
science of 28%; OS end evoded to so
California, 941021 of filed and receipts for the filings is

California,94102c office and profess to no California,94102c office and profess to fillings is considered, the letter of transmittal shall be sent in desired, the letter of transmittal shall be sent in duplicate; one copy will be stamped and returned as a noitoes filtred noutly one of viscetib belien receipt. A self-addressed stamped envelope must be one of provided for the copy to be returned. Tariffs, convivable you see septial opais one selegan solutrates, rate filings, adoption notices, and supporting of edem and approved the filed in a single package which the filed in a single package which selected as include the letter of transmittal required as each off as (1) is each of the second of the copy of the filed in a single package which will be seen and the letter of transmittal required as each off as (1) is each of the second of the secon

to accompany the filing.

11 (2) to , Atamatog and to beansolive as galilism

C. Rejected documents will be returned to the sender with and to the sender with a factor of the sender with a statement explaining why the documents were not assisted about 10 accepted.

% XTAPPENDIX 2 % Page 24

- D. Carrier Responsibility for Maintenance2of tariffs; EJUR
 etc. Governollianul oraș mairtal normol .A
- Carriers shall maintain tariffs, acontracts, and the Distance Table at all times in a current condition of the transfer of the
 - 2. Upon request, a carrier or its agent shall furnish a copy of, or a subscription to, any tariff which it issues, or ageopy of any tariff, contract, or rate filing, with supporting documents, including any statement of justification. Agrees onable charge may be assessed for such copies or subscriptions.
 - The contracts and the commission of the contract of the contraction of the contracts and the contracts of th
- 2. Common carrier rate increase applications whill be filled 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 effectively until it has been approved by order of the Commission.

S MAPPENDIX 2 43 Page 25

C. Carrier Responsibility for MNOITSIFICATION to

A. Common Carrier Rate Justification

1100 Common.carrier rate reductions must be accompanied u ni somit lin da bicaT opmatelC ont boo

by a statement of justification To Such statement

Upon request, a quartatorist consist of furnich a copy of, or a sucheription for (a) ** Reference to the rate of a competing highway carrier including the identity of the tariff and items Padnumber or contract containing the rate

subscriptions.

- Operational and cost data showing that the proposed rate will contribute to 3 .3 carrier profitability. These data must - Control of the fireflect individual carrier costs, except those labor costs which are subject to Appendix C.)
 - 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.

S XIAPPENDIX 2

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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 .sociasnos encoro emper ye besivere 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 41-04-108 and the deviation.

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C MIAPPENDIX 2

- may be ទ contract. The increases will be effective course, and some set of the contract.

 The increases will be effective course, and the date is may not a such later date as may not an account of the contract. rates . A contract carrier may increase its rates say noted related to satisfy east restrance of anewolfiling an appropriate amendment or a new and the good bon books in the ten of the contraction Thereases will be authorized on 30 days needed THE BOUNDAND BON BONDONED THE STUDIED TORES
- Contract Cantact Rate Justification THE PROPERTY OF THE PROPERTY OF THE PROPERTY OF THE PROPERTY OF 000% of Dathar on the statement Jakoneo ilaha 1000 00011101001 6 11 0 · 自然 一个分次的时代的有关的时间以下,各种特别

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- 9 One of the control of
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S MAPPENDIX 2 [ු] Page 28

Except as provided in paragraphs (A) and (D), connen RULE 9 - EFFECTIVE DATES OF RATE FILINGS AND PUBLIC NOTICE

A. No tariff or contract filing resulting in a rate reduction - suppression appropriate reduction of the segment of the 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).)

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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 analysis gairegros to sesse was mand

the terms of the contract. Neither contract rate

increases nor initial contract rate filings based on Omily Calendar, or any Comminsion publicactor Code Section 3666 deviations require prior notice.

designatiod for this oursess. Publication in the

(See paragraph (F)). Commission's Daily Calenday's hinall conscibute of action

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 a guaranter of property (2) points of origins of property.

carrier is already effective such filing may be made

effective on the date filed (See paragraph (F)).

of the Commission within a "0-day period of the filleng.

S MAPPENDIX 2

D. Except as provided in paragraphs (A) and (C), common control black carrier tariff filings resulting in rate reductions, and carrier tariff filings resulting in rate reductions, are 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 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 of sobivers of year as each result four no to noiselessed than the rates of competing highway common carriers shall be docketed and published in the Commission's shall be docketed and published in the Commission's Daily Calendar, or any Commission publication size to relate original analysis of documents of designated for this purpose. Publication in the Commission's Daily Calendar shall constitute public constitute or balls noiseable to any Commission of designated for this purpose.

F. If a filing to meet the rate of a competing highway wit is easy evitoelise ent made to easy evitoelise carrier is deficient with respect to (1) the kind and entry of the easy entry to easy entry 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.

- 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.
- Any such protest must be filed five or more that the filed five or more days before the rate is scheduled to become moleculary effective.
- Protests shall be deemed filed on the date received by the Truck Tariff Section, PUC, State Building, San Francisco, California
- The grounds on which the process is based.
- 4. Protests must be filled in triplicate with
- 5.º Arcopy of each provest filed shall be simultaneously served upon the carrier making the rate filing, or his designated agent.

exceeding six months.

6. Notice of any protest filed will be provided and 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 Edus in the Commission publication that may in the commission publication that may in the last future be designated for this purpose)?
- 3. In the event the Commission suspends a tariff, or contract, or any provision, and sets the contract to hearing, the burden of proof to contract 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.
 - 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 filting.

APPENDIX .2

RULE 11 COMPLAINTS in noiseogene oran yan be epited .2 Commission review of any tariff or contract rate which is in effect may be initiated by filling 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 gate in effect visconotajust, greasonable, and nondiscriminatory shall be upon the complainant or

Approved and dated APR 2 1 1982 , at San Francisco, California. ತರ ಸಭಾಗದ ಸಿದ ಕಟ್ಟರ ಕಾರ್ಯರಾಗಿಗಳು, ನಗರ ಗಾರಾಣಿಸಿಕರಾಗಿ

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own imotion: suspends a tariff. Or contract, or contract, orderich, and sees the matter for hearing, the the ್ರಕ್ಷ ಅಂತರ ಪೂರ್ಣ ಮೊದಲ ಮೇರೂ ಅವರ ಮೇರೆ ಬಿಡ್ಡ್ ಬೆಟ್ಟ್ ಮಾರ್ಡಿಯ ಮೇರ್ಪ್ ಮಾರ್ಡಿಯ ಮೇರ್ಟ್ ಮಾರ್ಡಿಯ ಮಾರ್ಡಿಯ ಮೇರ್ಟ್ ಮಾರ್ಡಿಯ ಮೇರ್ಟ್ ಮಾರ್ಡಿಯ ಮಾರ್ಡಿಯ ಮೇರ್ಟ್ ಮಾರ್ಡಿಯ ಮೇರ್ಟ್ ಮಾರ್ಡಿಯ ಮಾರ್ಡ and nondiscriminatory shall be upon the properties of (ENDWOR APPENDIXTO) to believe ode

ASCHOAPPENDIX A-TO GENERAL AORDER

COMMISSION POLICY ON THE PROPER SCOPE OF HIGHWAY CONTRACT CARRIER OPERATIONS

The purpose of this statement is to lightor carriers engaged in contract carriage of the Commission is policy on the property cope 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 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.

- 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.

Commission of all They shall be recurred by the carrier by the carrier for not less thun three three after earther the carrier three years.

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COMMISSION POLICY ON THE PROPER SCOPE OF HIGHWAY CONTRACT CARRIER OPERATIONS.

- 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 or 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.

APPENDIX B TO GENERAL ORDER

CONTENTS OF COMMON CARRIER RATESINGREASE APPLICATIONS (C)

(a) Form and Size. Pleadings and briefs shall be typewritten or printed upon paper 8 1/2" wide to the training of lines in the training of lines in the training of lines in the training of lines printed, the training of the same size. Unless printed, the training of the paper training of the paper training of the paper training of the paper training of the double-spaced, except that the training of the paper training of the paper training of the paper training of the double-spaced, except that the training of the paper training that the training of the paper training of the paper training to the paper training training of the paper training training

are clear and permanently legible.

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Under the penalty of pergury.

APPENDIX B TO GENERAL CORDER Page 2

- (b) Title and Docket Number of All sapplications

 presented for filing shall show the caption

 for the proceeding, the docket number, and

 for the proceeding, the docket number, and

 the title of the document, and leave suffit

 cient space in the upper right-hand corner for

 a time and date stamp.
 - (c) Signatures. The original of each application call "1" is the second possible to restitute the original of each application of amendment shall be signed in ink by each called a sticidus bedonts has another or party. If the party is a corporation or association, the pleading may be signed by an officer. Any attorney for or representative officer. Any attorney for or representative of a party shall also sign the pleading, and all a laboration and 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.

REGRO JARENED OT & MICHESSA APPENDIX BETO GENERAL ORDER Page 3

(h) Contente. All applications whill state clearly

Signature and Verification by Attorney balle 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 affidavity the reasons why the because was another affidavity the reasons why the consists and another affidavity the reasons why the religion is not made by the applicant.

- amendment. Specifications. Amendments to applications. Amendments to applications. Amendments to applications, was accordanced barolable doug tions, may, be filed, before, achearing, 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 SECRO LARENED Page ALCHESSA Secro

- (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 or at 200300 9000 000
 - 1.2 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. Yet also on a notice or
 - 2. The name, title, address, and telephone (1) number of the person to whom correspondence or communications in regardato 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 such required by the Commission information as may be ticular 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.
 - -unended as permitted or directed by the commission or the presiding officer.

RECRO LARENEO OT & MICHESSA APPENDIX B'TO GENERAL ORDER Page 5

(i) Articles of Incorporation. If applicant is a corporation, a copy of its articles of incorporation, the Secretary of State, shall 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:

| A balance sheet as of the latest available at the containers of the latest available as a first an income statement

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 state-brown ment need not be in tariff; form as a constant preserver obtained a distant lists of the contract of beginn tariff; form as a constant of tariff; form as a constant of beginn tariff; form as

APPENDIX B TO GENERAL ORDER REGAS CARENED OF RICHESTA C 9295

- 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.
- 55.4 Applicant's exhibits must accompany the application and applicant shall state the date it will be ready to proceed with its showing or account to the sonate.
- 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.

APPENDIK O TO GENERAL ORDER Page 2

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Includes driver, vehicle, and helper time, if usec.

APPENDIX C TO GENERAL ORDER Page 2

SUMMARY OF REVENUES AND EXPENSES

I.	REVI	ENUE Sage S
	A.	Front Haul Revenue
	B.	Back/Haul/Revenue/UTRITSUL NI ATAC TROD
	C.	Total Revenue (A + B)
. 7.		Actual Round TripsMileage 33/05 no amon of the cincluding all empty miles)
	E.	rititary to atmometric inteletrant tot elebem as beilogas. Revenue Per Mile (C-D)
- <u> </u>	F.	Revenue Per Other Unit of Measurement, if any, (C-Units of Measurement)
	EXP	SME Frees, the Summary of Revenues and Expenses on gage 2 :
	A.	Labor
షర్జ్ రా⊬భీ.		olega a leighte town costended lasicyt rot beargard 1. Hourly Basis (See page 3)
÷ -	19 0 .	23 Mileage Basis (See page 4) in COE of C ho sponstaid
The second	to the con-	3.2 Loading & Unloading Expense best col soaneges
	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 @
	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.

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APPENDIK C TO GENERAL ORDER

APPENDIX C TO GENERAL ORDER

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2.	Holiday-sick-f	uneral leave (7 x L	-1)	
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17.	Annual hours	•••••		* * * * * * * <u></u>	hrs.
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^{*} Prevailing Wage Elements obtained from current prevailing wage

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

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APPENDIX C TO GENERAL ORDER

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DRIVER WAGESCOST (MILEAGE BASIS)

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^{**} Self-employment (FICA) taxes applicable to owner-driver operations should reflect actual costs; shou

APPENDIX C TO GENERAL ORDER Page 5

INVESTIVENT - DEPRECIACED SERVICE LIFE

DIGITION 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.) Service Value (Note 2) To properly develop depreciation costs, carriers must determine the following for each unit of equipment: 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 heart elerate The useful (service) life of the specific equipment; The estimated salvage value of the equipø ment at the end of its useful life, SIATOT 4. License fees, including but not climited to, the following: \$: Cost Per Mile (Note 10) a. Registration: Notes: b. Vehicle license fees; c. Vehicle weight fees; Highway use taxes. (Any additional fees incurred on a regular basis may also be included) bill polytos : oulav oplytes

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), 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.

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APPENDIX C TO GENERAL ORDER

INVESTMENT - DEPRECIATED SERVICE LIFE

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APPENDIX C TO GENERAL ORDER Page 7

RUNNING AND LINSURANCE COSTS

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The elements of these costs are as follows:	;
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The cost of tires and tubes should consider the price of tires and tubes, the frequency of recapping tires annual miles experienced (including new tires and recaps).	s. and the
Repair and maintenance costs should include all materials and labor incurred by carrier performing its own maintenance work on operating equipment. (The labor cost not be limited only to time spent on repairs, but should all labor costs associated with fueling, with adding or choil, and with changing or repairing tires and tubes.) Additionally, any costs incurred for outside repairs should included in this item:	should include hanging d- be
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PAGE 8 DEVELOPS TOTAL RUNNING AND INSURANCE COSTS ON A PER MILE BASIS:

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APPENDIX C TO GENERAL ORDER RECAU LAMENER OF SERVICE TO SERVER OF SERVICE OF

RUNNING COSTS - INSURANCE COSTS

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PACS 8 DEVELOPS TOTAL RUNNING AND INSURANCE COSTS ON A PER NOLE BASIST

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.

INDIRECT RATIO - INDIRECT EXPENSE

DIRECT EXPENSE

GROSS REVENUE EXPENSES

Gross revenue expenses include:

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	City	Business	License	Tax			%
7	*Insu:	cance			7)	Jariable)	

*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)

SUPPLEMENT 16

70

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

ΒY

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.

8Z 04 108

EFFECTIVE JUNE 20, 1982

Decision 82 04 108 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)

OPINION

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) hould 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 arg/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 just-ified 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, 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.
- 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.
 - 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.

SS

- 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. 6/ 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.

^{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.

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 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.
- 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.

- Linehaul driver operating two-or threeaxle 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.

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. $\frac{8}{}$ 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

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 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 twoor 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.

ORDER

IT IS ORDERED that:

- 1. The reregulation plan outlined in the body of this opinion, and described more fully in General Order Series <u>/5/</u> 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.

- 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.

President
RICHARD D GRAVELLE
LEONARD M GRIMES, IRVICTOR CALVO
PRISCILLA C GREW
Commissioners

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GENERAL ORDER 15/

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.

		INDEX	PAGE
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
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- 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

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.

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.

- 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.

- 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 subsubhaulers 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.

- 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.

- 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;

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.

- 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.

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.

- 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.

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.

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.

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.

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

- (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.

- 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).)

- 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.

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

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,

- (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;

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.

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.

- D. Carrier Responsibility for Maintenance of tariffs, etc.
 - 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.

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.

- 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 22-04-108 and the deviation.

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.

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)).

- 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.

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

- 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).
- If a protest is filed, or if the Commission B. 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.

- 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.

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 2 1 1982, at San Francisco, California.

PUBLIC UTILITIES COMMISSION

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(END OF APPENDIX 2)

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.

- 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 or 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.

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.

- (b) <u>Title and Docket Number</u>. 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) <u>Signatures</u>. 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) <u>Verification</u>. 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.

- (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.

- (h) <u>Contents</u>. 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.

- (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.

- 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.

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.

SUMMARY OF REVENUES AND EXPENSES

I.	REV	VENUE	
	A.	Front Haul Revenue	
	B.	Back Haul Revenue $\frac{2}{}$	<u> </u>
	C.	Total Revenue (A + B)	
	D.	Actual Round Trip Mileage 3/ (including all empty miles)————————————————————————————————————	
	E.	Revenue Per Mile (C-D)	
	F.	Revenue Per Other Unit of Measurement, if any, (C-Units of Measurement)	
II.	EXP	PENSE	
	A.	Labor	
		1. Hourly Basis (See page 3)	·
		2. Mileage Basis (See page 4)	
		3. Loading & Unloading Expense 4/ Per Hour	
	В.	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.

 $[\]underline{4}$ / Includes driver, vehicle, and helper time, if used.

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.

Ī	ine	Item Hourly Amount
t	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.	Holidaysdays/yr. x 8)
*	11.	Sick leave &days/yr. x 8) Hrs. = L.17 =% funeral leave
*	12.	Vacationdays/yr. x 8 =Hrs. : L.17 =%
*	13.	Health & welfare \$/mo. x 12)
*	14-	Pension \$/wk. x 52)\$\$hr.
	15.	Payroll taxes
		a. FICA** b. FUI c. SUI x x \$
	16.	Worker's Comp. Ins. Modifier x Manual Rate =%
	17.	Annual hourshrs.
		\cdot

^{*} Prescribing Wage Elements obtained from current prevailing wage

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

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 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.	Holidaysdays/yr. x 8)		•
* 11.	Sick leave &days/yr. x 8)Hrs. :	L.17 =	%
* 12.	Vacationdays/yr. x 8 =Hrs. =	L.17 =	%
	Health & welfare \$/mo. x 12)		
* 14.	Pension \$/wk. x 52)\$	\$	/hr.
15.	Payroll taxes or \$		
	a. FICA** b. FUI c. SUI 7 x \$	L.17 = \$	/hr
16.	Worker's Comp. Ins. Modifier x Manual Rate	• <u> </u>	_%
	Annual hours		

^{*} Prevailing Wage Elements obtained from current prevailing wage report.

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

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:

- 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.

INVESTMENT - DEPRECIATED SERVICE LIFE

: Line	,
:_ No.	: Item : :
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

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:

- Cost of fuel;
- 2. Cost of oil:
- 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.

RUNNING COSTS - INSURANCE COSTS PER MILE

Line No.	-	Ξ	Equipment	Classi	fication	-: -:
1	Fuel Cost (Note 1)	<u> </u>				
,		•		· ····································		
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:					,	
ī	Include all applicable taxes and	con	sider bulk	and pu	mp purcha	ses
2	Include consideration of bulk and road purchases. Include all costs including outside service costs. Include all labor and material costs.					
3						
4						
5	Divide line 5 by miles traveled do	ıri	ng cost pe	eriod.		
	Insurance Cost per Mile				· · · · · · · · · · · · · · · · · · ·	
	(Annual Premium divided by annual	mí	les travel	led.)		;

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.

INDIRECT RATIO - INDIRECT EXPENSE

GROSS REVENUE EXPENSES

Gross revenue expenses include:

PUC 1	Cax			%
City	Business	License	Tax	%
*Insu	rance			(Variable)

(END OF APPENDIX C)

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

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

ΒY

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