

Decision No. 88009 OCT 18 1977

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 cement and related }
products statewide as provided in }
Minimum Rate Tariff 10 and the }
revisions or reissues thereof. }

Case No. 5440
Petition for Modification
No. 104
(Filed May 3, 1977)
Petition for Modification
No. 101
(Filed October 6, 1976)
Order Setting Hearing 93
(Filed June 5, 1976)
Order Granting Rehearing
Decision No. 87540
(Dated June 28, 1977)

Richard W. Smith, Attorney at Law, and H. W. Hughes, for California Trucking Association, petitioner.
Les Calkins, for Les Calkins Trucking Inc.; Henry Fiske, for Fiske Bros. Inc.; Frank R. Colzen, for Universal Transport System; Robert A. Schnepf, for Terri Trucking; Joe S. Tedesco, for T.T.T. Inc.; L. B. Hulsman, Jr., for Northern Redwood Transport; Ray S. Bruton, for Miles & Son's Trucking Service; Stanley A. Ziganti, for CAP Transport, Inc.; Earl W. Hudson, for Hudson Trucking; and Allen L. Cole, for Max Binswanger Trucking, respondents.
William Mitze, for Riverside Cement Co.; T. W. Anderson, for General Portland, Inc.; William T. Barklie, for California Portland Cement Co.; Mike Mallin, for Lone Star Industries; James M. Gallagher, for The Flintkote Co., Calaveras Cement Division; George B. Shannon, for Southwestern Portland Cement; M. Nicolaus, by Elmer R. Steege, for Western Motor Tariff Bureau; and Christopher Cutler, for Kaiser Cement & Gypsum, Inc.; interested parties.
George H. Morrison and Charles F. Gerughty, for the Commission staff.

O P I N I O N

Minimum Rate Tariff 10 (MRT 10) contains rates and rules governing the highway transportation of cement and related commodities, in bulk and in packages, within California. By Petition 104 the California Trucking Association (CTA) seeks a cost offset increase of approximately 7 percent in MRT 10 rates. Order Granting Rehearing issued in Decision No. 87540 dated June 28, 1977 in Case No. 5440 (Petition 101 and OSH 93) was consolidated with Petition 104 for hearing.

Public hearing was held before Administrative Law Judge Gagnon at San Francisco on July 12, 1977 at which time the consolidated matters were submitted.

Order Granting Rehearing

The level of MRT 10 rates in effect immediately prior to Decision No. 87410 issued June 1, 1977 in this proceeding reflects labor costs as of July 1, 1975, historical equipments costs updated to 1975, and fuel costs effective through April, 1974. In Petition 101 the CTA sought an average cost offset increase of approximately 5 percent in the then effective MRT 10 rates. In support of its petition, the CTA introduced a study pertaining to the increases in operating costs effective generally as of mid-year 1976 incurred by cement carriers subject to the provision of MRT 10. The CTA's cost study supports the contention that the historical mileage cost data underlying MRT 10 rates increased an average of 5 percent since the tariff rates were last revised.

While CTA's rate proposal would increase MRT 10 rates by an average of 5 percent, it was shown that the actual impact upon the carriers' annual revenues resulting from such rate adjustment would amount to only 4 percent. This reduction in anticipated revenues was largely due to the lower constructive mileages applicable under the proposed adoption of the Commission's Distance Table 8 (OSH 93). Additionally, under CTA's rate proposal the cost offset increase in MRT 10 northern territory bulk cement rates was held to a maximum

of $\frac{1}{4}$ cent for distances up to 60 miles. For certain other mileage rate brackets the CTA proposed the rates be slightly reduced or not increased.

In Decision No. 87410 the Commission found the staff's alternative 4 percent cost offset rate proposal to be justified except for the northern territory bulk cement rates where an increase of only 1 percent was found justified. In reaching this latter finding the Commission stated:

". . . Ordinarily, per mile expenses are less for a longer haul. There has been nothing produced in this record that shows per mile expense is higher for longer trips. If we are to apply the rate increase in the manner the applicant proposes, without full cost justification, there would be the very real possibility that shippers in outlying areas would unreasonably be subject to higher rates not because of cost of service factors, but simply because there is less proprietary competition to such areas.

"We are directing that northern territory MRT 10 rates be increased by the percentages proposed by the applicant up to the distance of 55-60 miles. For distances over 55-60 miles the applicant proposes a much steeper increase for the northern territory. We do not wish to distort truckload rates for longer northern territory distances by ordering MRT 10 rates for longer distances increased disproportionately to short-haul rates. If MRT 10 were to be repeatedly offset with larger increases being placed on long-haul rates, the pancaking effect of such offsets could distort rates out of proportion to costs for service to long-haul points. For distances over 55 to 60 miles we will order a 1 percent increase. If carriers find that for longer hauls MRT 10 rates are inadequate they may either charge more or, if they are common carriers, file a higher tariff. If MRT 10 rates require adjustment because the cost of service per mile varies with the length of haul, they should be adjusted only after a full investigation. We understand that generally most MRT 10 carriage is over relatively short distances and that most MRT 10 revenue would be generated by such trips. We find it is not in the public interest for shippers in outlying northern territory locations to be

arbitrarily subject to needlessly higher transportation costs resulting from distortive increases in MRT 10. If the applicant desires to present an alternative proposal to respread the offset increase for the northern territory, based on a relationship of cost per mile to mileage, it can petition for the reopening of this proceeding for reconsideration; or it can present such a proposal in the next filed petition to offset MRT 10.

"The proposed offset increase is distributed proportionally for the southern territory, so the problems discussed above that arise with respect to the northern territory are not an issue for that portion of MRT 10."

On rehearing of Decision No. 87410, the CTA notes that the aforementioned revised cost offset procedure for adjusting MRT 10 rates is premised upon the observation that "Ordinarily, per mile expenses are less for a longer haul. There has been nothing produced in this record that shows per mile expense is higher for longer trips." The CTA acknowledges this commonly held rate principle and contends it has never suggested otherwise.

In formulating its cost offset proposal, the CTA directs attention to the historical and consistent practice of the Commission in Case No. 5440 to evaluate ratemaking elements other than costs. For example, the CTA refers to the following observations and finding set forth in Decision No. 73607 dated January 9, 1968 in Case No. 5440:

"In adopting the industry proposal, the following language appears in Decision No. 72503:

"The Commission heretofore has stated that considerations other than those specifically set forth in Section 3662 may be given weight in the establishment or revision of minimum rates for highway carriers. In proceedings of this type, the Commission measures the value of the transportation service. The industry proposal herein, developed through negotiation, should strike a balance between the shipper's ability to pay for the transportation services and the carriers' overall revenue needs. Therefore, the industry proposal should be given weight in reaching a determination concerning the aspects of the value of the transportation service to shippers and reasonable return to carriers. The industry proposal

also takes into consideration recent changes in economic conditions. It reflects...considerations not brought to bear in the staff proposals: a reduction in carriers' revenues resulting from changes in constructive mileages...and an increase in costs brought about by higher wage costs...

"In arriving at their rate proposals, both the industry and staff witnesses testified that they gave consideration to existing rate levels; the location of cement mills, and competition between mills in the marketing of cement in the major metropolitan areas of the State; the interrelationships of the Southern and Northern Territory rate scales with respect to transportation from mills located near the dividing line between territories; and the effect of the changeover from DT5 to DT6. The staff witness apparently gave much weight to the staff's estimated costs of service. The witness presenting the industry proposal stated in the original hearing that little weight was given to costs, but that factors not considered in the staff cost study were evaluated. . . ."

In this same Decision No. 73607 the Commission found:

- "1. In establishing or approving scales of minimum rates in this proceeding, consideration must be given to the ratemaking elements set out in Section 3662 of the Public Utilities Code and, in addition thereto, consideration should be given to the value of the transportation service to shippers, to the marketing practices of cement producers, and to the revenue needs of carriers."

The CTA stresses the Commission's historical practice of establishing rates in MRT10 at a level which would produce revenues necessary to meet the carriers' operating costs. The CTA contends that the 1 percent increase in northern territory bulk cement rates authorized by Decision No. 87410 fails to meet this objective. In support of this contention, the CTA points to the undisputed record in Petition 101 wherein the minimum increase shown as required to cover the carriers' operating costs was 4 percent.

If the historical selective cost offset procedure for adjusting MRT 10 northern territory bulk cement rates is to be now abandoned in favor of an across the board uniform rate increase methodology as pursued in Decision No. 87410, the CTA maintains that a uniform increase of not less than 4 percent was fully justified in Petition 101. The CTA requests that the full cost offset increase of 5 percent set forth in its Petition 101 Exhibit 6 be restored.

In the Petition 101 proceeding, the staff suggested that the MRT 10 rates be increased an average of 4 percent, except for the northern territory bulk cement rates where such increase would be held down to $\frac{1}{2}$ cent (approximately 1 percent) for distances up to 60 miles as proposed by CTA. However, in partially adopting the staff rate proposal the Commission in Decision No. 87410 extended the 1 percent increase in northern territory bulk cement rates for distances beyond 60 miles. The staff on rehearing of Decision No. 87410 recommends that the cost offset adjustments in the northern territory bulk cement rates proposed in its Petition 101 Exhibit 9 be restored.

The CTA and staff efforts to hold down the cost offset increase in the MRT 10 northern territory bulk cement rates to a maximum of $\frac{1}{2}$ cent was premised on various compelling economic factors other than cost of service. While such other economic factors were ultimately rejected, the Commission in Decision No. 87410 adopted the level of rates developed by the CTA and the staff in consideration of such other economic criteria as the basis for authorizing a 1 percent cost offset rate increase, in lieu of a 4 percent increase otherwise found to be justified, for distances beyond 60 miles.

The evidence initially presented in Petition 101, together with the additional evidence introduced on rehearing of Decision No. 87410, fully supports a minimum cost offset increase of not less than 4 percent in the MRT 10 northern territory bulk cement rates.

However, to lessen the potential adverse economic impact of such uniform rate adjustment, both the CTA and the staff suggest that their respective original rate proposals as set forth in their Petition 101 Exhibits 6 and 9 be first restored before any further imposition of additional cost offset increases is considered pursuant to CTA's Petition 104. Since the staff's general cost offset rate increase of 4 percent has been previously found to be justified by Decision No. 87410, it is recommended that the staff's suggested cost offset adjustments in MRT 10 northern territory bulk cement rates for all mileage rate brackets be adopted as the basis for subsequent consideration of further cost offset increases.

Petition 104

In Petition 104 the CTA requests that the MRT 10 level of cement rates, as previously proposed in Petition 101 and on rehearing of Decision No. 87410, be made subject to a further uniform cost offset increase of approximately 7 percent. It is estimated that the increase in annual revenues accruing to carriers as a result of such upward adjustment in rates will amount to approximately \$1,700,000. A uniform increase in the MRT 10 bulk cement rates for northern territory is proposed, in lieu of the aforementioned traditional selective increases generally sought for short-haul movements of bulk cement. Should any adverse economic impact result from the imposition of such uniform cost offset increase, the CTA advises it will endeavor to have the necessary corrective tariff adjustments established.

Cost Data

The level of MRT 10 rates proposed in Petition 101, as subsequently partially adopted by Decision No. 87410, reflects operating costs effective generally as of mid-year 1976. Since the rates were last adjusted, the carriers' costs for labor, operating equipment, and fuel have increased substantially.

As of January 1977 fuel costs were 10 percent higher than the amounts reflected in the current MRT 10 rates. Historical equipment costs for 1977 reflect a 4 percent increase. The carriers have also continued to experience increases in their various payroll taxes for social security, unemployment insurance, and worker's compensation insurance. The most significant increase in the carriers' operating costs results from higher wage rates payable in accordance with the terms of effective labor agreements. A comparison of the 1976 hourly labor cost data with the 1977 updated cost data is:

TABLE 1

	Northern Territory May 16			Southern Territory July 1		
	1976	1977	%	1976	1977	%
Base Hourly Wage	\$ 7.410	\$ 8.010	8.10	\$6.700	\$ 7.260	8.36
Holidays-Funeral Leave	.303	.328	8.25	.190	.205	7.89
Sick Leave	-	.087	-	-	-	-
Premium Earnings	.815	.881	8.10	.670	.726	8.36
Vacation	.399	.435	9.02	.235	.255	8.51
Compensation Insurance	.455	.568	24.84	.467	.579	23.98
Payroll Taxes	.572	.608	6.29	.496	.527	6.25
Health, Welfare, & Pension	<u>1.106</u>	<u>1.200</u>	<u>8.50</u>	<u>.754</u>	<u>.856</u>	<u>13.53</u>
Total Direct Hourly Labor Cost	\$11.060	\$12.117	9.56	\$9.512	\$10.408	9.42

Under present labor agreements cement carriers in the northern and southern territories will incur increases in their direct hourly labor costs of approximately \$1.06 and .90 cents, respectively.

The 1977 increases in the costs for labor and allied payroll expenses, equipment, and fuel were next incorporated by CTA into the 1976 basic mileage cost data underlying MRT 10 rates. The resulting total updated costs were then computed by CTA employing the established wage (cost) offset procedure for adjusting indirect expenses (Decision No. 76353 70 CPUC 277). Under this method

indirect expenses are increased proportionately with direct costs. The resulting percentage increases in the total MRT 10 revised cost data were then employed as the basis for CTA's cost offset rate proposal.

The Commission staff also introduced a cost study which measures the impact of the 1977 increased costs for labor, fuel, and equipment upon the cement carriers' operations. The increased cost elements were incorporated by the staff into the 1976 basic mileage cost data underlying the MRT 10 rates. Except for the computations for indirect expenses, the resulting updated total mileage cost data determined by the staff and the CTA are the same. A partial summary comparison of the CTA and staff revised total mileage cost data is:

TABLE 2

SUMMARY OF UPDATED TOTAL COSTS PER 100 POUNDS FOR
TRANSPORTING BULK CEMENT VARIOUS DISTANCES

Item	Length of Haul - Constructive Miles							
	10	25	50	75	125	175	300	500
<u>Pneumatic Hoppers</u>								
Total Direct Costs:	\$.075	\$.109	\$.162	\$.214	\$.312	\$.423	\$.688	\$1.091
Total Cost - Pet. 104:								
100% OR - CTA	.089	.130	.192	.253	.367	.496	.800	1.262
100% OR - Staff	.088	.129	.190	.251	.364	.492	.795	1.255
Total Cost - Pet. 101	.083	.121	.180	.237	.344	.464	.752	1.186
% Increase - CTA	7.2	7.4	6.1	6.8	6.4	6.7	6.3	6.4
% Increase - Staff	6.0	6.6	5.6	5.9	5.8	6.0	5.7	5.8
<u>Gravity Hoppers</u>								
Total Direct Costs	\$.059	\$.092	\$.142	\$.193	\$.286	\$.365	\$.604	\$.959
Total Cost - Pet. 104:								
100% OR - CTA	.070	.108	.167	.226	.334	.424	.695	1.099
100% OR - Staff	.069	.107	.166	.224	.331	.421	.691	1.093
Total Cost - Pet. 101	.065	.102	.159	.214	.317	.401	.661	1.043
% Increase - CTA	7.7	5.9	5.0	5.6	5.4	5.7	5.1	5.4
% Increase - Staff	6.2	5.9	5.0	5.1	5.1	5.5	5.1	5.4

Source: Table 4, Staff Exhibit 104-7

The CTA updated the historical indirect expense items underlying the present level of MRT 10 rates by employing the aforementioned wage (cost) offset procedure. The staff, on the other hand, observed the direct wage offset method which retains the indirect expenses of their historical level when computing total direct and indirect costs as shown in Table 2. The percentage increases in total costs resulting under the staff's cost offset method are shown in Table 2 to be approximately 1 percent lower than the like computations of CTA.

Rate Proposals

The resulting percentage increases in the total MRT 10 revised cost data as developed by the CTA and the staff were employed as the basis for their respective cost offset rate proposals. In connection with the northern territory bulk cement rates, the CTA recommends that the level of rates it proposed in Petition 101 be first restored as requested on rehearing of Decision No. 87410. Thereafter, it is suggested such rates be further adjusted to reflect an overall average increase of 7 percent. The northern territory rates for cement in sacks would be increased 7.5 percent. The southern territory rates for cement, in bulk or in sacks, reflect an average increase of 5.8 and 6.2 percent, respectively.

The staff recommends that the level of bulk cement rates it proposed in Petition 101 be first restored. Thereafter, the staff would increase the MRT 10 rates for cement, in bulk or in sacks, applicable within northern and southern territories by the various percentage increases in the historical total mileage cost data computed under the direct wage offset procedure. The staff estimates that its suggested cost offset adjustment of MRT 10 rates will increase the carriers' annual revenues by 5.8 percent or approximately \$1,530,000. A summary comparison of the present and proposed bulk cement rates is as follows:

TABLE 3

COMPARISON OF PRESENT AND PROPOSED
MRT 10 BULK CEMENT RATES

Mileage		Rates (In Cents Per 100 Pounds)					
		<u>Northern Territory</u>			<u>Southern Territory</u>		
<u>Over</u>	<u>But Not Over</u>	<u>MRT 10</u>	<u>CTA</u>	<u>Staff Adjusted</u>	<u>MRT 10</u>	<u>CTA</u>	<u>Staff Adjusted</u>
5 -	10	13 1/2	14 1/2	14 1/2	9 3/4	10 1/4	10 1/4
20 -	25	15 1/4	16 1/2	16 1/4	11 3/4	12 1/2	12 1/4
25 -	30	16 3/4	18	17 3/4	12 1/2	13 1/4	13 1/4
35 -	40	18 1/4	19 1/2	19	15 1/4	16 1/4	16 1/4
45 -	50	20 3/4	22 1/4	22	19	20	20
55 -	60	25	26 3/4	26	20 1/2	21 3/4	21 1/2
70 -	75	27 3/4	30 3/4	30 1/4	23 1/4	24 3/4	24 1/2
95 -	100	32	35 1/2	35	27 1/2	28 3/4	28 1/2
145 -	150	42 1/2	47	47	36 3/4	39	38 1/2
190 -	200	50	55 3/4	54 1/4	47 1/4	50 1/4	50
290 -	300	64 3/4	71 3/4	70 1/4	62	65 1/2	65

The level of rates suggested by the staff is on the average slightly lower than the like rate proposal of CTA. Except for relatively minor adjustments, the level of rates suggested by the staff reflects a reasonable effort to offset 1977 increased operating costs and should be adopted.

Findings

1. Immediately prior to Decision No. 87410 dated June 1, 1977 in Case No. 5440 (Petition 101 and OSH 93) the rates named in MRT 10 reflected labor costs as of July 1, 1975, historical equipment costs updated to 1975, and fuel costs effective through April, 1974 pursuant to Decision No. 84655 issued July 8, 1975 in Case No. 5440 (Petition 95).

2. By Decision No. 87410 the Commission found a 4 percent cost offset increase in MRT 10 rates to be justified except for northern territory bulk cement rates for distances beyond 60 miles where an increase of 1 percent was found to be justified.

3. The rate increase authorized by Decision No. 87410 was intended to offset related increases in the carriers' wage costs and allied payroll expenses effective generally as of May 1 and July 1, 1976.

4. On rehearing of Decision No. 87410 it was demonstrated that the cost offset increases in MRT 10 northern territory bulk cement rates for all mileage rate brackets, as initially proposed in Petition 101 Staff Exhibit 9, were fully justified.

5. Since rates named in MRT 10 were last revised pursuant to Decision No. 87410, the cement carriers have incurred significant increases in wage costs and allied payroll expenses effective generally as of May 16, 1977 (northern territory) and July 1, 1977 (southern territory). As of January 1977 fuel costs were 10 percent higher than the amounts reflected in current MRT 10 rates. Historical equipment costs for 1977 reflect a 4 percent increase over the amounts reflected in the existing level of rates.

6. In Petition 104 the CTA seeks an average cost offset increase of approximately 7 percent which will generate an estimated increase in annual revenues of about \$1,700,000.

7. The Commission staff recommends an average cost offset rate increase of 5.8 percent which will produce additional annual revenues of approximately \$1,530,000.

8. The cost offset adjustment in MRT 10 rates proposed by the staff has, with minor technical modifications, been shown to be justified.

9. Petitioner's proposed average cost offset rate increase of 7 percent has not been shown to be fully justified.

10. We are not sympathetic to offset procedures, as we have stated in several recent decisions; however, we cannot fail to recognize that carriers are faced with increased costs of doing business. Accordingly and reluctantly, we will adjust the minimum rates pending the possible adoption and implementation of a plan for reregulation of the trucking industry.

11. The increased rates found justified herein are, and for the future will be, the just, reasonable, and nondiscriminatory minimum rates to be observed by highway carriers engaged in the transportation of cement under the provisions of MRT 10.

Conclusions

1. Petitioner's additional sought relief on rehearing of Decision No. 87410 pursuant to the Commission's Order Granting Rehearing in Decision No. 87540 dated June 28, 1977 in Case No. 5440 (Petition 101 and OSH 93) should be granted to the extent provided by the further order herein.

2. To the extent not otherwise modified by the further order herein, Decision No. 87410 should remain in full force and effect.

3. Petition 104 should be granted to the extent provided in the order herein and MRT 10 amended accordingly.

4. Common carriers should be authorized to depart from the long- and short-haul provisions of the Public Utilities Code to the extent necessary to publish the increased rates required herein.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 10 (Appendix A of Decision No. 44633, as amended) is further amended by incorporating therein, to become effective twenty-five days after the date hereof, the revised pages attached hereto and listed in Appendix A, also attached hereto, which pages and appendix by this reference are made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 44633, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. Common carriers maintaining rates on a level other than the minimum rates for transportation for which rates are prescribed in Minimum Rate Tariff 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 10 rates for the transportation of commodities and/or for transportation not subject to Minimum Rate Tariff 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 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 10 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 10 rates.

6. Common carriers maintaining rates not otherwise referred to in other ordering paragraphs of this decision are authorized to increase such rates by 5.8 percent.

7. Common carrier tariff publications made as a result of this order which involve increases shall be filed not earlier than the effective date of this order and shall be effective not earlier than twenty-five days after the date hereof. Tariff publications required shall be effective twenty-five days after the date hereof. Tariff publications involving reductions may be made effective not earlier than the fifth day after the effective date of this order. The authority for authorized increases and/or reductions shall expire unless exercised within sixty days after the effective date of this order. All tariff publications must give five days' notice to the Commission and to the public.

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 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. 44633, as amended, shall remain in full force and effect.

10. To the extent not granted herein, petitioner's further sought relief on rehearing of Decision No. 87410 pursuant to the Commission Order Granting Rehearing in Decision No. 87540 (Petition 101 and OSH 93) is denied.

11. To the extent not otherwise modified by further order herein, Decision No. 87410 shall remain in full force and effect.

12. To the extent not granted herein, Petition 104 is denied. The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 18th day of SEPTEMBER, 1977.

Robert B. Adams
President
William J. Adams, Jr.
Richard L. Adams
David L. Adams
Commissioners

C. 5440 (Pet. 104) et al.

APPENDIX A

LIST OF REVISED PAGES TO
MINIMUM RATE TARIFF 10

NINTH	REVISED	PAGE 6-A
THIRD	REVISED	PAGE 6-B
FOURTH	REVISED	PAGE 7-A
TWELFTH	REVISED	PAGE 10
THIRTEENTH	REVISED	PAGE 12-A
ELEVENTH	REVISED	PAGE 12-B
THIRD	REVISED	PAGE 12-C

(END OF APPENDIX A)

SECTION 1--RULES (Continued)		ITEM																					
<p>ACCESSORIAL SERVICES</p> <p>When carrier performs any accessorial or incidental service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges shall be assessed as follows:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td colspan="2" style="text-align: center;">Charges in Cents</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>For First</u></td> <td style="text-align: center;"><u>For Each</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>30 Minutes</u></td> <td style="text-align: center;"><u>15 Minutes</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>or Fraction</u></td> <td style="text-align: center;"><u>or Fraction</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Thereof</u></td> <td style="text-align: center;"><u>Thereof</u></td> </tr> <tr> <td>(a) For Driver, Helper, or Other Employee per Man---</td> <td style="text-align: center;">610</td> <td style="text-align: center;">305</td> </tr> <tr> <td>(b) For Unit of Equipment-----</td> <td style="text-align: center;">150</td> <td style="text-align: center;">75</td> </tr> </table> <p>The charge for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.</p>			Charges in Cents			<u>For First</u>	<u>For Each</u>		<u>30 Minutes</u>	<u>15 Minutes</u>		<u>or Fraction</u>	<u>or Fraction</u>		<u>Thereof</u>	<u>Thereof</u>	(a) For Driver, Helper, or Other Employee per Man---	610	305	(b) For Unit of Equipment-----	150	75	0100
	Charges in Cents																						
	<u>For First</u>	<u>For Each</u>																					
	<u>30 Minutes</u>	<u>15 Minutes</u>																					
	<u>or Fraction</u>	<u>or Fraction</u>																					
	<u>Thereof</u>	<u>Thereof</u>																					
(a) For Driver, Helper, or Other Employee per Man---	610	305																					
(b) For Unit of Equipment-----	150	75																					
<p>DIVERTED SHIPMENTS</p> <p>Charges upon shipments diverted at request of consignor or consignee shall be assessed upon the basis of the charge established for the constructive mileage applicable via the point or points where diversion occurs, subject to Items 50 and 100.</p>		110																					
<p>SHIPMENTS TRANSPORTED IN MULTIPLE LOTS (Items 115 and 116)</p> <p>When a carrier is unable to pick up an entire shipment at one time, or when more than one vehicle, or connected train of vehicles, are used to pick up the entire shipment, the following provisions shall apply in addition to other applicable rules and regulations:</p> <ol style="list-style-type: none"> 1. The entire shipment shall be available to the carrier for immediate transportation at the time of the first pickup. 2. A single shipping document for the entire shipment tendered shall be issued prior to or at the time of the first pickup. 3. An additional shipping document shall be issued for each pickup and shall give reference to the single shipping document and shall be attached thereto and become a part thereof. 4. <ol style="list-style-type: none"> a. If rated under the rates in this tariff, the entire shipment shall be picked up by the carrier within a period of two days computed from 12:01 a.m. of the date on which the initial pickup commences, excluding Saturdays, Sundays and legal holidays. b. If rated under the provisions of Items 150 and 160 (paragraph (b)) of this tariff, the entire shipment shall be picked up by the carrier within: <ol style="list-style-type: none"> (1) a period of two days computed from 12:01 a.m. of the date on which the initial pickup commences, excluding Saturdays, Sundays and legal holidays, when the highway carrier's trailer equipment is placed for loading by the consignor without the presence of carrier personnel or motive equipment. (2) a 24-hour period computed from 12:01 a.m. of the date on which the initial pickup commences, when the shipment is loaded other than under the conditions specified in subparagraph (1) above. <p style="text-align: center;">(Continued in Item 116)</p>		115																					
<p>o Increase, Decision No. 88009</p>																							
EFFECTIVE																							
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.																							
Correction																							

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">FURNISHING OF TRANSFER STORAGE FACILITIES</p> <p>Upon receipt of written request from the consignor or consignee, the carrier may furnish and/or transport to construction job sites, transfer storage facilities with a capacity not exceeding 4,500 cubic feet, subject to the following conditions and charges:</p> <p>(1) A suitable site shall be provided without cost to the carrier for the transfer storage facility with ready access accomodating the type of equipment operated by the carrier; and carrier must be provided 24-hour access for unloading.</p> <p>(a) The transfer storage facility, when placed at a job site, will for the duration of such job, be considered part of consignee's storage facilities and withdrawing or transferring cement from the transfer storage facilities will be the responsibility of the consignee. The rates provided in this tariff do not include carrier operation of such facility. If carrier provides personnel to operate such transfer facilities, charges provided in Item 100 must be assessed; and</p> <p>(b) Any fuel required to operate transfer facilities must be furnished by consignee.</p> <p>(2) Any cement remaining in the transfer storage facility at completion of project must be disposed of by the consignee.</p> <p>(3) The use of a carrier furnished transfer storage facility will be limited to the temporary storage of cement transported subject to the rates provided in Section 2 of this tariff.</p> <p>(4) The following charges shall be paid by the party requesting the services provided in this item:</p> <p>∅(a) For transporting, establishing and removing each transfer storage facility, an hourly charge of ∅\$20.45 will be assessed and computed on a portal to portal basis.</p> <p>(b) Applies only to carrier furnished transfer storage facilities:</p> <p>1) For each week, or fraction thereof, beginning with the first delivery of cement to the facility or the date on which the carrier is instructed in the consignee's written request to place the transfer facility at the job site, whichever is first, and ending with delivery of the last load, or the date on which carrier is instructed by the consignee to remove storage facility, whichever is later, a charge of \$135.00; and</p> <p>2) For each calendar day in which cement is physically transferred from the storage facility, a charge of \$5.00 per day.</p> <p>∅(c) A charge of ∅\$17.45 shall be made for the service of securing each permit, and a charge shall be made equal to the fee, if any, assessed by the governmental agency for issuing each permit.</p>	<p>∅118</p>
<p>∅ Change) ∅ Increase) Decision No. 88039</p>	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	

Correction

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">SPLIT DELIVERY</p> <p>Shipments may consist of several 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, subject to the following conditions and additional charges:</p> <ol style="list-style-type: none"> 1. The composite shipment shall consist of not to exceed three component parts. 2. Except as provided in Item 180, charges shall be paid by the consignor when there is more than one consignee. 3. At the time of or prior to the tender of the composite shipment, the carrier shall have been furnished with written instructions showing the name of each consignee, the point or points of destination, and the kind and quantity of property in each component part. 4. The charge for the transportation of the composite shipment shall be the charge applicable for transportation of a single shipment of like kind and quantity of property, computed by applying the applicable mileage rate from point of origin to point of final destination via each individual destination. (See Exceptions 1 and 2.) <p>EXCEPTION 1.--In the event that a shipment has origin and destination points within and without a mileage territory and any of such points are located within a metropolitan zone, the shortest distance shall be computed subject to the following provisions:</p> <ol style="list-style-type: none"> (a) Between a point within a metropolitan zone and a point not within the same metropolitan zone group but within the Related Mileage Territory, use for constructive mileage determination for the point within the metropolitan zone, the mileage basing points for the applicable metropolitan zone groups. (b) Between two or more metropolitan zones within the same metropolitan zone group, use for constructive mileage determination the mileage basing points for the individual metropolitan zones. <p>EXCEPTION 2.--In the event that a carrier is instructed by the consignor to effect delivery to a destination or destinations in a manner which results in a distance greater than the distance determined under the provisions of Paragraph 4, the applicable through rate shall be based on the distance computed from origin to final destination via each individual destination in the order of delivery designated by the consignor. Instructions from the consignor must be in writing and shall be issued at or prior to the time of shipment.</p> <ol style="list-style-type: none"> 5. In addition to the charge applicable for transportation of a single shipment of like kind and quantity of property, computed as set forth in Paragraph 4, an additional charge of \$7.70 shall be made for each of the component parts comprising the composite shipment. 	<p>0130</p>
<p> ☐ Change) ☐ Increase) Decision No. 88009 </p>	
EFFECTIVE	
Correction	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 10

SECTION 1--RULES (Concluded)	ITEM
<p style="text-align: center;">ACCESSORIAL SERVICES NOT INCLUDED IN COMMON CARRIER RATES</p> <p>When a common carrier rate is applied in lieu of or in combination with rates provided in this tariff, and the common carrier rate does not include accessorial services as performed by carrier, the following charges shall be made for such services:</p> <ol style="list-style-type: none"> 1. For unloading of shipments, in packages, at a point of destination to which the common carrier rate applies, 3 cents per 100 pounds. 2. For accessorial services for which charges are provided in this tariff, the additional charge or charges so provided. 3. For other accessorial services for which charges are not otherwise provided in this tariff, the charges set forth in Item 100. 	0170
<p style="text-align: center;">ISSUANCE OF SHIPPING DOCUMENTS</p> <p>A shipping document (either in individual or manifest form) shall be issued by the carrier to the shipper for each shipment received for transportation. Except with respect to intercarrier transactions and as hereinafter provided, only one shipping document shall be issued for each shipment transported and the carrier shall not apportion, prorate, or otherwise divide the freight charges between or among the consignor, consignee(s), or any other parties. For accessorial service not included in the rate for actual transportation, the carrier shall furnish a shipping document to the consignor or consignee who requested or ordered such accessorial service. The shipping document shall show the following information:</p> <ol style="list-style-type: none"> (a) Name of shipper. (b) Name of consignee. (c) Point of origin. (d) Point of destination. (e) Description of the shipment. (f) Weight of the shipment (or other factor or unit of measurement upon which charges are based). (g) Rate and charge assessed. (h) Whether point of origin and/or point of destination is located at railhead and such other information as may be necessary to an accurate determination of the applicable minimum rate and charge. <p>The form of shipping document in Section 3 will be suitable and proper.</p> <p>A copy of each shipping document, freight bill, accessorial service document, weigh-master's certificate, written instructions, written agreement, written request or any other written document which supports the rates and charges assessed and which the carrier is required to issue, receive or obtain by this tariff for any transportation or accessorial service shall be retained and preserved by the carrier, at a location within the State of California, subject to the Commission's inspection, for a period of not less than three years from the date of issue.</p>	180
<p style="text-align: center;">UNITS OF MEASUREMENT TO BE OBSERVED</p> <p>Rates or accessorial charges shall not be quoted or assessed by carriers based upon a unit of measurement different from that in which the minimum rates and charges in this tariff are stated.</p>	190
<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 whenever 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>	195
<p>o Increase, Decision No. 88039</p>	
<p>EFFECTIVE</p>	
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction</p>	

SECTION 2--DISTANCE RATES IN CENTS PER 100 POUNDS								ITEM
NORTHERN TERRITORY RATES								
MILES		RATES		MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	Over	But Not Over	(1) Bulk	(2) Sack	
0	3	12½	14½	145	150	47	49	
3	5	13½	15½	150	160	48½	50½	
5	10	14½	16½	160	170	50	52	
10	15	15	17½	170	180	51½	53½	
15	20	15½	18	180	190	52½	54½	
20	25	16½	18½	190	200	54½	55½	
25	30	17½	19½	200	210	55½	57	
30	35	18	20½	210	220	57½	58½	
35	40	19	21½	220	230	58½	60	
40	45	20	22½	230	240	60½	61½	
45	50	22	24½	240	250	61½	62	
50	55	23½	26	250	260	63½	64½	
55	60	26	27½	260	270	65	66	
60	65	27	29½	270	280	66½	67½	
65	70	28	31½	280	290	68½	69	
70	75	30½	33	290	300	70½	70½	
75	80	31½	34	300	320	73½	74	
80	85	32½	35	320	340	76½	77½	
85	90	33½	36	340	360	80	80½	
90	95	34½	37	360	380	83½	83½	
95	100	35	38	380	400	86½	87	
100	105	36½	39½	400	420	89½	90½	
105	110	37½	40½	420	440	93½	93½	
110	115	39	41½	440	460	96½	96½	
115	120	40½	43	460	480	101½	100	
120	125	42	44½	480	500	103½	103½	
125	130	43	45					
130	135	44	46	500	---	(Add to the rate for 500 miles, 06 cents per 100 pounds for each 25 miles or fraction thereof)		
135	140	45	47					
140	145	46	48					

0205

- (1) Rates apply on shipments in bulk.
- (2) Rates apply on shipments in packages.

◊ Increase, except as noted) Decision No. **88009**
 ◊ No change)

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 SAN FRANCISCO, CALIFORNIA.

Correction

MINIMUM RATE TARIFF 10

SECTION 2--DISTANCE RATES IN CENTS PER 100 POUNDS				ITEM
SOUTHERN TERRITORY RATES				
MILES		RATES		
Over	But Not Over	(1) Bulk	(2) Sack	
0	3	9½	10½	
3	5	9½	11½	
5	10	10½	12	
10	15	10½	12½	
15	20	11½	13½	
20	25	12½	14½	
25	30	13½	14½	
30	35	13½	15½	
35	40	16½	18	
40	45	18½	20½	
45	50	20	22½	
50	60	21½	23½	
60	70	23	25½	
70	80	24½	26½	
80	90	26½	28½	
90	100	28½	30	
100	110	30½	32	
110	120	32½	34	
120	130	34½	36	
130	140	36½	37½	
140	150	38½	39½	
150	160	40½	41½	
160	170	42½	43½	
170	180	44½	45½	
180	190	47	47½	
190	200	50	50½	
200	220	52½	52½	
220	240	56	56	
240	260	59	59½	
260	280	62	62½	
280	300	65	65½	
300	320	68½	68½	
320	340	71½	72	
340	360	75	75½	
360	380	78½	78½	
380	400	81½	81½	
400	420	84½	85	
420	440	88	88½	
440	460	91½	91½	
460	480	94½	94½	
480	500	97½	98	
500	---	(Add to the rate for 500 miles 06 cents per 100 pounds for each 25 miles or fraction thereof)		
(1) Rates apply on shipments in bulk.				0210
(2) Rates apply on shipments in packages.				
o Increase, except as noted)		Decision No.		88033
o No change)				
EFFECTIVE				
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Correction				

MINIMUM RATE TARIFF 10

THIRD REVISED PAGE....12-C
 CANCELS
 SECOND REVISED PAGE....12-C

SECTION 2--DISTANCE RATES IN CENTS PER UNIT SHOWN

Item canceled. Rates for distance exceeding 300 miles are set forth in Items 205 and 210.

	ITEM
Empty Pallets, Second Hand (Used), viz.: (Subject to Notes 1 and 2)	215
(a) Returning after being used in the transportation of a palletized cement shipment, or returning in exchange for pallets used in the transportation of a palletized cement shipment, to the consignor of the cement shipment, or (b) Shipped for use, or in exchange for pallets to be used, to the consignor or a palletized cement shipment. NOTE 1.--The provisions of this item apply only in connection with pallets used in the transportation of cement subject to rates in Southern Territory. NOTE 2.--The provisions of this item apply only when the empty pallets are transported by the same carrier utilized in the transportation of the cement shipment.	RATE (In Cents Per Pallet) 23 0220

o Increase, Decision No.

88003

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 SAN FRANCISCO, CALIFORNIA.

CORRECTION

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

