ORIGINAL

Decision No. 90022 FEB 2 / 1979

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. 107 (Filed October 11, 1978)

<u>OPINION</u>

Minimum Rate Tariff 10 (MRT 10) contains rates and charges for the transportation of cement by highway carriers within California. The last general increases in the rates and charges in MRT 10 were made pursuant to Decision No. 88957 dated June 13, 1978 in Case No. 5440 (Petition 106). The cost conditions upon which the rate increases were predicated were those in effect on May 16, 1978.

California Trucking Association (CTA), petitioner herein, seeks a surcharge increase of 5 percent 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 increases have been incurred in maintenance and repair costs, equipment costs, and employers' contributions to social security taxes. In addition, increases have occurred in workers' compensation insurance. The increases sought by petitioner produce additional annual gross revenue of \$1.8 million.

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Our Transportation Division staff has prepared a cost exhibit (received as Exhibit 1) which measures the increased operating costs experienced by carriers engaged in the transportation. Such costs are developed on the direct wage offset method. That method produces lesser increases than the wage (cost) offset method used by petitioner in its proposed exhibits. $\frac{1}{}$ Exhibit 1 measures the following changes in carrier operating costs:

Increases in the payroll tax portion of labor to reflect the following:

- a. An increase in the rate (6.05% to 6.13%) on taxable wages from \$17,700 to \$22,900 for the FICA payment.
- b. An increase in health and welfare rates from \$120.36 to \$129.01 in northern California, effective June 1, 1978.
- c. An increase in pension contribution of \$9.60 per man per week in northern California and \$95.15 to \$133.21 per month in southern California, effective January 1, 1979.

Proposed rates to reflect the increased costs have been prepared by the staff and that exhibit is received as Exhibit 2. The increases in rates recommended by the staff average 3.9 percent. The staff estimates that the annual revenues earned by carriers operating under MRT 10 will be increased by \$1.1 million under its proposal. Exhibit 2 states that the rates proposed therein are within the guidelines of President Carter's anti-inflation program.

Petitioner does not object to the establishment of the staff proposed rates.

^{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 <u>Re Minimum Rate Tariff 2, et al.</u> (1969) 70 CPUC 277, at pages 280 and 281.

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. 88957, 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.

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 \$1,100,000 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 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. 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 have become effective and because there is no known opposition to the relief granted herein.

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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.

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 3.9 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.

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9. In all other respects, Decision No. 44633, as amended, shall remain in full force and effect.

10. The Executive Director shall serve a copy of each of the tariff amendments on each subscriber to Minimum Rate Tariff 10.

The effective date of this order is the date hereof. Dated at <u>San Francisco</u>, California, this <u>1974</u>

day of ______ FEBRUARY _____, 1979.



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APPENDIX A

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LIST OF REVISED PAGES TO MINIMUM RATE TARIFF 10

FIRST	REVISED	PAGE	1
SEVENTH	REVISED	PAGE	6
TWELFTH	REVISED	PAGE	6-A
FIFTH	REVISED	PAGE	6 - B
SIXTH	REVISED	PAGE	7-A
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(END OF APPENDIX A)

MINIMUM RATE TARIFF 10

FIRST REVISED PAGE....1 CANCELS ORIGINAL PAGE.....1

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CORRECTION NUMBER CHECKING SHEET

This tariff is issued in looso-leaf form. Correction numbers appearing on all added and revised pages will be numbered consecutively in the lower left-hand corner. These correction numbers should be checked below on this checking sheet before pages are filed in the tariff.

		CORRECTION	NUMBERS		
	24		262		463
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227	277	327	377	427	477
228	278	328	378	428	478
229	279	329	379	429	479
230	280	330	360	430	480
231	281	331	381	431	481
232	282	332	382	432	482
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SEVENTH REVISED PAGE....6 CANCELS SIXTH REVISED PAGE.....6

ITEM

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MIXED SHIPMENTS (a) When commodities covered by this tariff, in bulk and in packages, are included in a single shipment separate weights shall be obtained for the bulk and the sacked commodities, subject to Item No. 60. Charges will be computed at the separte rates applicable to each such commodity in straight shipments of the combined weight of the mixed shipment. The minimum weight for such mixed shipment shall be 47,500 pounds for each unit of carrier's equipment. The charge for any deficiency between actual weight of the shipment and the minimum weight provided herein shall be computed at the rate applicable to the lowest rated commodity in the shipment. (b) Except as provided in Paragraph (c) carriers will transport not to exceed five (5) sacks of cement on bulk equipment. Charges for such sacked cement shall be at the applicable rate or charge for such sacked cement, based on the total weight of the mixed shipment. (c) Except as provided in Paragraph (b) shipments containing a mixture of sacked cement and bulk cement, (part of which is transported in or on flat bed or van equipment, with the other part transported in bulk equipment operating as a single unit of carrier's equipment) shall be subject to an added charge in the amount of \$10.70 per load (unit of carrier's equipment), in addition to the rates otherwise applicable under other provisions of this tariff.

MINIMUM RATE TARIFF 10

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APPLICATION OF TARIFF--TERRITORIAL

Rates in this tariff apply for the transportation of commodities named in Item No. 40 between all points within the State of California.

SECTION 1 -- RULES (Continued)

TERRITORIAL DESCRIPTIONS

NORTHERN TERRITORY includes all points north of the following boundary line: Beginning at a point on the shore line of the Pacific Ocean due south of Gaviota, thence northeasterly along an imaginary straight line to the junction point of Santa Barbara, Ventura and Xorn County boundaries, northerly and westerly along the westerly boundary of Xern County to the junction point of Kern, San Luis Obispo and Kings Counties, thence easterly along the northerly boundary lines of Xern and San Bernardino Counties to the California-Nevada boundary line.

SOUTHERN TERRITORY includes all points south of the southern boundary line of northern territory.

MINIMUM CHARGE

The minimum charge per shipment shall be the charge for 47,500 pounds at the applicable rate.

CHARGES FOR OBTAINING A WEIGHMASTER'S CERTIFICATE

Whenever a carrier is requested by the shipper, consignee or debtor to obtain a certified weight from a public scale, or when a carrier must obtain a certified weight for billing purposes or for other legal requirements, and a charge is assessed by the public weighmaster for this service, 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.

v Increase, Decision No.

90022 /

EFFECTIVE

SAN FRANCISCO, CALIFORNIA.

Correction

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





TWELFTH REVISED PAGE.....6-A CANCELS

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INIMUM RATE TARIFE 10 ELEVENTH REVISED PAGE	· · · ·
SECTION 1KULES (Continued)	12
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 follows: Charges in Cents Por Each For Pirst Additional 30 Minutes or Fraction Thereof Thereof	010
(a) For Driver, Helper, or Other Employee per Man680340(b) For Unit of Equipment16080	
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.	
DIVERTED SHIPMENTS	
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.	11
SHIPMENTS TRANSPORTED IN MULTIPLE LOTS	
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 ship- ment, the following provisions shall apply in addition to other applicable rules and regulations:	
 The entire shipment shall be available to the carrier for immediate transportation at the time of the first pickup. 	
 A single shipping document for the entire shipment tendered shall be issued prior to or at the time of the first pickup. 	11
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. 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.	
5. The separate pickups made in accordance with the foregoing provisions shall constitute a composite shipment which shall be subject to the rates named or provided for in this tariff.	
Any property separately picked up without complying with the foregoing provisions shall constitute a separate shipment and shall be subject to the rates and rules applicable thereto.	
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FIFTH REVISED PAGE.....6-B CANCELS FOURTH REVISED PAGE....6-B

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	ARIFF 10 FOURTH REVISED P	
	SECTION 1RULES (Continued))IT
	FURNISHING OF TRANSFER STORAGE FACILITIES	_
furnish a	ipt of written request from the consignor or consignee, the carrier may nd/or transport to construction job sites, transfer storage facilities with y not exceeding 4,500 cubic feet, subject to the following conditions and	
stor	itable site shall be provided without cost to the carrier for the transfer age facility with ready access accomodating the type of equipment operated he carrier; and carrier must be provided 24-hour access for unloading.	
(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.	
	cement remaining in the transfer storage facility at completion of ect must be disposed of by the consignee.	
to t	use of a carrier furnished transfer storage facility will be limited he temporary storage of cement transported subject to the rates pro- d in Section 2 of this tariff.	\$1
	following charges shall be paid by the party requesting the services rided in this itom:	
ø (a)	For transporting, establishing and removing each transfer storage facility, an hourly charge of 0 22.30 will be assessed and computed on a portal to portal basis.	
(b)	Applies only to carrier furnished transfer storage facilities:	
	 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 in- structed by the consignee to remove storage facility, whichever is later, a charge of \$135.00; and 	
	 For each calendar day in which cement is physically transferred from the storage facility, a charge of \$5.00 per day. 	
ø (c)	A charge of 0519.00 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.	
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CANCELS MINIMUM RATE TARIFF 10 SECTION 1--RULES (Continued) ITEM SPLIT DELIVERY Shipments may consist of several component parts delivered to (a) one consignes 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: 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.) 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 0130 subject to the following provisions: (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. 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 An a Gastance 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. in a distance greater than the distance determined under the provisions of 5. In addition to the charge applicable for transportation of a single shipmont of like kind and quantity of property, computed as set forth in Paragraph 4, an additional charge of \$8.35 shall be made for each of the component parts comprising the composite shipment. O Increase, Decision No. EFFECTIVE ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA. Correction

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SEVENTEENTH REVISED PAGE....12-A CANCELS SIXTEENTH REVISED PAGE.....12-A

MINIMUM RATE TARIFE 10

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45 50 55 60 65	50 55 60 65 70	24 25% 28 29% 305	26¥ 28¥ 30¥ 32 34	240 250 260 270 280	250 260 270 280 290	67 68% 70% 72% 745	675 705 714 735 75	020
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MINIMUM RATE TARIFF 10

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	195	174	40	35
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	24	214	50	45
1	26	235	60	50
	275	25	70	60
	29	264	80	70
	305	29	90	80
	324	31	100	90
	344	334	110	100
	37	355	120	110
	395	38	130	120
021	41	40%	240	130
{	42%	42%	150	140
1	45	443	160	150
	47 1	464	170	160
	494	484	180	170
	514	51%	190	180
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	75 785	745 78	320 340	300 320
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ł	1034	103	480	460
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		(Add to the rate for 50) per 100 pounds for each tion thereof)		500
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FIFTH REVISED PAGE.....12-C CANCELS MINIMUM RATE TARIFF 10 FOURTH REVISED PAGE 12-C SECTION 2--DISTANCE RATES IN CENTS PER UNIT SHOWN ITEM Item canceled. Rates for distance exceeding 300 215 miles are set forth in Items 205 and 210. Empty Pallets, Second Hand (Used), viz.: (Subject to Notes 1 and 2) RATE (In Cents Per (a) Returning after being used in the transportation Pallet) 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 Shipped for use, or in exchange for pallets to be used, to the consignor or a palletized coment (b) shipment. 0220 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. 25 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. 90022 Increase, Decision No. EFFECTIVE ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA. Correction -

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