

ORIGINAL

Decision No. 88957 JUN 13 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 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. 106
(Filed February 8, 1978)

O P I N I O N

Minimum Rate Tariff 10 (MRT 10) contains rates and charges for the transportation of cement by highway carrier within California. The last general increases in the rates and charges in MRT 10 were made pursuant to Decision No. 88009 dated October 18, 1977 in Case No. 5440 (Petition 104 et al.). The cost conditions upon which the rate increases were predicated were those in effect on July 1, 1977.

California Trucking Association (CTA), petitioner herein, seeks increases in the rates and charges in MRT 10 to reflect the increases in carrier operating costs which have occurred since the rates were last adjusted. The petition states that effective May 16, 1978 (Northern Territory) and July 1, 1978 (Southern Territory) drivers' wage and fringe benefit costs will increase pursuant to labor contracts with the Teamsters Union. In addition, increases have been incurred in the employer's contribution to social security taxes, and carriers have experienced increased federal unemployment insurance and workers' compensation insurance expenses, and higher fuel costs.

Petitioner asks that rate relief be granted promptly in order that the sought rate increases will become effective when labor increases become effective. Petitioner requests ex parte handling. To facilitate its request, petitioner has prepared Exhibit B to the petition in the form of an affidavit of the assistant director of its Division of Transportation Economics. That exhibit contains

the detailed data relied upon by CTA for the increases proposed in Appendix A. The increases requested in the petition average about 5.1 percent and are estimated to produce an increase in carriers' annual revenues of \$1,500,000.

The increased rates and charges proposed in Appendix A to the petition are developed on the wage (cost) offset method. Our Transportation Division staff, by an Advice of Participation (received herein as Exhibit 1), advised the Commission that it has no objection to the proposed rate increases if they are developed on the direct wage offset method. That method produces lesser increases than the method used in the petition.^{1/} The staff has furnished in Exhibit 1 revisions of the underlying cost data using the wage offset method, and has set forth the corresponding revisions of the rates and charges which reflect costs developed on that method. Petitioner does not object to the staff proposals. The increases recommended by the staff average about 4.8 percent and are estimated to produce an increase in carriers' annual revenues of \$1,400,000.

Copies of the petition were served in accordance with Commission rules and notice of the filing of the petition appeared on the Commission's Daily Calendar. There are no protests or requests for hearing.

Findings

1. Since the rates were last adjusted in MRT 10 pursuant to Decision No. 88009, carrier operating costs have risen with respect to transportation services performed under the provisions of that tariff.

2. Increases in rates adjusted to reflect the direct wage offset method of calculating underlying cost data are required to maintain the rates in MRT 10 on a reasonable level and such increases should be established in that tariff.

^{1/} The three offset methods for adjusting rates in the Commission's minimum rate tariffs in the period between full-scale cost and rate studies are described in Re Minimum Rate Tariff 2, et al. (1969) 70 CPUC 277, at pages 280 and 281.

3. The rates and accessorial charges described in the above Finding 2 will be reasonable and the increases resulting therefrom are justified.

4. The rate increase authorized herein is estimated to increase revenues of the carriers transporting cement and related articles by \$1,400,000 annually.

5. To the extent that the provisions of MRT 10 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 of 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.

6. 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.

7. A public hearing is not necessary.

Conclusions

1. MRT 10 should be amended to reflect the rates and charges found reasonable above.

2. The effective date of this order should be the date on which it is signed because the labor cost increases for which the rate increases granted herein are designed to offset will become effective in Northern Territory on May 16, 1978, and because there is no known opposition to the relief granted 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 thirty-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 4.8 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 thirty-five days after the date hereof. Tariff publications required shall be effective thirty-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, Petition 106 is denied. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th
day of JUNE, 1978.

Robert Batzli
President
William Aguirre Jr.
James L. Stoen
Robert W. Stovall
Clair D. Deibel
Commissioners

APPENDIX A

LIST OF REVISED PAGES TO
MINIMUM RATE TARIFF 10

TENTH	REVISED	PAGE	6-A
FOURTH	REVISED	PAGE	6-B
FIFTH	REVISED	PAGE	7-A
THIRTEENTH	REVISED	PAGE	10
SIXTEENTH	REVISED	PAGE	12-A
TWELFTH	REVISED	PAGE	12-B
FOURTH	REVISED	PAGE	12-C

(END OF APPENDIX A)

SECTION 1--RULES (Continued)	ITEM									
<p style="text-align: center;">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 style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Charges in Cents For First 30 Minutes or Fraction Thereof</th> <th style="text-align: center;">For Each Additional 15 Minutes or Fraction Thereof</th> </tr> </thead> <tbody> <tr> <td>ø(a) For Driver, Helper, or Other Employee per Man---</td> <td style="text-align: center;">ø655</td> <td style="text-align: center;">ø325</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> </tbody> </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 For First 30 Minutes or Fraction Thereof	For Each Additional 15 Minutes or Fraction Thereof	ø(a) For Driver, Helper, or Other Employee per Man---	ø655	ø325	(b) For Unit of Equipment-----	150	75	ø100
	Charges in Cents For First 30 Minutes or Fraction Thereof	For Each Additional 15 Minutes or Fraction Thereof								
ø(a) For Driver, Helper, or Other Employee per Man---	ø655	ø325								
(b) For Unit of Equipment-----	150	75								
<p style="text-align: center;">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 style="text-align: center;">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>ø Change) ø Increase) Decision No. 88957</p>										
EFFECTIVE										
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>										

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> <ol style="list-style-type: none"> 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. <ol style="list-style-type: none"> (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 (b) Any fuel required to operate transfer facilities must be furnished by consignee. (2) Any cement remaining in the transfer storage facility at completion of project must be disposed of by the consignee. (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. (4) The following charges shall be paid by the party requesting the services provided in this item: <ol style="list-style-type: none"> ∅(a) For transporting, establishing and removing each transfer storage facility, an hourly charge of ∅\$21.45 will be assessed and computed on a portal to portal basis. (b) Applies only to carrier furnished transfer storage facilities: <ol style="list-style-type: none"> 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 2) For each calendar day in which cement is physically transferred from the storage facility, a charge of \$5.00 per day. ∅(c) A charge of ∅\$18.30 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>∅118</p>
<p>∅ Change) ∅ Increase) Decision No. 88957</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 \$8.05 shall be made for each of the component parts comprising the composite shipment. 	<p>0130</p>
<p>◊ Increase, Decision No. 88957</p>	
<p>EFFECTIVE</p>	
<p>Correction ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>	

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, 3½ 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>◊ Increase, Decision No. 88957</p>	
<p>EFFECTIVE</p>	
<p style="text-align: center;">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								INRM
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	13½	15½	145	150	49½	51½	
3	5	14½	16½	150	160	51	53½	
5	10	15½	17½	160	170	52½	54½	
10	15	15½	18	170	180	53½	56	
15	20	16½	18½	180	190	55½	57½	
20	25	17	19½	190	200	56½	58½	
25	30	18½	20½	200	210	58½	59½	
30	35	19	21½	210	220	60	61½	
35	40	20	22½	220	230	61½	63	
40	45	21	23½	230	240	63	64½	
45	50	23	25½	240	250	64½	65	
50	55	24½	27½	250	260	66½	67½	
55	60	27½	29½	260	270	68	69½	
60	65	28½	31	270	280	70	70½	
65	70	29½	32½	280	290	71½	72½	
70	75	31½	34½	290	300	73½	74	
75	80	32½	35½	300	320	77	77½	0205
80	85	34	36½	320	340	80½	81	
85	90	35½	37½	340	360	83½	84½	
90	95	36½	39	360	380	87	87½	
95	100	36½	40	380	400	90½	91½	
100	105	38	41½	400	420	94	94½	
105	110	39½	42½	420	440	97½	98	
110	115	41	44	440	460	101½	101½	
115	120	42½	45½	460	480	106	106	
120	125	44	46½	480	500	108½	108½	
125	130	45	47½					
130	135	46	48½	500	---	(Add to the rate for 500 miles, 06 cents per 100 pounds for each 25 miles or fraction thereof)		
135	140	47½	49½					
140	145	48½	50½					

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

o No change)
 o Increase, except as noted) Decision No. **88957**

EFFECTIVE

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

Correction

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	10	11	
3	5	10½	11½	
5	10	10½	12½	
10	15	11½	13	
15	20	12½	14	
20	25	13	15	
25	30	14	15½	
30	35	14½	16½	
35	40	17	18½	
40	45	19½	21½	
45	50	21	23½	
50	60	22½	25	
60	70	24	26½	
70	80	25½	28	
80	90	27½	29½	
90	100	29½	31½	
100	110	32	33½	
110	120	34	35½	
120	130	36½	37½	
130	140	38½	39½	
140	150	40½	41	0210
150	160	42½	43½	
160	170	44½	45½	
170	180	46½	47½	
180	190	49½	49½	
190	200	52½	52½	
200	220	55½	55½	
220	240	58½	58½	
240	260	61½	62	
260	280	65	65½	
280	300	68	68½	
300	320	71½	72	
320	340	74½	75½	
340	360	78½	78½	
360	380	81½	82	
380	400	85½	85½	
400	420	88½	89	
420	440	92	92½	
440	460	95½	95½	
460	480	98½	99	
480	500	102½	102½	
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.		(2) Rates apply on shipments in packages.		
◊ Increase, except as noted ○ No change) Decision No. 88957		
EFFECTIVE				
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.				
Correction				

SECTION 2--DISTANCE RATES IN CENTS PER UNIT SHOWN		ITEM
Item canceled. Rates for distance exceeding 300 miles are set forth in Items 205 and 210.		215
<p>Empty Pallets, Second Hand (Used), viz.: (Subject to Notes 1 and 2)</p> <p>(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</p> <p>(b) Shipped for use, or in exchange for pallets to be used, to the consignor or a palletized cement shipment.</p> <p>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.</p> <p>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.</p>	<p>RATE (In Cents Per Pallet)</p> <p>24</p> <p>9220</p>	
<p>o Increase, Decision No. 88957</p>		
EFFECTIVE		
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.		
Correction		