

Decision No. 90613 JUL 31 1979

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 trans- )  
portation 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. 109  
(Filed May 31, 1979;  
amended July 11, 1979)

INTERIM OPINION

Minimum Rate Tariff 10 (MRT 10) contains rates and charges for the transportation of cement by highway carriers in California. The rates and charges in MRT 10 were last adjusted by Decision No. 90484, dated July 3, 1979, in Case No. 5440 (Petition No. 108) to reflect increases in petroleum-derived (fossil) fuels.

California Trucking Association (CTA), petitioner herein, seeks increases by surcharge supplement in the rates and charges in MRT 10 to reflect increases in labor and other carrier operating expenses which are not now included in the cost datum plane on which the rates and charges are based. Collective bargaining labor negotiations had not been completed at the time the petition was filed. In the amendment, CTA has advised that the labor agreement for Northern Territory has been completed, and it requests that the Northern Territory rates and charges be adjusted to reflect a \$1.00 per hour increase in the base wage rate effective August 1, 1979 and also other current increases in fringe benefits, Workers' Compensation contributions, and maintenance and repair expenses.

CTA asks that rate relief be granted promptly in order that the sought rate increases will become effective when labor increases become effective. CTA requests ex parte handling. To facilitate its request, CTA has prepared Exhibit D to the petition in the form of an affidavit of its supervisor in charge of Rates and Regulatory Affairs. That exhibit contains the detailed data relied upon by CTA for the increases proposed in Appendix C. The increases requested in the petition average about 8.5 percent and are estimated to produce an increase in carriers' annual revenues of \$1,700,000.

The increased rates and charges proposed in Appendix C 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.<sup>1/</sup> 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. CTA does not object to the staff proposals. The increases recommended by the staff average about 7.6 percent and are estimated to produce an increase in carriers' annual revenues of \$1,500,000.

The staff has advised in Exhibit 1 that the increases it proposes conform with the current guidelines of President Carter's Council on Wage and Price Stability.

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<sup>1/</sup> 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.

Because the wage increase is effective August 1, 1979 and the other increases in issue are already effective, the order which follows will be made effective on the date it is issued, and the supplement stating the Northern Territory surcharge increases will be made effective on August 11, 1979. The latest fuel surcharge increase will be incorporated in the increases authorized herein, and the supplement containing the latest fuel surcharge increase will be canceled.

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

Findings of Fact

1. Since the rates were last generally adjusted in MRT 10 for Northern Territory, carrier operating costs have risen with respect to transportation services performed under the provisions of that tariff.

2. Increases in rates in Northern Territory 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 for Northern Territory authorized herein is estimated to increase revenues of the carriers transporting cement and related articles by \$1,500,000 annually.

5. The increases in rates and charges referred to in Finding 2 conform with the current guidelines of President Carter's Council on Wage and Price Stability.

6. 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.

7. 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 CTA, to depart from Section 461.5 of the Public Utilities Code.

8. A public hearing is not necessary.

Conclusions of Law

1. MRT 10 should be amended by surcharge supplement to reflect the rates and charges for Northern Territory found reasonable above, and the latest authorized fuel surcharge should be incorporated in the aforementioned increased rates and charges.

2. Because the wage increase is effective August 1, 1979 and the other increases in issue are already effective, this order should be made effective on the date it is signed, the tariff supplement should be effective on August 11, 1979, and tariff publications may be made on five days' notice.

INTERIM ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff 10 (Appendix A to Decision No. 44633, as amended) is further amended by incorporating therein, to become effective August 11, 1979, Supplement 28, 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 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 7.6 percent.

7. 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 August 11, 1979; as to tariff publications as are authorized, but not required, the authority 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.

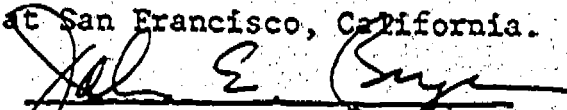

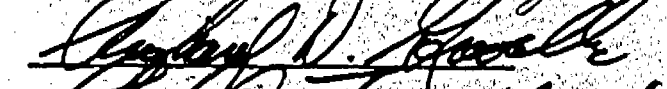

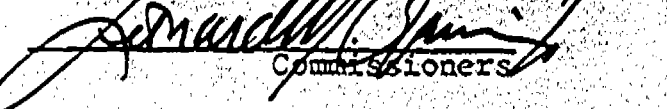
9. In all other respects, Decision No. 44633, as amended, shall remain in full force and effect.

10. The Executive Director shall serve a copy of this decision on every common carrier, or such carriers' authorized tariff publishing agents, performing transportation services subject to Minimum Rate Tariff 10.

11. 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 JUL 31 1979, at San Francisco, California.

  
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President  
  
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Commissioners

SURCHARGE SUPPLEMENT

SUPPLEMENT 28

(Cancels Supplement 27)

(Supplements 13 and 28 Contain All Changes)

TO

MINIMUM RATE TARIFF 10

NAMING

DISTANCE MINIMUM RATES

ALSO

RULES

FOR THE

TRANSPORTATION OF CEMENT AND OTHER

COMMODITIES OVER THE

PUBLIC HIGHWAYS

WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

CEMENT CONTRACT CARRIERS

Decision No.

90613

EFFECTIVE

8/11/79

Issued by the  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
State Building, Civic Center  
San Francisco, California 94102

## APPLICATION OF SURCHARGE

Except as otherwise provided, compute the amount of charges in accordance with the rates and rules of this tariff, and increase the amount so computed as follows: (See Exception)

1. By six (6) percent on charges computed at rates set forth in Item 210 (Southern Territory) and Item 220.

2. By thirteen and one-half (13½) percent on charges computed at the rates set forth in Item 205 (Northern Territory) for shipments in bulk.

3. By fourteen and one-half (14½) percent on charges computed at the rates set forth in Item 205 (Northern Territory) for shipments in packages of 75 constructive miles or less.

4. By thirteen and one-half (13½) percent on charges computed at the rates set forth in Item 205 (Northern Territory) for shipments in packages of over 75 constructive miles.

5. By thirteen (13) percent on all other rates and charges.

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half (½) cent shall be dropped and fractions of one-half (½) cent or greater shall be increased to the next higher whole cent.

**EXCEPTION:** The surcharge herein shall not apply to:

1. Item 100 - Accessorial charges.
2. Item 142 - Collect on Delivery (C.O.D.) Shipments.

THE END

o Increase, Decision No.

90613