

ORIGINAL

Decision No. 88563 MAR 7 1978

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 property by vacuum-type tank vehicles and pump-type tank vehicles statewide as provided in Minimum Rate Tariff 13 and the revisions or reissues thereof.

Case No. 6008  
Petition for Modification  
No. 37  
(Filed May 4, 1977)

O P I N I O N

Petitioner California Trucking Association (CTA) requests that all rates and charges appearing in Minimum Rate Tariff 13 (MRT 13) governing the transportation of property by vacuum-type and pump-type tank vehicles be increased 7 percent due to increased wage costs and fringe benefits required by current collective bargaining agreements and increases in social benefit taxes. No protests have been received to the petition. Petitioner estimates that the requested increases in rates and charges will produce additional yearly revenues of approximately \$1,080,000.

The petition shows that the rates and charges in MRT 13 were last revised and adjusted pursuant to the Commission's Decision No. 87093 dated March 15, 1977 in Petition 33. Such adjustment gave recognition to increased labor and labor-related costs generally effective as of July 1, 1976 as well as increases in costs of equipment, running costs, and liability insurance expenses. Since the time that these changed costs were measured and reflected in the minimum rates, the costs of conducting motor carrier operations have continued to increase and will again increase in the near future. Such increases are principally attributable to higher wages and fringe benefits payable on July 1, 1977 pursuant to collective bargaining agreements.

Additionally, increases of substance are now payable by carriers because of higher social benefit taxes enacted through legislation, and

because of increased levels of workers' compensation insurance payable pursuant to actions of the State Insurance Commissioner. Finally, the upward trend of inflationary pressures in our economy continues to affect carrier operations adversely. As a result of such increases and changes in costs as detailed herein, the minimum rates and charges provided in MRT 13 are now, and will continue to be unreasonably low. Adjustment is necessary in order to bring such rates and charges to, and to maintain them at, a reasonable minimum level as required by law.

The Commission staff recommends an increase of 5.2 percent in the Territory A hourly rates shown in Item 200, and 6 percent in the Territory B rates. (Territory A consists of the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Imperial; Territory B of all points outside of Territory A.) The staff also recommends increases of 7.5 percent in the Territory A accessorial charges named in Item 60, and 9.2 percent in the Territory B rates shown therein.

The staff estimates that under the direct wage offset method of determining increased costs, total hourly increases for equipment and driver range from 5.03 percent to 5.68 percent in Territory A and from 5.73 percent to 6.66 percent in Territory B. Petitioner estimates these increases as ranging between 7.22 percent and 8.16 percent in Territory A and between 7.56 percent and 8.86 percent in Territory B.

The staff estimates that under the direct wage offset method, increases will produce additional yearly revenues of \$934,500.

It has been a number of years since the last full scale cost study for MRT 13. Since indirect expense cost components have not been fully reviewed and analyzed, and the data base is stale, we are of the opinion that the direct wage offset method is reasonable to employ for this MRT 13 offset increase.

Findings

1. Carrier costs for rendering service under MRT 13 have increased since the tariff was last adjusted pursuant to Decision No. 87093.

2. The amended rates and charges recommended by the Transportation Division for MRT 13 are reasonable and the tariff should be amended accordingly.

3. To the extent that the provisions of MRT 13 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.

4. A public hearing is not necessary.

We conclude that MRT 13 should be amended in accordance with the foregoing findings.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff 13 (Appendix B of Decision No. 55584, as amended in Case No. 6008) is further amended by incorporating therein, to become effective thirty days after the date hereof, Eighteenth Revised Page 7 and Sixteenth Revised Page 12, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision No. 55584, 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 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

4. Common carriers maintaining rates on the same level as Minimum Rate Tariff 13 rates for the transportation of commodities and/or transportation not subject to Minimum Rate Tariff 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 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 13 are authorized to increase such rates by the same amounts authorized by this decision for Minimum Rate Tariff 13 rates.

6. Common carriers are authorized to establish in their tariffs increases in hourly rates not exceeding (1) 5.2 percent in Territory A for truck and driver, (2) 7.5 percent in Territory A for extra helpers, (3) 6 percent in Territory B for truck and driver, and (4) 9.2 percent in Territory B for extra helpers.

7. The base rates, on which the increases authorized by Ordering Paragraph 6 are to be applied, are the rates which were authorized by Decision No. 87093. In no circumstance is the authority conferred by Ordering Paragraph 6 to be construed as authorizing that increase in addition to the increases ordered and/or authorized by Ordering Paragraphs 1 through 5.

8. Tariff publications required 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 made effective thirty days after the date hereof, on not less than ten days' notice to the Commission and to the public; such tariff publications as are authorized shall be made effective not earlier than thirty days after the date hereof, on not less than ten days' notice to the Commission and to the public, and this authority shall expire unless exercised within sixty days after the effective date of this order.

9. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of Sections 460 and 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.

10. In all other respects Decision No. 55584, as amended, shall remain in full force and effect.

The effective date of this order shall be <sup>twenty</sup>~~thirty~~ days after the date hereof. *H.S.*

Dated at San Francisco, California, this 7th day of MARCH, 1978.

*Robert B. ...*  
President  
*William ...*  
*...*  
*...*  
*...*  
Commissioners

## MINIMUM RATE TARIFF 13

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;"><b>ACCESSORIAL CHARGES</b></p> <p>When carrier furnishes help in addition to the driver, an additional charge of (1) \$18.50 or (2) \$16.40 per man per hour shall apply. The time for computing the additional charge shall be not less than the actual time in minutes the helper or helpers are engaged in performing the services. The total time so computed shall be converted into hours and fractions thereof. Fractions of an hour shall be determined in accordance with the table provided in Item 80.</p> <p>(1) Applies when the accessorial service is performed in Territory "A" consisting of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Applies when the accessorial service is performed in Territory "B" consisting of all counties in California other than those included in Territory "A".</p>	060
<p style="text-align: center;"><b>MINIMUM CHARGE</b></p> <p>1. The minimum charge per shipment shall be that for two hours of service at the applicable rate.</p> <p>2. When service is provided under the provisions of Items 60 or 200 on holidays, an additional charge shall be assessed for each driver or helper so furnished, as follows:</p> <p>(a) On New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day, twice the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p> <p>(b) On Washington's Birthday, Good Friday, the day after Thanksgiving and December 24th, the hourly charge in Item 60 for each hour worked with a minimum charge of four hours.</p>	70
<p style="text-align: center;"><b>HANDLING OF CLAIMS FOR LOSS OR DAMAGE</b></p> <p>Claims for loss or damage shall be governed by the provisions of General Order No. 139.</p>	75
<p>◊ Increase, Decision No. <b>88563</b></p>	
EFFECTIVE	
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>	

Correction

MINIMUM RATE TARIFF 13

SECTION 2--HOURLY RATES					ITEM
Capacity of Equipment (In Barrels)		Rates in Dollars per Hour (See Note)			
More Than	But Not More Than	Territory "A" (1)	Territory "B" (2)	ø200	
0	35	\$25.40	\$20.65		
35	45	25.40	21.00		
45	60	27.25	22.65		
60	80	29.90	25.85		
80	95	30.20	25.90		
95		30.65	26.20		
<p>(1) Territory "A" consists of the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Imperial.</p> <p>(2) Territory "B" consists of all counties in California other than those included in Territory "A".</p> <p>NOTE.--The rates named are for transportation by vacuum-type tank vehicles. Where the transportation is performed by pump-type tank vehicles, the applicable rates are \$1.00 per hour less than those for transportation in vacuum-type tank vehicles.</p>					
<p>ø Change ) Decision No. <b>88563</b></p> <p>o Increase )</p>					
EFFECTIVE					
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.					
Correction					