

Decision No. 87249

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 uncrated new)
furniture statewide as provided in)
Minimum Rate Tariff 11-A and the)
revisions or reissues thereof.)

Case No. 5603
Petition for Modification
No. 196
(Filed August 27, 1976;
amended September 1, 1976)
OSH 155
(Filed June 5, 1974)

Richard W. Smith, Attorney at Law, and H. W. Hughes,
for California Trucking Association, petitioner
in Petition 196 and interested party in OSH 155.
Dennis Firestone, for KKW Trucking, Inc.; and Paul C.
Driskell, for Driskell Trucking Inc.; respondents.
M. J. Nicolaus, for Western Motor Tariff Bureau, Inc.;
Ralph J. Staunton, for the County of Los Angeles;
R. C. Fels, for California Furniture Manufacturers
Association; and Miriam Brookfield, for Steelcase;
interested parties.
Robert E. Walker and Frank O. Haymond, Jr., for the
Commission staff.

O P I N I O N

In Petition 196 California Trucking Association (CTA) seeks increases averaging 6.73 percent in the rates and charges in Minimum Rate Tariff 11-A (MRT 11-A) applicable to the statewide transportation of uncrated new furniture. OSH 155 was issued for receipt of evidence concerning the adoption of Distance Table 8 (DT 8) to govern the rates set forth in MRT 11-A.

Public hearing in the consolidated proceeding was held before Examiner Mallory on December 16, 1976 in Los Angeles and the matters were submitted upon receipt of late-filed Exhibit 196-9.

Evidence in support of the relief sought in Petition 196 was presented by CTA's assistant director of its Division of Transportation Economics and by officers of two highway common carriers engaged in transportation of commodities subject to MRT 11-A. An associate transportation rate expert from the Commission's Transportation Division testified concerning the adoption of DT 8 to govern MRT 11-A.

Background

The rates and charges set forth in MRT 11-A were last revised pursuant to Decision No. 84201 dated March 18, 1975 in Case No. 5603 (Petition 166). That decision provided for the application of surcharges of five percent for shipments of less than 2,000 pounds and four percent for shipments subject to minimum weights of 2,000 pounds. The surcharge increases were authorized to offset increases in elements of cost (other than labor) incurred due to inflationary trends and which had not been the subject of prior offset procedures. The surcharges became effective on April 5, 1975. The last offset proceeding in which rates and charges in MRT 11-A were revised to reflect labor and payroll costs was Decision No. 83051 dated June 24, 1974 in Case No. 5603 (Petition 145). That revision reflected labor costs effective on or before July 1, 1974.

Petition 196 alleges that since the rates authorized in Decision No. 83051 became effective, carriers generally engaged in the transportation of uncrated new furniture under MRT 11-A have experienced substantial increases in all elements of labor costs, and that such increases affect all categories of employees including truck drivers, helpers, maintenance employees, and clerical employees.

Petition 196 further alleges that the magnitude and frequency of those cost changes have made it impossible for highway carriers to continue to absorb the cumulative impact thereof without adjustment of the rates and charges in MRT 11-A.

Petitioner's Evidence in Petition 196

Petitioner's cost witness presented testimony and exhibits designed to measure the effect on total operating costs of the increased wage and payroll expenses incurred since the rates in MRT 11-A were last adjusted for labor costs in 1974.

The witness testified that, in accordance with the terms of labor contracts, hourly wage rates and fringe benefits were increased on July 1, 1975, and again on July 1, 1976. The witness also described the increased payroll costs paid by employers in that period, including social security taxes, state and federal unemployment insurance, and workers' compensation insurance. In Exhibit 196-1 the witness measured the impact of the labor and payroll increases by substituting July 1, 1976 labor and fringe benefit costs and January 1, 1976 payroll expenses for labor, fringe benefits, and payroll costs set forth in Exhibit 145-1 in Petition 145. Exhibit 196-1 shows that total labor costs have increased by 10.40 percent for long-line drivers and 10.76 percent for terminal employees. The effect of labor increases in total costs ranges from 10.05 percent for shipments in the weight group 0-99 pounds transported for distances of 0-49 miles to 7.41 percent for shipments in the weight group 2,000 pounds and over transported for distances of 450 miles and over.

Exhibit 196-1 also measures the increases in fuel costs in the same period by substituting fuel costs for July/August 1976 as shown in the Commission's Data Bank Fuel Report for those set forth in Exhibit 145-1. The estimated overall average increase in total operating costs is 8.77 percent.

In Petition 196, CTA seeks the cancellation of the present surcharges and substitution therefor of surcharges of six percent on shipments of 2,000 pounds or more, and of 13 percent on all other shipments. The new surcharge increases are estimated to produce increases of 7.62 percent for shipments less than 2,000 pounds and 1.92 percent for shipments of 2,000 pounds or more in excess of the surcharges now in effect. Those estimates are based on traffic flow data in the Commission's 1975 Data Bank Traffic Sample. The average revenue increase for all weights of shipments is estimated in Exhibit 196-5 to be 6.41 percent. This compares with the estimated 6.73 percent increase in total revenues required to offset increases in direct labor costs for drivers, helpers, and terminal employees and in fuel costs which have occurred since the rates in MRT 11-A were last revised for labor cost increases (Exhibit 196-4).^{1/}

^{1/} The difference between the impact of the labor and fuel cost changes as measured in Exhibit 196-1 (8.77 percent) and in Exhibit 196-4 (6.73 percent) is that Exhibit 196-1 contains provision for increased indirect and gross revenue expenses in the same relationship as that used in prior studies, while Exhibit 196-4 does not attempt to measure increases in either indirect or gross revenue expenses.

In response to the directive in a letter from the Commission's Executive Director dated September 20, 1976^{2/}, the witness presented Exhibits 196-3, 196-4, 196-5, and 196-6.

Exhibit 196-3 is a compilation of the composite operating revenues, expenses, and operating ratios of carriers engaged extensively in the transportation of uncrated new furniture.

2/ The letter of the Executive Director reads as follows:

"Your attention is directed to Ordering Paragraph 6 of Decision No. 86084 in Case No. 5330 (Petition 95), and to the concurring opinion of Commissioners Ross and Batinovich in Decision No. 86266 in Case No. 7857 (Petition 138). The concurring opinion states as follows:

'We concur in this decision on the assumption that, in future proceedings in this case, the Commission intends to base minimum rates on the level necessary to prevent predatory practices, rather than attempt to set minimum rates which would automatically or customarily be the going rates or to routinely offset higher costs through minimum rate increases. Parties seeking to increase minimum rates will bear the burden of showing that carriage at any lower level of rates would constitute a predatory practice, and that minimum rate increases are the most appropriate means for preventing such practices. Evidence of cost increases since the previous minimum rate decision, while relevant, will not be dispositive of this issue.

'The term predatory practices refers to price cutting to a below-cost level with the intent and likely effect of driving out or substantially injuring competing firms.'

"It is expected that California Trucking Association will present evidence in Petition 196 in Case No. 5603 in conformance with the above."

The substance of Exhibit 196-3 is set forth in Table 1 below:

TABLE 1

Comparative Operating Results of
Uncrated New Furniture Carriers - MRT 11-A
(Exhibit 196-3)

	<u>Number of Carriers</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Ratio</u>
Year 1974	5	\$3,534,995	\$3,258,579	92.18%
Year 1975	8	5,473,296	5,298,538	96.81
9 Months Year 1976	5	3,950,717	3,886,243	98.37

Table 1 purportedly indicates that carriers' operating profits have declined from 1974 to 1976 because of increased operating expenses that have not been recovered in the form of increased revenues.

In Exhibit 196-6, the carrier operating data for the year 1975 (Table 1) were adjusted to give effect to current labor costs (but not fuel costs) and for the revenue increase sought herein. The compilation in Exhibit 196-6 is set forth in Table 2 below:

TABLE 2

Impact of 1976 Wage Increase Upon Carrier Operations
(Year 1975 Utilized as Datum Plane)

	<u>1975 Revenue</u>	<u>1975 Expense</u>	<u>Operating Ratio</u>
Actual	\$5,473,296	\$5,298,538	96.81%
Modification - for Labor Increases \$5,298,538 x 6.01% (Exhibit 196-4)	<u>5,473,296</u>	<u>318,442</u> 5,616,980	102.63%
Modification - for Effect of Proposed Rate Increase \$5,473,296 x 6.41% (Exhibit 196-5)	350,838		
Additional Gross Revenue Expense	<u>5,824,134</u>	<u>1,509</u> 5,618,489	96.47%

According to the witness, the composite operating ratio for the sample carriers would exceed 100 percent when expenses are adjusted for the added labor and payroll costs incurred since 1974. The composite operating ratio of 96.47 percent under the rates proposed herein assertedly would approximate the historical operating ratio of 96.81 percent earned in 1975. The witness concluded that rate relief must be accorded if carriers are to operate at a profit and to continue to provide the services required by shippers of blanket-wrapped new furniture. The witness also concluded that the minimum rate increases proposed herein are the most appropriate means of preventing predatory practices.

The two carrier witnesses testified that they operate as highway common carriers and that the rate increases sought herein were necessary for common carriers to continue to provide adequate service

to all of their customers, including those located off main highway routes and those receiving smaller shipments. The carriers stated that costs of service on a per-mile or per-shipment basis are greater for small-lot shipments and for shipments to outlying areas where the total volume of traffic is small. The witnesses asserted that if retail merchants in smaller towns are to continue to receive adequate service, the carriers involved in providing that service must also participate in the more remunerative traffic. General minimum rate levels so low that would make only the volume traffic remunerative would preclude them and other carriers from serving the entire public requiring their services and, thus, such lower level of minimum rate levels would constitute a predatory practice.

One of the carriers operates as an agent for a large interstate carrier that performs substantial interstate carriage of uncrated new furniture from manufacturers in the metropolitan Los Angeles area to points in other western states.^{3/} The witness testified that the published interstate common carrier rates for blanket-wrapped new furniture are substantially higher than the minimum rates in MRT 11-A.^{4/} As examples, the witness made the following rate comparisons for shipments subject to a minimum weight of 500 pounds for similar lengths of haul:

^{3/} The majority of California manufacturers of new furniture are located in the metropolitan Los Angeles area.

^{4/} The interstate rates in question are set forth in Exhibit 196-7, which is an abstract of North American Van Lines, Inc. Tariff MF-ICC No. 17.

<u>From Los Angeles to:</u>	<u>MRT 11-A*</u> <u>(Intrastate)</u>		<u>North American</u> <u>Van Lines Tariff</u> <u>MF-ICC 17</u>
	(Rate in dollars per 100 lbs.)		
	<u>A</u>	<u>B</u>	
Modesto	\$7.80	\$6.70	\$
Las Vegas			11.14
<u>From Los Angeles to:</u>			
San Francisco Bay Area	8.95	7.70	
Phoenix			12.89

A - Low-density commodities.

B - High-density commodities.

* - MRT 11-A rates are subject to a surcharge of five percent.

According to the witness, there is substantial movement of traffic under the higher interstate rates. The comparison of MRT 11-A rates with the interstate rates on blanket-wrapped new furniture assertedly indicates that the lower intrastate rates are at the very low end of a zone of reasonableness.

In response to Commission urging that carriers use innovative methods to obtain and retain traffic from private carriers, CTA proposes that experimental reduced truckload rates in Items 420 and 421 be revised and the current expiration date of those items be extended to December 31, 1977. Examples of the rates in question are as follows:

Loads in One Vehicle
Of Not Less Than:

Proposed Rates, as a
Percent of the Applicable
2,000-Pound Rates:

6,750 pounds	65 percent
10,000 pounds	60 percent
11,200 pounds	55 percent
13,500 pounds	50 percent

The carrier witnesses testified that the proposed reduced volume rates are designed to retain to for-hire carriers the full truckload shipments which shippers find are the most economical to handle in their own equipment. The witnesses expect that the proposed truckload rates will be low enough to discourage shippers from initiating private trucking operations or adding to their existing fleets of proprietary vehicles. The witnesses explained that, because of the large turnover in the furniture manufacturing business, the low rates ultimately should retain most of the high-profit volume traffic to for-hire carriers.

California Furniture Manufacturers Association concurred in the proposed revision of the experimental reduced truckload rates.

CTA also proposes to revise the split delivery charges by increasing the charge per component part for split delivery shipments containing components delivered over distances spanning more than 70 constructive miles or containing more than seven components, and by decreasing the charge per component part for shipments of seven or less components or which are delivered over a span of less than 70 constructive miles. The carrier witnesses explained that an additional day is generally required to complete the delivery of split delivery shipments containing in excess of seven component parts or covering a distance of more than 70 miles from first point of delivery to last point of delivery. The additional costs of handling

such shipments are proposed to be recovered in higher charges per component part; conversely, the lower costs resulting from limiting the split delivery service are reflected in the proposed lower charges per component part.

Staff Evidence In OSH 155

DT 8 was adopted by Decision No. 84332 dated April 15, 1975 in Case No. 7024 (OSH 31). That decision stated that further hearings would be held in OSH 155 in Case No. 5603 and in related proceedings to determine the amendments required in the tariffs governed by the distance table as a result of the changes in DT 8, and that DT 8 shall supersede DT 7 as the governing distance table to the extent and in the manner determined in those proceedings.

An associate transportation rate expert presented testimony in response to the above. The witness testified that the proposed modifications of MRT 11-A to provide for the supersedure of DT 7 by DT 8 as the governing distance table are set forth in Exhibit 31-15 received in Case No. 7024 (OSH 31). The witness testified that he had made an analysis of the effect on carriers' revenues of the adoption of DT 8 in lieu of DT 7 in connection with rates in MRT 11-A. That analysis showed that carriers' revenues would be reduced by 0.76 percent. The change stems primarily from the reduction in mileages via Interstate Route 5 between Northern California points and Los Angeles. The staff witness recommended that DT 8 be adopted without amendment of the rates in MRT 11-A to compensate for the reductions resulting from the changes in mileages between DT 7 and DT 8.

Discussion

The petitioner was directed by the Commission to present evidence which would show whether: (1) carriage at any lower level of rates than that proposed by petitioner would constitute a predatory practice, and (2) an increase in the minimum rates is the most appropriate means for preventing such practices. In response to this directive, CTA's witness presented Exhibits 196-3-4-5-6.

We are not satisfied that the record has been fully developed with respect to either of the above issues. The exhibits introduced show operating ratios of selected carriers and indicate only that operating ratios have increased since 1974. There was no showing by CTA, however, as to what relationship, if any, there might be between the operating ratios presented and determining whether predatory practices exist. The term "predatory practices", as the Commission has defined it, refers to price-cutting to below-cost level with the intent and likely effect of driving out or substantially injuring competing firms. Evidence that operating ratios of some carriers have risen to the level of 98.37 percent does not show that some carriers are price-cutting to a below-cost level. It also shows nothing about the intent of these carriers to drive out competition, particularly inasmuch as it is these very carriers who are now requesting a rate increase.

We view operating ratios, without full supporting data, as a suspect basis for determining the necessity for proposed rate increases. For this reason, operating ratios have been considered only in instances where it has been shown that there is a justified inability to secure full results of operations showings. See, Alco Transportation Co., et al. (1961) 58 CPUC 624, 632. Operating ratios alone are of little value in ratemaking because they may be significantly affected by the underlying accounting procedures employed to allocate operating expenses among proprietary operations, interstate operations, and intrastate carriage. It may well be that operations other than intrastate carriage are the cause of the indicated unfavorable operating results rather than the level of the minimum rates set by the Commission. See, Calif. Trucking Assn. (1962) 60 CPUC 382, 385. ✓

In order to prove that operating ratios reflect only expenses associated with transportation performed under the applicable

minimum rate tariff, it is necessary at least to show the accounting assumptions and methodology employed by the carrier to allocate expenses among its various business activities.

Operating ratios may be deceptive in other ways as well. For example, an increasing operating ratio could be the result of more costs being allocated to intrastate operations by a carrier with the expectation that this Commission would continue to routinely offset higher costs through minimum rate increases based on an unfavorable operating ratio. This is clearly different from an instance in which costs are increased as a result of competitive pressures and incurred in the course of maximizing operating efficiency. Without some presentation by the petitioner of the underlying accounting and cost management procedures employed, the Commission is in little position to evaluate what effect the proposed increased rate level will have on the net income of the carriers engaged in carriage under the applicable minimum rates.

CTA's presentation of projected operating ratios of the selected carriers based upon the assumed granting of the full offset relief requested does show more favorable operating results, but it assumes favorable operating ratios will be achieved merely because of the availability of increased revenue which could potentially be generated under the proposed MRT 11-A rates. However, granting cost offset increases may not have this effect at all: First, the potential increased revenue may very well not go to the carriers because shippers may find that for-hire carriage has become too expensive, and decide that it would be more economical to either enter or extend their proprietary carriage for their transportation needs which would otherwise be performed by carriers operating under MRT 11-A. Second, since higher minimum rates tend to become the going rates, the level of rates may be sufficiently attractive that additional carriers not currently providing service under MRT 11-A

will be motivated to acquire some of the MRT 11-A business and thus dilute the anticipated revenue effect by diverting business away from existing carriers. Third, as a result of granting the proposed cost offset, carriers may merely allow their costs to increase rather than to carefully maximize their operating efficiency. There is no evidence to show that operating ratios may not simply return to their previous unfavorable ratios shortly after the proposed increases are granted.

We do not feel that the evidence presented thus far is dispositive on our questions concerning possible predatory pricing. We expect that further evidence on these issues be presented in the forthcoming proceedings announced in Decision No. 87047, Case No. 9963.

Although the petitioner has not produced evidence to answer our inquiry with respect to predatory practices, we cannot fail to recognize that carriers are faced with increased costs of doing business, particularly since the last revisions of MRT 11-A reflected labor costs effective on or before July 1, 1974. Accordingly and reluctantly, we will adjust MRT 11-A rates.

Petitioner has proposed revisions in experimental truckload rates that are designed to improve their overall earnings by recapturing the volume or truckload traffic now being transported in proprietary equipment. Return of this traffic to highway carriers at remunerative rates will improve the carriers' overall revenue position and may tend to reduce the necessity for future rate increases for other less remunerative traffic.

The record shows that the rate proposals of petitioner are reasonable. The estimated revenue increase from petitioner's proposals is 6.41 percent.

DT 8 should be adopted to govern MRT 11-A in accordance with the staff proposal. The adoption of DT 8 will reduce revenues from petitioner's proposal as a result of reduced constructive mileages over the principal highway routes from southern to northern California. The total effect on carriers' revenues from the adoption of DT 8 in lieu of DT 7 to govern MRT 11-A is a reduction of 0.76 percent.

Findings

1. Petitioner, California Trucking Association, seeks the establishment of a surcharge increase of 13 percent on shipments of less than 2,000 pounds and six percent for shipments subject to minimum weights of 2,000 pounds for the transportation of uncrated new furniture under the provisions of MRT 11-A. The proposed surcharges will replace existing surcharges of five percent on shipments of less than 2,000 pounds and four percent on shipments subject to minimum weights of 2,000 pounds.

2. The purpose of the proposed surcharges is to offset increased carrier operating expenses resulting from wage, payroll, and fuel cost increases experienced by carriers subject to MRT 11-A since the rates in that tariff were adjusted for labor costs pursuant to Decision No. 83051 dated June 24, 1974.

3. The revised cost data submitted by petitioner show that wage, payroll, and fuel costs in effect on July 1, 1976 result in increases over related wage, payroll, and fuel costs in effect on July 1, 1974 by significant amounts; and that total cost increases (including provision for increased indirect expenses), as shown in Exhibit 196-1, range from 7.41 percent to 10.05 percent for different weight groups and lengths of hauls over costs for similar weight groups and lengths of hauls set forth in Exhibit 145-1, which cost exhibit served as a basis for the rate adjustment in Decision No. 83051.

4. Petitioner has measured the relative proportion that wages, payroll, and fuel expenses bear to carriers' total actual operating expenses in Exhibit 196-4, and found that a revenue increase of 6.73 percent is required to offset such increases in operating expenses.

5. In a letter from the Commission's Executive Director dated September 20, 1976, the petitioner was directed to present evidence regarding predatory practices. The petitioner has not presented evidence that is illuminating with respect to the predatory pricing issues as set forth in Ordering Paragraph 6 of Decision No. 86084 in Case No. 5330, Petition No. 95, and in the Concurring Opinion of Commissioners Ross and Batinovich in Decision No. 86266 in Case No. 7857, Petition No. 138.

6. The presentation of operating ratios, without a detailed results of operations showing, is an inadequate basis for showing that carriage at existing rates constitutes a predatory practice, or that minimum rate increases are the most appropriate means for preventing such practices.

7. As we have repeatedly stated in recent decisions, we are not sympathetic to offset procedures; however, we recognize that carriers are faced with increased costs.

8. Pending the receipt of additional evidence in the further consolidated hearings to be scheduled in Case No. 5603 and a decision thereon, the rates and charges established by the ensuing order are just, reasonable, and nondiscriminatory rates for the transportation governed thereby.

9. The proposed revisions of the reduced truckload rates in Items 420 and 421 of MRT 11-A will be reasonable, but should be established without an expiration date in conformity with the findings in Decision No. 86796 dated December 21, 1976 in Case No. 5603 (Petition 202) involving such rate items.

10. The proposed revisions in charges for handling split delivery shipments reasonably reflect the conditions encountered by carriers in performing split delivery service and the increases resulting from the establishment of such charges are justified.

11. Decision No. 84332 dated April 15, 1975 in Case No. 7024 (OSH 31) adopted the mileages, maps, rules, and other provisions in DT 8 and stated that further hearing should be held in Case No. 5603 (OSH 155) and related proceedings to determine the amendments required in the tariffs governed by the distance table as a result of the changes in DT 8, and that DT 8 shall supersede DT 7 as the governing distance to the extent and manner determined in those proceedings. The Commission staff has furnished the required tariff amendments to adopt DT 8 as the governing distance table in lieu of DT 7. The adoption of DT 8 to govern the provisions of MRT 11-A will result in just, reasonable, and nondiscriminatory constructive mileage rates for the transportation of uncrated new furniture.

12. The effective increase in carriers' revenues of the additional surcharges found reasonable herein is 6.41 percent, and effective decrease in carriers' revenues from the adoption of DT 8 to govern MRT 11-A is 0.76 percent. The net percentage increase in carriers' revenues is determined to be 5.65 percent. It is estimated that the annual revenues of carriers performing transportation services subject to MRT 11-A will be increased by \$584,000.

13. To the extent that the provisions of MRT 11-A have been found heretofore to constitute reasonable minimum rates and rules for common carriers as defined in the Public Utilities Code, said provisions, as hereinafter adjusted, are, and will be, reasonable minimum rate provisions for said common carriers. To the extent that the existing rates and charges of said common carriers for the transportation involved are less in volume or effect than the minimum rates and charges herein designated as reasonable for such carriers,

to that same extent the rates and charges of said carriers are hereby found to be, now and for the future, unreasonable, insufficient, and not justified by the actual rates of competing carriers or the costs of other means of transportation.

14. Where common carriers have been heretofore authorized to depart from the so-called long- and short-haul prohibition of former Article XII, Section 21 of the Constitution, and Section 460 of the Public Utilities Code, such outstanding authorities should be modified, as requested by petitioner, to depart from Section 461.5 of the Public Utilities Code.

Conclusions

1. DT 8 should be adopted to govern MRT 11-A.
2. MRT 11-A should be amended to reflect the rates and charges found reasonable above.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 11-A (Appendix A of Decision No. 50114, as amended) is further amended by incorporating therein, to become effective May 28, 1977, the revised pages contained in Appendix A, attached hereto and by this reference made a part hereof.
2. Common carriers subject to the Public Utilities Code, to the extent that they are subject to Decision No. 50114, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.
3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 11-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 11-A rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 11-A rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 11-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 11-A rates.

5. Common carriers maintaining rates at levels other than the minimum rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 11-A are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 11-A rates.

6. Tariff publications required or authorized to be made by common carriers as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than the fifth day after the effective date of this order, on not less than five days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than May 28, 1977; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within thirty days after the effective date of this order.

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

8. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of Section 461.5 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are

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hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

9. In all other respects, Decision No. 50114, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 26th day of APRIL, 1977.

I concur in the findings, conclusions, and ordering paragraphs but not the decision
William S. Jones, Jr.
Commissioner

[Signature]
President

Vernon L. Sattergren
Michael D. Fowle
Commissioners

Robert Bateman
Commissioner

C. 5603 (Pet. 196 & OSH 155)

APPENDIX A

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SPECIAL INCREASE SUPPLEMENT

SUPPLEMENT 13

(Cancels Supplement 16)

(Supplements 17 and 18 Contain All Changes)

TO

MINIMUM RATE TARIFF 11-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF UNCRATED NEW FURNITURE

OVER THE

PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

APPLICATION OF SURCHARGE

(See Page 2 of this Supplement)

Decision No.

87249

EFFECTIVE

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

APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the provisions of this tariff, including any surcharges applicable thereto under other supplements to this tariff, and increase the resulting total amount by:

- (a) Six (6) percent on all shipments subject to minimum weights of two thousand (2,000) pounds, or more; and by
- (b) Thirteen (13) percent on all other shipments.

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half cent shall be dropped and fractions of one-half cent or greater shall be increased to the next higher whole cent.

THE END

MINIMUM RATE TARIFF 11-A

ARRANGEMENT OF TARIFF

This is a loose-leaf tariff arranged as follows:

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o Change)
* Addition) Decision No.

87249

EFFECTIVE

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

SECTION 1--RULES	ITEM
<p style="text-align: center;">DEFINITION OF TECHNICAL TERMS</p> <p>COMMISSION means the Public Utilities Commission of the State of California.</p> <p>COMMON CARRIER RATE means any intrastate rate or rates of any common carrier or common carriers, as defined in the Public Utilities Act, lawfully on file with the Commission and in effect at time of shipment.</p> <p>DISTANCE TABLE means Distance Table 8 issued by the Commission.</p> <p>ESTABLISHED DEPOT means a freight terminal owned or leased and maintained by a carrier for the receipt and delivery of shipments.</p> <p>GOVERNING CLASSIFICATION means National Motor Freight Classification NMF 100-D, including supplements thereto or reissues thereof when the provisions of such supplements or reissues have been approved by the Commission.</p> <p>INDEPENDENT-CONTRACTOR SUBHAULER means any carrier who renders service for a principal carrier, for a specified recompense, for a specified result, under the control of the principal as to the result of the work only and not as to the means by which such result is accomplished.</p> <p>MOTOR VEHICLE means any motor truck, tractor or other self-propelled highway vehicle used for transportation of property over the public highways, and any trailer, semitrailer, dolly or other vehicle drawn thereby.</p> <p>POINT OF DESTINATION means the precise location at which property is tendered for physical delivery into the custody of the consignee or his agent. All points within a single industrial plant or receiving area of one consignee shall be considered as one point of destination. An industrial plant or receiving area of one consignee shall include only contiguous property which shall not be deemed separate if intersected only by public street or thoroughfare.</p> <p>POINT OF ORIGIN means the precise location at which property is physically delivered by the consignor or his agent into the custody of the carrier for transportation. All points within a single industrial plant or shipping area of one consignor shall be considered as one point of origin. An industrial plant or shipping area of one consignor shall include only contiguous property which shall not be deemed separate if intersected only by public street or thoroughfare.</p> <p>RATE includes charge and, also, the ratings, minimum weight, rules and regulations governing, and the accessorial charges applying in connection therewith.</p> <p>SAME TRANSPORTATION means transportation of the same kind and quantity of property between the same points, and subject to the same limitations, conditions and privileges, although not necessarily in an identical type of equipment.</p> <p>SHIPMENT means a quantity of property tendered for transportation to one carrier, and delivered into the custody of the carrier at one time on one shipping document by one shipper at one point of origin for one consignee at one point of destination.</p> <p>SPLIT DELIVERY SHIPMENT means a shipment consisting of two or more component parts delivered to (a) one consignee at more than one point of destination, or (b) more than one consignee at one or more points of destination, the composite shipment weighing (or transportation charges computed upon a weight of) not less than 6,750 pounds, said shipment being shipped by one consignor from one point of origin. (See Note)</p> <p>NOTE.--All transportation charges must be prepaid and, except as provided in Item 200, charges shall be billed to and collected from only one debtor.</p> <p>UNCRATED NEW FURNITURE means new "Furniture" as described under the heading "Furniture Group" in the Governing Classification, and lamp shades or reflectors and lamp standards or electric lamps and shades combined when the furniture or other articles are tendered to the carrier loose (not in packages nor completely wrapped).</p> <p>UNIT OF EQUIPMENT means a single motor vehicle or more than one motor vehicle connected as a single highway train.</p>	<p style="text-align: center;">610</p>
<p>Change, Decision No. 87249</p>	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	

Correction

MINIMUM RATE TARIFF 11-A

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">MINIMUM CHARGE</p> <p>The minimum charge per shipment shall be the charge for 100 pounds at the applicable rate but not less than:</p> <p>(a) 730 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.</p> <p>(b) 845 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles.</p>	100
<p style="text-align: center;">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p>When shipments in continuous through movement are transported by two or more carriers, the rates (including minimum charges) provided herein from point of origin to point of destination shall be the minimum rates for the combined transportation.</p>	110
<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.</p>	120
<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>¶Rates of common carriers *o by land may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation and for the same accessorial services, than results from the application of the rates herein provided. (See Note)</p> <p>NOTE.--In applying the provisions of this item, a rate no lower than the common carrier rate and a weight no lower than the actual weight or published minimum weight (whichever is the higher) applicable in connection with the common carrier rate shall be used.</p>	ø130
<p style="text-align: center;">ACCESSORIAL CHARGES NOT TO BE OFFSET BY TRANSPORTATION CHARGES</p> <p>Accessorial charges set forth in this tariff for accessorial services not included in the rate for actual transportation shall be assessed and collected when such services are performed, regardless of the level of the transportation rate assessed. Such accessorial charges may not be waived on the basis that a higher-than-minimum transportation rate serves as an offset.</p>	135
<p style="text-align: center;">CHARGES FOR OBTAINING A WEIGHMASTER'S CERTIFICATE</p> <p>Whenever a carrier is requested by the shipper, consignee or debtor to obtain a certified weight from a public scale, or when a carrier must obtain a certified weight for billing purposes or for other legal requirements, and a charge is assessed by the public weighmaster for this service, the carrier shall assess a charge of not less than the actual amount paid by the carrier to the public weighmaster for the weighing service for each weight certificate obtained and furnished to the debtor or other person requesting a certified weight.</p>	137
<p>ø Change) * Addition) Decision No. 87249 ø Increase)</p>	
EFFECTIVE	
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

MINIMUM RATE TARIFF 11-A

SECTION 1--RULES (Concluded)	ITEM
<p style="text-align: center;">SPLIT DELIVERY (Concluded) (Items 230 and 231)</p> <p>NOTE 1.--In addition to the rate for transportation a charge of \$15.00 shall be assessed for each component part, *except that when the distance from first point of delivery to last point of delivery does not exceed 70 miles and the shipment contains seven (7) or less components, a charge of \$7.00 shall be assessed for each component part.</p> <ol style="list-style-type: none"> 2. The carrier shall not transport a split delivery shipment unless at the time of or prior to the initial pickup of any portion of the shipment, an appropriate written document is issued by the consignor for each component part, said document containing all of the information required to prepare a bill of lading in compliance with provisions of Item 360 of the Governing Classification. In addition, the consignor shall provide the carrier with a single document containing written information setting forth in summary, the total numbers and kind of packages, description of articles and total weight of all commodities described on the bills of lading for each component part. Said document shall also reflect total number of pieces and total weight of all commodities in the shipment and must make reference, by number or other individual identity, to each bill of lading issued for a component part. 3. A bill of lading form may be utilized as the single document referred to in paragraph C2 hereof; however, such bill of lading will have no effect except to consolidate, for the purpose of determining freight charges, information on the bills of lading covering such component part of the shipment. 4. If written information does not conform with the requirements of paragraph C2 or C3 hereof, or if the shipment does not comply with the provisions of paragraph A or B hereof, each component part of the split delivery shipment shall be rated as a separate shipment under other provisions of this tariff. 	231
<div style="display: flex; justify-content: space-between;"> <div> <p>Change) Addition) Increase)</p> </div> <div style="text-align: center;"> <p>87249</p> <p>Decision No.</p> </div> </div>	
EFFECTIVE	
<div style="display: flex; justify-content: space-between;"> <div>Correction</div> <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</div> </div>	

SECTION 3-A--DISTANCE INCENTIVE RATES		ITEM
UNCRATED NEW FURNITURE, regardless of classification (Items 420, 421 and 422) BETWEEN ALL POINTS IN CALIFORNIA		
RATE	MINIMUM WEIGHT (IN POUNDS)	
A. Apply 65% of the applicable 2000 pound Column A rate set forth in Items 400 and 405. Subject to Notes 1, 2, 6, 7, 8, 9, 10, 11, 12, 13 and 15 of this item.	(1) 6,750 (2) 10,000	
*dB. Apply 60% of the applicable 2000 pound Column A rate set forth in Items 400 and 405. Subject to Notes 1, 3, 6, 7, 8, 10, 12, 13, 14 and 15 of this item.	(3) 11,250 (4) 13,500	
*dC. Apply 55% of the applicable 2000 pound Column A rate set forth in Items 400 and 405. Subject to Notes 1, 4, 6, 12, 13 and 15 of this item.		
*dD. Apply 50% of the applicable 2000 pound Column A rate set forth in Items 400 and 405. Subject to Notes 1, 5, 6, 12, 13 and 15 of this item.		420
(1) When the entire shipment is loaded in a single trailer not exceeding 27 feet in length. (2) When the entire shipment is loaded in a single trailer exceeding 27 feet but not exceeding 40 feet in length. (3) When the entire shipment is loaded in a single trailer exceeding 40 feet but not exceeding 45 feet in length. (4) When the entire shipment is loaded in a unit of equipment having more than 45 lineal feet of loading space. NOTE 1.--The provisions of Items 230 and 231 may be applied in connection with shipments moving at rates provided by this item. NOTE 2.--Will not apply when paragraphs B, C or D of this item are applicable. NOTE 3.--Rates specified in this paragraph will apply only when carrier tenders to the shipper at carrier's depot empty trailing equipment for loading by shipper and return by shipper to carrier's depot for subsequent delivery by carrier. NOTE 4.--Rates specified in this paragraph will apply when carrier furnishes power equipment only and trailing equipment is furnished by the shipper at no cost to the carrier. Rate shall include the return of empty trailing equipment to origin. NOTE 5.--Rates specified in this paragraph will apply when carrier furnishes power equipment only and trailing equipment is furnished by the shipper at no cost to the carrier. Loaded trailing equipment must be tendered to carrier only at carrier's depot. Rate shall include the return of empty trailing equipment to carrier's depot at origin. (Continued in Item 421)		
Change) * Addition) Decision No. 87249 o Reduction)		
EFFECTIVE		
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.		
Correction		

MINIMUM RATE TARIFF 11-A

SECTION 3-A--DISTANCE INCENTIVE RATES (Continued)	ITEM		
<p>UNCRATED NEW FURNITURE, regardless of classification (Continued)</p> <p>(Items 420, 421 and 422)</p> <p>NOTE 6.--In determining the applicable rate in Items 400 and 405, the following provisions therein are not applicable:</p> <table border="0"> <tr> <td data-bbox="224 519 877 605"> <p><u>Item 400</u></p> <p>Notes 1 through 6</p> </td><td data-bbox="877 519 1372 605"> <p><u>Item 405</u></p> <p>Notes 1 through 5 Note 7</p> </td></tr> </table> <p>In addition, the provisions of Item 60 shall not be applied in determining the applicable rates in Items 400 and 405.</p> <p>NOTE 7.--The rates provided by this item apply only when, prior to time of initial pickup, the shipper notifies the carrier of the trailer length or unit of equipment required to transport the shipment. The bill of lading must be annotated to reflect the size of equipment ordered.</p> <p>NOTE 8.--Except as provided in Note 11, shipments must be loaded by the shipper and the shipper must annotate the bill of lading with the statement "Shipper Load, Count and Seal." When fully loaded, each unit of equipment must comply with all governmental regulations relating to size and weight of loads upon vehicles operated over the public highways.</p> <p>NOTE 9.--When loading is performed by the shipper in accordance with Note 3, an allowance of nine hours will be provided. Time shall be computed from time of arrival of carrier's equipment at place of loading until loading is completed and carrier's equipment is released. Excess loading time will be charged for at the rates named in Item 90, subject to a maximum additional charge of \$25.00 for any 24-hour period.</p> <p>NOTE 10.--Carrier will furnish pads, blankets and other load-securing devices, subject to accounting and refund.</p> <p>NOTE 11.--When specifically requested by the shipper, carrier will load shipments moving under provisions of this item. In such circumstances, additional charges will be assessed as provided in Item 90, paragraph (a). Such charges will be assessed from the time of arrival of carrier's equipment at place of loading until loading is completed and equipment is released. Such charges shall be assessed in addition to those provided in Note 13 hereof.</p> <p>NOTE 12.--The carrier will perform unloading, subject to the following conditions:</p> <ol style="list-style-type: none"> Except as provided in paragraph (d), unloading shall include service of a single driver only. A free time allowance of 12 minutes per 500 pounds or fraction thereof will be made in connection with each shipment or component part. Time shall be computed from the time of arrival of carrier's equipment at place of unloading until unloading is completed and carrier's equipment is released. Except as provided in paragraph (d), unloading services must be performed between the hours of 7:00 A.M. and 5:00 P.M. When additional carrier personnel are furnished; or when the time for unloading exceeds that allowed in paragraph (b); or when unloading services are performed prior to 7:00 A.M. or after 5:00 P.M., additional charges will be assessed as provided in Item 90, paragraphs (a) and (b). Such charges shall be assessed in addition to those provided in Note 13 hereof. <p>(Continued in Item 422)</p>	<p><u>Item 400</u></p> <p>Notes 1 through 6</p>	<p><u>Item 405</u></p> <p>Notes 1 through 5 Note 7</p>	<p>421</p>
<p><u>Item 400</u></p> <p>Notes 1 through 6</p>	<p><u>Item 405</u></p> <p>Notes 1 through 5 Note 7</p>		
<p>Change, Decision No. 87249</p>			
<p>EFFECTIVE</p>			
<p>Correction</p>	<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>		

SECTION 3-A--DISTANCE INCENTIVE RATES (Concluded)	ITEM
<p>UNCRATED NEW FURNITURE, regardless of classification (Concluded)</p> <p>(Items 420, 421 and 422)</p> <p>NOTE 13.--Carrier loading and unloading services performed in accordance with provisions of Notes 11 and 12 are limited to 8 hours service out of 9 consecutive hours per day, Monday through Friday. For service in excess of these limitations and for service on Saturdays, Sundays and holidays, the following additional charges shall be assessed:</p> <ul style="list-style-type: none"> (a) \$4.00 per man, per hour, for service performed in excess of 8 hours out of 9 consecutive hours, Monday through Friday, and for all hours performed on Saturday. (b) \$12.00 per man, per hour, for service performed on Sundays, and holidays and not exceeding 8 hours out of 9 consecutive hours. (c) \$20.00 per man, per hour, for service performed in excess of 8 hours out of 9 consecutive hours on Sundays and holidays. <p>When a holiday falls on a Sunday, the following Monday shall be considered a holiday.</p> <p>Charges provided by this note shall be assessed in addition to those provided in Notes 11 and 12 hereof.</p> <p>NOTE 14.--Shipper will be allowed 24 hours free time to load and return carrier's trailing equipment for subsequent delivery. Time shall be computed from time equipment is picked up at carrier's depot until the return thereto. Equipment not tendered to carrier for delivery within free time specified shall be assessed a charge of \$25.00 for each 24-hour period or fraction thereof.</p> <p>NOTE 15.--When the actual weight of the shipment exceeds the minimum weight provided in Item 420 for the unit of carrier's equipment on which the shipment is loaded, such excess weight shall be charged at the rate of \$2.00 for each 100 pounds or fraction thereof. In no event, however, shall this rate exceed that otherwise applicable to the minimum weight portion of the shipment.</p>	<p>422</p>
<p>* Addition, Decision No.</p> <p style="text-align: center; font-size: 1.5em;">87249</p>	
EFFECTIVE	
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Correction