

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application )  
of WESTERN MOTOR TARIFF BUREAU, )  
INC., AGENT, for authority to )  
increase rates in Western Motor )  
Bureau Tariffs Nos. 11, 101-A, )  
104-A, 106, 108, 109-A, 111, 113, )  
123, 271 and 571 containing rates )  
of common carriers for the trans- )  
portation of commodities and the )  
performance of specified services )  
related thereto. )

Application No. 59835  
(Filed July 25, 1980)

OPINION AND ORDER

By this application Western Motor Tariff Bureau, Inc., Agent (WMTB), seeks on behalf of the common carrier participating in certain of its tariffs, increases in the published rates for transportation and charges for related transportation services.<sup>1/</sup>

The Commission in Decision 90663, dated August 14, 1979, adopted a regulatory system of carrier-filed rates in lieu of the then minimum rate system. The decision provided for the subsequent

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1/ Western Motor Tariff Bureau Tariffs subject to the increase sought:

- No. 11 Local Freight Tariff (Truckload Commodity Rates)
- No. 101-A Local, Joint and Proportional Freight Tariff  
(Rail Truckload Commodity Rates on Iron or Steel)
- No. 104-A Local & Proportional Freight Tariff  
(San Diego Drayage)
- No. 106 Local Freight and Express Tariff (East Bay Drayage)
- No. 108 Mechanical Protective Service
- No. 109-A Local, Joint and Proportional Commodity Rates  
(Rail Competitive)
- No. 111 Local, Joint and Proportional Freight and Express  
Tariff (Class and Commodity Rates)
- No. 113 Local Freight Tariff (Yearly, Monthly, Weekly and  
Hourly Rates)
- No. 123 Local and Proportional Freight Tariff  
(Oil, Water and Gas Well Outfits)
- No. 271 Local Commodity Rates (Uncrated New Furniture)
- No. 571 Local Freight and Express Tariff  
(City and County of San Francisco)

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cancellation of Minimum Rate Tariffs 1-B, 2, 9-B, 11-A, 15 and 19. Implementation of the reregulation program on traffic governed by the cancelled tariffs was then administered through Transition Tariffs 1-B, 2, 9-B, 11-A, 15 and 19.<sup>2/</sup>

The WMTB tariffs subject of this application cover the traffic now governed by the transition tariffs enumerated above. WMTB is applying for increases in these tariffs under Public Utilities Code Sections 454 and 496. WMTB operates pursuant to authority enabling it to conduct operations as a rate bureau.<sup>3/</sup> The Commission, recognizing that an agreement for WMTB's operations accords to each party participating in its tariffs free and unrestrained right to independent action, will make any increases granted in the following order permissive.

WMTB in seeking the increase for its members alleges that the suggested increase being sought has been determined: (1) based upon increased operating costs presently being experienced and (2) an October 1, 1980 increase in labor costs in accordance with terms of collective bargaining agreements to which many of its carriers are party.<sup>4/</sup>

The increased operating costs, other than labor, have been set forth to include such items as: communications and utilities, insurance on buildings and structures, office and miscellaneous equipment, rental costs of terminals and buildings, traffic and

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<sup>2/</sup> Decision 90816, dated September 12, 1979, ordered the application of the enumerated minimum rate tariffs effective April 30, 1980. Also, implementation of the Commission's program for competitive individual carrier-filed rates was deferred to April 30, 1980.

<sup>3/</sup> Western Motor Tariff Bureau, Inc. operates pursuant to Commission Decisions 82563 and 83991, Applications 54539 and 55358, respectively.

<sup>4/</sup> Exhibit A Tables 2, 3 and 4 - Attached to the application.

sales expense, office supplies, advertising and tariff publication expense. These costs are usually considered as indirect expenses. WMTB, to justify the need for the increases based upon these indirect costs, cites the Commission's policy of declining to adjust its minimum rates to reflect increases in indirect expenses. To illustrate that the increase is warranted, WMTB has had prepared tables showing increases in office supply prices and the overall impact of the Consumer Price Index.<sup>5/</sup>

WMTB has submitted detailed financial support data in justification for the proposed increase. The carriers estimate that a four percent (4%) increase is required to cover the increased costs being incurred. It is estimated that the increase would yield approximately \$17.6 million additional annual gross revenue for the participating highway common carriers.

WMTB intends to accomplish the increase through use of the 4 percent as a surcharge initially. This will be through the issuance of new or revised surcharge supplements to the affected tariffs. WMTB intends to incorporate such surcharges into the specific rates and charges of each tariff as soon as possible.

The Transportation Division staff has determined that a grant of the sought increase will not result in an operating ratio less than that projected by WMTB. This analysis was based upon the operations of a representative group of general freight carriers.

The proposed rate increase if approved would conform with the price standards set forth by the Council on Wage and Price Stability.

#### Findings of Fact

1. The Commission's regulatory program for carrier filed rates was implemented effective April 30, 1980.
2. The Commission's Minimum Rate Tariffs 1-B, 2, 9-B, 11-A, 15 and 19 were cancelled effective April 30, 1980.
3. Transition Tariffs 1-B, 2, 9-B, 11-A, 15 and 19 became effective April 30, 1980.
4. Western Motor Tariff Bureau, Inc., Agent operates as a rate bureau pursuant to Public Utilities Code Section 496.

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<sup>5/</sup> Exhibit A Tables 6 and 7 - Attached to the application.

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5. Western Motor Tariff Bureau, Inc., Agent seeks to publish increases in its Western Motor Tariff Bureau Tariff Nos. 11, 101-A, 104-A, 106, 108, 109-A, 111, 113, 123, 271, and 571.

6. The Western Motor Tariff Bureau tariffs enumerated in Finding 5, above, are similar to Transition Tariffs 1-B, 2, 9-B, 11-A, 15 and 19.

7. The increases are needed to offset cost increases now being incurred and will be incurred October 1, 1980 by highway common carriers parties to the tariffs. The sought increases have not been covered by any prior increase rate application.

8. Many of the carriers, in accordance with terms of collective bargaining agreements, are subject to the payment of an additional amount approximating 54 cents per hour predicated upon a cost-of-living formula effective October 1, 1980.

9. An analysis of the application and the detailed financial support data submitted by WMTB demonstrates that the granting of the increase is cost justified and would result in carrier operating ratios in conformance with WMTB's projections.

10. The application shows that the proposed 4 percent increase would produce an additional annual gross revenue of approximately \$17.6 million for the highway common carriers participating in the tariffs.

11. Western Motor Tariff Bureau, Inc., Agent initially seeks to apply the 4 percent increase as a surcharge to the named tariffs (Finding 5, above).

12. Western Motor Tariff Bureau, Inc., Agent intends to incorporate this surcharge and any outstanding surcharges into the specific rates and charges of each tariff as soon as possible.

13. Notice of the filing of the application appeared on the Commission's Daily Calendar of July 30, 1980. No objection to the granting of the application has been received.

14. Since the carriers are already experiencing some of the increased operating costs, the order which follows should be made effective on the date hereof. The tariff pages should be made effective no sooner than fifteen days after the effective date of this order.

15. Limited authority to depart from the provisions of Section 461.5 of the Public Utilities Code should be granted.

16. Limited authority to depart from the terms and rules of General Order 80-Series should be granted.

Conclusion of Law

The Commission concludes that the application should be granted to the extent set forth in the ensuing order.

IT IS ORDERED that:

1. Western Motor Tariff Bureau, Inc., Agent, is authorized to publish a four (4) percent surcharge increase on behalf of the individual carriers participating in its following tariffs:

No. 11	Cal. P.U.C. 5	Truckload Commodity Rates
No. 101A	Cal. P.U.C. 37	Commodity Rates on Iron or Steel Articles
No. 104A	Cal. P.U.C. 23	Class and Commodity Rates (San Diego Area)
No. 106	Cal. P.U.C. 11	Class and Commodity Rates (East Bay Drayage Area)
No. 108	Cal. P.U.C. 12	Mechanical Protective Service Tariff
No. 109A	Cal. P.U.C. 43	Commodity Rates
No. 111	Cal. P.U.C. 15	Class and Commodity Rates
No. 113	Cal. P.U.C. 19	Vehicle Unit Rates
No. 123	Cal. P.U.C. 32	Class and Commodity Rates on Oil, Water and Gas Well Outfits and Supplies and Other Property
No. 271	Cal. P.U.C. 46	Rates on Uncrated Furniture
No. 571	Cal. P.U.C. 49	Class Rates (San Francisco)

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than fifteen days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. Western Motor Tariff Bureau, Inc., Agent, in establishing and maintaining the rates authorized by this order, is 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

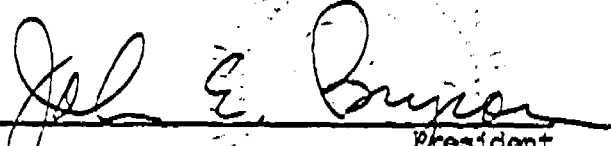
authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.


4. Western Motor Tariff Bureau, Inc., Agent, is authorized to depart from the Commission's tariff circular requirements only to the extent necessary in establishing the surcharge supplements authorized by this order.


5. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

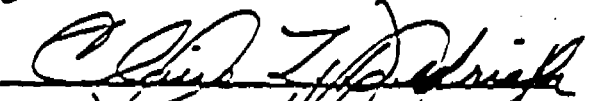
The effective date of this order is the date hereof.

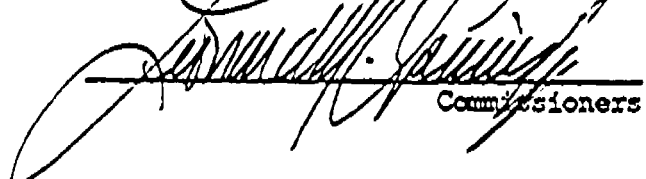
Dated SEP 16 1980, at San Francisco, California.

  
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President

  
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Vernon L. Sturgeon

  
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Robert W. Howell

  
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Philip J. Smith

  
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Commissioners