Decision No. 89479 OCT 3 1978

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. 213
(Filed June 14, 1978)

OPINION

Minimum Rate Tariff 11-A (MRT 11-A) contains minimum rates for the statewide transportation of uncrated new furniture. Petitioner California Trucking Association (CTA) seeks an increase of approximately 9 percent.

The rates and charges in MRT 11-A were last adjusted by Decision No. 87886 dated September 20, 1977, which adjustment recognized increased costs generally effective as of July 1, 1977.

CTA alleges that since July 1, 1977 the costs of conducting motor carrier operations have continued to increase. Higher wages and fringe benefit payments were effective July 1, 1978 pursuant to terms of collective bargaining agreements. Additionally, increases of substance are now payable by carriers because of higher social benefit taxes and increased Workers' Compensation Insurance. Such increases affect all categories of employees including drivers, helpers, maintenance employees, and clerical employees. Additionally, costs of fuel, tires, repairs, and maintenance have continued to escalate and the upward trend of inflationary pressures continues with the result that higher costs are paid for virtually every operating expense and may reasonably be expected to continue to increase. CTA estimates that the sought increase will aggregate approximately \$950,000 annually.

The Commission staff has prepared a "Supplement to the Report in the Cost of Transporting Uncrated New Furniture Over the Public Highways Within the State of California", and a report entitled "Staff Proposed Rates and Charges for the Transportation of Uncrated New Furniture Statewide" which reports are received in evidence as Exhibits 1 and 2, respectively.

Exhibit 1 sets forth the impact of operating cost increases and decreases upon the total cost of providing transportation services for the transportation of uncrated new furniture as follows:

- 1. An increase in the basic hourly rate of \$0.46 per hour effective July 1, 1978, which includes \$0.16 cost of living allowance.
- 2. An increase in the Workers' Compensation Insurance rate (including modifiers) from \$8.40 per \$100 to \$10.04 per \$100.
- 3. An increase in layover and subsistence pay from \$9.50 and \$12.00 per day.
- 4. Increases in the payroll tax portion of labor to reflect the following:
 - a. An increase in the rate (5.85 percent to 6.05 percent) on taxable wages from \$16,500 to \$17,700 for the FICA payment.
 - b. Increases in the taxable wages from \$4,200 to \$6,000 for Federal Unemployment Insurance.
 - c. A decrease in the taxable wages (\$7,000 to \$6,000) for State Unemployment Insurance.
 - d. Changes in the running cost to reflect a decrease in the price of fuel and increases in oil, tires, repair, and maintenance costs.
- 5. The Gross Revenue Expense Factor was adjusted to include the new Transportation Rate Fund Fee of 0.225 cents.

All costs, other than those outlined above, are unchanged from Case No. 5603, Petition for Modification No. 210.

The staff's proposed increased rates and charges set forth in Exhibit 2 have been developed by use of the direct wage offset method of measuring increased costs and are based on the cost data

contained in Exhibit 1. The staff's proposed rates and charges incorporate the existing surcharges set forth in Supplement 20. The staff estimates that the increases recommended in Exhibit 2 will aggregate \$990,668 annually. The staff estimates that under CTA's proposal the increase would aggregate \$1,114,502 rather than the \$950,000 estimated by CTA.

The staff recommends that its proposed rates be adopted and that Supplement 20 be canceled by ex parte order in the absence of protests.

There are no protests.

<u>Findings</u>

- 1. The operating cost data underlying the existing level of MRT 11-A rates and charges do not reflect increases in costs since July 1, 1978.
- 2. Since the minimum rates in MRT 11-A were last reviewed and adjusted, carriers governed by the provisions of MRT 11-A have incurred further increases in labor costs, allied payroll expense, and certain running costs.
- 3. CTA seeks an increase of approximately 9 percent which according to its calculation would be an increase in annual revenue of approximately \$950,000 and according to staff calculation would be an increase of \$1,114,502.
- 4. The Commission's Transportation Division staff recommends an increase based upon the direct wage offset procedure which would approximate 8 percent, an increase in annual revenue of \$990,668.
- 5. The increase recommended by the staff has been shown to be justified, and the resulting rates are and for the future will be the just, reasonable, and nondiscriminatory minimum rates for highway carriers governed by the provisions of MRT 11-A.
 - 6. A public hearing is not necessary.

Conclusions

- 1. Petition for Modification No. 213 should be granted to the extent provided herein and MRT 11-A amended accordingly.
- 2. To the extent not granted herein, Petition for Modification No. 213 should be denied.

3. The effective date of this order should be the date hereof because there is an immediate need for the sought relief.

ORDER

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 twenty-five days after the date hereof, the supplement and revised pages contained in Appendix A 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. 50114, as amended, are directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered by this decision.
- 3. 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 may be made effective not earlier than ten days after the effective date of this order, on not less than ten days' notice to the Commission and to the public.
- 4. 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.
- 5. In all other respects, Decision No. 50114, as amended, shall remain in full force and effect.

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APPENDIX A

LIST OF SUPPLEMENT AND REVISED PAGES TO MINIMUM RATE TARIFF 11-A

SUPPLEMENT			21
TWENTY-FIRST	REVISED	PAGE	6
TWENTY-SECOND	REVISED	PAGE	7
TWENTY-FOURTH	REVISED	PAGE	15
ELEVENTH	REVISED	PAGE	15 - A
TWENTY-FIRST	REVISED	PAGE	16
SIXTH	REVISED	PAGE	16-C
FIRST	REVISED	PAGE	16-D

(END OF APPENDIX A)

SUPPLEMENT 21

(Cancels Supplement 20)

(Supplement 21 Contains All Changes)

TO

MINIMUM RATE TARIFF 11-A

NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF UNCRATED NEW FURNITURE

OVER THE

PUBLIC HICHWAYS WITHIN THE

STATE OF CALIFORNIA

ΒY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

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EFFECTIVE

Minimum Weight

be applied.

of equipment, subject to Notes 1, 2 and 3.

provisions of Note 1 shall not apply.

TWENTY-FIRST REVISED PAGE....G CANCELS TWENTIETH REVISED PACE....... I'TICM SECTION 1 -- RULES (Continued) Rates provided in this tariff are for the transportation of shipments from point of origin to point of destination and include loading into and unloading from carrier's unit NOTE 1.—When the point of origin is other than an established depot, the additional rate provided below shall be added to the rate for the corresponding minimum weight as set forth in Section 3. The sum of these rates shall be the rate applicable to a single shipment from point of origin to point of destination. Rates in Cents Per 100 Pounds 460 Any Quantity NOTE 2 .-- When the actual weight of a single shipment exceeds 5,000 pounds, the NOTE 3.--When shipments are transported for persons, companies or corporations upon whose premises established depots are located, the provisions and charges of Note 1 shall ACCESSORIAL SERVICES 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 provided in Item 90. The charge there-in provided for unit of equipment shall apply whenever the accessorial or incidental 70 service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service. 80

DELAYS TO EQUIPMENT

APPLICATION OF RATES

When consignor or consignee is responsible for delay to carrier's equipment at or in vicinity of either point of loading or point of unloading in excess of 30 minutes (exclusive of time actually involved in loading or unloading) additional charges for delay time in excess of 30 minutes shall be assessed as provided in Item 90.

CHARGES FOR ACCESSORIAL SERVICES OR DELAYS

For accessorial services or delays under the conditions specified in Items 70 and 40, charges shall be assessed for each period or fraction thereof, as follows:

		Charges in Cents		
		For First 30 Minutes	For each Additional 15 Minutes	090
(a)	for driver, holper or other employee, per man	085	445	
(b)	For unit of equipment	120	65	

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TWENTY-SECOND REVISED PAGE....7
CANCELS
TWENTY-FIRST REVISED PAGE.....7

	SECTION 1RULES (Continued)	ITEM
	MINIMUM CHARGE	
a	The minimum charge per shipment shall be the charge for 100 pounds at the pplicable rate but not less than:	,
	(a) 905 cents per shipment when the constructive distance from point of origin to destination does not exceed 150 miles.	0100
	(b) 1065 cents per shipment when the constructive distance from point of origin to destination exceeds 150 miles.	
	SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS	
0	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.	110
	SHIPMENTS TO DE RATED SEPARATELY	
0	Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.	120
	ALTERNATIVE APPLICATION OF COMMON CARRIER RATES	
Ħ	Rates of common carriers 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)	130
п	NOTEIn 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.	
	ACCESSORIAL CHARGES NOT TO BE OFFSET BY TRANSPORTATION CHARGES	
:	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.	13:
	Charges for obtaining a weighmaster's certificate	
:	Whenever a carrier is requested by the shipper, consignee or debtor to obtain a rertified weight from a public scale, or when a carrier must obtain a certified weight for billing purposes or for other logal requirements, and a charge is assessed by 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.	13
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	effective	

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SECTION 3--RATES

ITEM

DISTANCE RATES IN CENTS PER 100 POUNDS (See Note 1)

MILUS		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds	
χ¢τ	But Not Over	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)
0	5	560	485	390	335	295	255
5	10	580	500	410	355	310	270
10	15	595	515	430	370	325	285
15	20	615	530	445	385	340	295
20	25	630	545	465	400	355	305
25	30	650	560	480	415	375	325
30	35	665	575	495	430	395	340
35	40	685	585	510	440	410	350
40	45	700	595	525	450	425	360
45	50	720	610	545	465	440	375
so	60	755	650	575	495	470	405
60	70	775	670	595	515	490	420
70	80	795	685	620	530	510	440-
80	90	815	700	640	550	530	460
90	100	835	720	665	570	550	475
100	110	850	735	585	590	570	490
110	120	870	755	705	605	590	510
120	130	890	770	725	625	610	530
130	140	910	790	745	640	630	540
140	150	935	805	765	660	650	555
150	160	955	825	500	680	680	575
160	170	975	840	320	705	690	595
170	180	995	855	830	720	710	610
180	190	1015	870	850	730	725	625
190	200	1030	885	865	745	750	640
			(Cont	inued in Item	405)	1	

NOTE 1. --Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.

NOTE 2.--Column A rates apply to shipments of articles which have an LTL class rating of 175 or higher in the Governing Classification. (See Notes 4, 5 and 6)

NOTE 3.--Column B rates apply to shipments of articles which have an LTL class rating of less than 175 in the Governing Classification. (See Notes 4, 5 and 6)

NOTE 4. --When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall to the provisions of Items (Rules) 423 (Classification of loose articles) and 687 (Packing or packaging--Non-Compliance with) of the Governing Classification.

NOTE 6.--The provisions of Notes 2, 3 and 4 herein do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.

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Correction

SECTION 3 -- RATES (Continued)

1000M

DISTANCE RATES IN CENTS PER 100 POUNDS (See Note 1) (Concluded)

,	MILES	Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds	
Ovor	But Not Over	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)	Column A (See Note 2)	Column B (See Note 3)
200	220	1065	915	900	775	770	660
220	240	1085	930	925	800	790	680
240	260	1110	950	945	815	820	710
250	280	1135	975	970	840	840	720
280	300	1160	1000	:990	850	870	745
300	325	1200	1030	1035	890	900	775
325	350	1230	1060	1065	920	935	805
350	375	1265	1090	1100	950	965	830
375	400	1295	1120	1135	980	995	860
400	425	1330	1150	1170	1005	1030	890
425	450	1370	1190	1215	1040	1070	920
450	475	1420	1225	1240	1075	1100	940
475	500	1455	1250	1275	1095	1130	970
500	525	1485	1275	1305	1125	1160	995
525	550	1520	1300	1345	1155	1195	1025
550	575	1545	1335	1375	1185	1235	1060
575	600	1580	1360	1415	1220	1265	1090
600	625	1610	1385	1450	1245	1295	1115
625	650	1645	1415	1485	1275	1320	1135
650		(See No	te 6)	(See N	ote G)	(See N	ote 6)

NOTE l.--Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.

NOTE 2.--Column A rates apply to shipments of articles which have an LTL class rating of 175 or higher in the Governing Classification. (See Notes 4, 5 and 7)

NOTE 3.--Column B rates apply to shipments of articles which have an LTL class rating of less than 175 in the Governing Classification. (See Notes 4, 5 and 7)

NOTE 4.--when there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 7)

NOTE 5.--The LTL class ratings applicable under Notes 2, 3 and 4 above are not subject to the provisions of Items (Rules) 423 (Classification of loose articles) and 687 (Packing or packaging--Non-Compliance with) of the Governing Classification.

NOTE 6 .-- For each 25 miles (or fraction thereof) in excess of 650 miles, add to the rate for 650 miles the following:

Column A: 30 cents per 100 pounds Column B: 25 cents per 100 pounds

NOTE 7. -- The provisions of Notes 2, 3 and 4 do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.

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Correction

SECTION 3--RATES (Concluded)

ITEM

POINT-TO-POINT RATES IN CENTS PER 100 POUNDS (See Notes 1 and 2)

DETWEEN: Los Angoles	Any Quantity		Minimum Woight 500 Pounds		Minimum Weight 2,000 Pounds	
AND: San Francisco Torritory (See Item 300)	Column A	Column B	Column A	Column B	Column A	Column B
	1295	1120	1135	980	995	860

NOTE 1.—Rates in this item apply only when point of origin is an established depot. When point of origin is other than an established depot, add the additional rate provided in Item 60 to the rate provided in this item. The sum of these rates shall be the rate applicable for a single shipment from point of origin to point of destination.

NOTE 2.--If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Item 500, are lower than charges accruing under the Distance Rates in Items 400 and 405, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one actual highway mile on either side of the authorized route and at all points located within incorporated cities through which the highway route passes.

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NOTE 3.--Column A rates apply to shipments of articles which have LTL class rating of 175 or higher in the Governing Classification. (See Notes 5, 6 and 7)

NOTE 4.——Column B rates apply to shipments of articles which have LTL class rating of less than 175 in the Governing Classification. (See Notes 5, 6 and 7)

NOTE 5.--When there are two or more ratings (sub-numbers) under individual items describing articles of furniture in the Governing Classification, the highest rating shall apply. (See Note 7)

NOTE 6.—The LTL class ratings applicable under Notes 3, 4 and 5 above are not subject to the provisions of Items (Rules) 423 (CLASSIFICATION OF LOOSE ARTICLES) and 687 (PACKING OR PACKAGING—NON-COMPLIANCE WITH) of the Governing Classification.

NOTE 7. -- The provisions of Notes 3, 4 and 5 do not apply to items describing articles of furniture in the Governing Classification for which the applicable rate column is specifically set forth in Item 155 of this tariff.

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ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

SECTION 3-A--DISTANCE INCENTIVE RATES (Continued)

ITEM

UNCRATED NEW FURNITURE, regardless of classification (Continued)

(Items 420, 421 and 422)

NOTE 6.--In determining the applicable rate in Items 400 and 405, the following provisions therein are not applicable:

Item 400

Item 405

Notes 1 through 6

Notes 1 through 5 Note 7

In addition, the provisions of Item 60 shall not be applied in determining the applicable rates in Items 400 and 405.

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.

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.

NOTE 9.—When loading is performed by the shipper in accordance with Note 3, an allowance of 9 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 Itom 90, subject to a maximum additional charge of \$27.00 for any 24-hour period.

NOTE 10.--Carrier will furnish pads, blankets and other load-necuring devices, subject to accounting and refund.

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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.

NOTE 12. -- The carrier will perform unloading, subject to the following conditions:

- (a) Except as provided in paragraph (d), unloading shall include service of a single driver only.
- (b) 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.
- (c) Except as provided in paragraph (d), unloading services must be performed between the hours of 7:00 A.M. and 5:00 P.M.
- (d) 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.

(Continued in Item 422)

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EFFECTIVE

Correction

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SECTION 3-A--DISTANCE INCENTIVE RATES (Concluded)

TTICM

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UNCRATED NEW FURNITURE, regardless of classification (Concluded)

(Items 420, 421 and 422)

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:

- (a) \$4.30 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) \$12.95 per man, per hour, for service performed on Sundays, and holidays and not exceeding 8 hours out of 9 consecutive hours.
- 321.60 per man, per hour, for service performed in excess of 8 hours out of 9 consecutive hours on Sundays and holidays.

when a holiday falls on a Sunday, the following Monday shall be considered a holiday.

Charges provided by this note shall be assessed in addition to those provided in Notes 11 and 12 hereof.

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 \$27.00 for each 24-hour period or fraction thereof.

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 shell be charged at the rate of \$2.15 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.

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Correction