

Decision No. 89963 FEB 14 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Beal's Moving for authority, under Section 5195 of the Public Utilities Code, to charge less than hourly rates set forth in Minimum Rate Tariff 4-B for all customers within a 50 mile area.

Application No. 58070  
(Filed May 12, 1978;  
amended July 11, 1978)

Harry Graham Beal, for himself, applicant.  
C. D. Gilbert, for California Trucking Association  
and Thomas J. Hays, for California Moving and  
Storage Association, protestants.  
Everest A. Benton, for the Commission staff.

O P I N I O N

By this application, as amended, applicant seeks authority pursuant to Section 5195 of the Public Utilities Code to assess an hourly rate less than the hourly rates set forth in Minimum Rate Tariff 4-B (MRT 4-B), Item 330 for shipments moving within a 50-mile radius of Santa Rosa. ✓

Public hearing was held before Administrative Law Judge O'Leary at Santa Rosa on September 28, 1978 at which time the matter was submitted.

Item 330 of MRT 4-B sets forth rates in cents per hour for shipments moving 50 constructive miles or less as follows:

<u>Unit of Equipment</u>	<u>Territory</u> <sup>1/</sup>		
	<u>A</u>	<u>B</u>	<u>C</u>
(a) With Driver	2380	1920	2010
(b) With Driver and 1 Helper	4420	3320	3520
(c) Additional Helpers Per Man	1620	955	1060

<sup>1/</sup> As described in Item 220 of MRT 4-B.

Although Santa Rosa falls within Territory B, shipments moving within a 50-mile radius could fall within any of the three territories since the boundaries of all three territories fall within 50 constructive miles of Santa Rosa and Item 70 of MRT 4-B provides that the highest rated territory in or through which any service is performed shall determine the applicable hourly rate. Applicant requests authority to assess a rate of \$31.90 for a unit of equipment with driver and one helper.

Applicant's estimated costs are set forth in his amendment to the application filed July 11, 1978, which costs are based upon a 4-hour day, the total cost being \$68.59 per day. The costs provide for wages of the driver at \$5.00 per hour and the helper at less than \$5.00 per hour. These wage levels are substantially below those upon which the minimum rates are predicated. Although these unusually low wages reduce applicant's costs of operation below those upon which the minimum rates are based, the Commission has not previously granted deviations predicated solely upon wage costs below those employed in establishing minimum rates. This basic issue of whether carriers should be permitted to assess less than minimum rates to reflect lower than normal labor costs is currently under consideration in the broader context of Case No. 5436, OSH 244. Pending resolution of the issue upon the evidence introduced in that broader context, we will adhere to prior Commission policy.

Applicant testified that he wished to provide the public with a service that would compete with the U-Haul-type operation rather than other movers. If applicant proposes competition with the U-Haul industry, MRT 4-B provides a rate for the service of a van and driver only, which rates are less than the rates proposed by applicant herein.

#### Findings

1. The service proposed by applicant has not been shown to involve any special transportation circumstance other than labor costs substantially below those upon which Minimum Rate Tariff 4-B is based.
2. The Commission has not previously granted deviations predicated solely upon wage costs below those employed in establishing minimum rates.

The Commission concludes that the application should be denied without prejudice pending consideration of the labor cost issue in Case No. 5436, OSH 244.

O R D E R

IT IS ORDERED that Application No. 58070 is denied.

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

Dated at San Francisco, California, this 14th day of FEBRUARY, 1979.

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

John G. Suggs  
President  
Norman L. Sturgeon

Marie L. DeLoach

\_\_\_\_\_  
Commissioners

Commissioner Leonard M. Grimes, Jr., being necessarily absent, did not participate.