

Decision No. 91576 APR 15 1980**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 livestock and
related items statewide as provided
in Minimum Rate Tariff 3-A and the
revisions or reissues thereof.

Case No. 5433
Petition for Modification
No. 74
(Filed December 28, 1979;
amended January 31, 1980)

INTERIM OPINION

Minimum Rate Tariff 3-A (MRT 3-A) contains minimum rates for the statewide transportation of livestock by highway carriers. The rates and charges in the tariff were last generally adjusted March 13, 1979 by Decision No. 90072 in Case No. 5433, Petition 70. The increases authorized therein averaged approximately 2.8 percent.

By this petition, the California Trucking Association (CTA) seeks increases averaging approximately 20 percent in the rates and most charges in MRT 3-A to offset increased costs in wage rates, fringe benefits, social benefit taxes, equipment, parts, tires, insurance, and other expenses. By the amendment, CTA seeks immediate interim surcharge increases averaging 6.5 percent on the rates in MRT 3-A pending hearing and final decision on the matter. The interim surcharge would not apply to various accessorial and other charges in the tariff.

According to the amendment, (1) on January 1, 1980, labor and labor-related costs increased substantially, including increases of approximately 12.5 percent in the base wage rate, 6.5 percent in statutory payroll taxes, and 16.5 percent in Workers' Compensation Insurance; (2) interim relief is requested to offset these increases only; (3) the spring pasture movement, which livestock carriers depend upon for a significant percentage of their annual revenue, is about to begin;

and (4) the estimated revenue impact of the interim proposal for livestock carriers would be approximately \$900,000.

The Commission's Transportation Division staff has advised that it has no objection to the Commission granting an interim increase. The amendment to the petition was served in accordance with the Commission's procedural rules, and it was listed on the Commission's Daily Calendar of February 4, 1980. There have been no protests to the interim request. We are of the opinion that the request for interim relief should be granted and that the matter should be set for hearing to receive evidence on the full increases, averaging approximately 20 percent, sought in the petition.

The interim increase authorized herein is within the guidelines of President Carter's Council on Wage and Price Stability. Because of the immediacy of the spring pasture movement, the order which follows will be made effective on the date it is issued, the supplement stating the surcharge increases will be made effective four days thereafter and required tariff publications may be made on four days' notice. It is to be noted that MRT 3-A is now subject to a fuel surcharge. The current surcharge supplement will be canceled, and a new surcharge supplement incorporating the additional surcharge amounts authorized herein with the current surcharge will be issued in lieu thereof.

Findings of Fact

1. The rates in MRT 3-A were last generally adjusted by Decision No. 90072 dated March 13, 1979 in Case No. 5433, Petition 70.

2. CTA has demonstrated in its amendment to the petition herein that since MRT 3-A was last generally adjusted, the for-hire carriers governed thereby have incurred increases in labor costs, allied payroll taxes and expenses, and Workers' Compensation Insurance costs.

3. The increased costs referred to in Finding 2 are not now reflected in the historical cost data underlying the level of rates named in MRT 3-A.

4. CTA seeks interim surcharge increases averaging approximately 6.5 percent in MRT 3-A to offset the increased costs referred to in Finding 2, and these increases would result in an estimated annual minimum revenue increase of \$900,000.

5. The staff has advised that it has no objection to the sought interim increase, and no protests to it have been received.

6. The interim surcharge request by CTA described in Finding 4 is reasonable and the increases in rates resulting therefrom are justified.

7. The increases referred to in Finding 4 are within the standard set forth in the guidelines of President Carter's Council on Wage and Price Stability.

8. The latest surcharge supplement to MRT 3-A should be canceled, and a new supplement increasing the current surcharge by the amount authorized herein should be issued in lieu thereof.

9. A public hearing on the request for interim relief in the amendment to the petition herein is not necessary.

10. The matter should be set for hearing on the full increases averaging 20 percent sought by CTA in the petition.

Conclusions of Law

1. The request by CTA for an interim cost offset increase in MRT 3-A pending hearing and final decision in its Petition for Modification No. 74 in Case No. 5433 should be granted to the extent set forth in the following order.

2. The interim cost offset increase ordered or authorized herein should be put into effect through the application of a surcharge.

3. Because there is an immediate need for the sought interim relief, the order which follows should be made effective on the date it is signed, and it should provide that the surcharge increases should be made effective four days thereafter and that required or authorized tariff publications may be authorized to be made on four days' notice.

INTERIM ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff 3-A (Appendix A of Decision No. 55587, as amended) is further amended by incorporating therein, to become effective four days hereafter, Supplement 21, 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. 55587, 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 made effective four days after the date hereof, on not less than four days' notice to the Commission and to the public; such tariff publications as are authorized shall be made effective not earlier than four days after the date hereof, on not less than four days' notice to the Commission and to the public, and this authority shall expire unless exercised within sixty days after the effective date of this order.

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. 55587, as amended, shall remain in full force and effect.



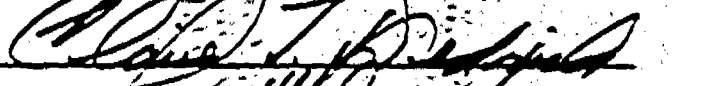

6. The Executive Director shall serve a copy of this decision on every common carrier, or such carriers' authorized tariff publishing agents, performing transportation services subject to Minimum Rate Tariff 3-A.

7. The Executive Director shall serve a copy of each of the tariff amendments on each subscriber to Minimum Rate Tariff 3-A.

8. Petition No. 74 shall be set for public hearing to receive evidence on the full amount of the increases sought in Petition No. 74.

The effective date of this order is the date hereof.

Dated APR 15 1980, at San Francisco, California.

	President
	
	
	
	Commissioners

Commissioner John E. Bryson, being necessarily absent, did not participate.

SUPPLEMENT 21

(Cancels Supplement 20)

(Supplement 21 Contains All Changes)

TO BE APPLIED TO ALL RATES AND RULES IN THIS SUPPLEMENT UNLESS OTHERWISE SPECIFIED
TO

MINIMUM RATE, TARIFF, 3-A
NAMING

MINIMUM RATES AND RULES

FOR THE

TRANSPORTATION OF LIVESTOCK OVER THE
PUBLIC HIGHWAYS WITHIN THE

STATE OF CALIFORNIA

BY

RADIAL HIGHWAY COMMON CARRIERS

HIGHWAY CONTRACT CARRIERS

AND

LIVESTOCK CARRIERS

END

Decision No. 91576

EFFECTIVE

4/19/50

APPLICATION OF SURCHARGE

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

1. By fifteen (15) percent on charges computed in connection with rates subject to 150 constructive miles or less;
2. By nineteen and one-half (19½) percent on charges computed in connection with rates subject to over 150 miles.

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 210 - Accessorial charges;
2. Items 170 and 180 - Split Pickup and Split Delivery;
3. Item 200 - Stopping in Transit;
4. Items 210, 220 and 221 - (Railhead-to-railhead Charges only).

THE END

o Increase, Decision No.

27212