

T/EAB/FS

Decision No. 92839

MAR 17 1981

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 the)
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. 75
(Filed December 12, 1980)

OPINION AND ORDER

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 September 16, 1980 by Decision No. 92253 in Case No. 5433, Petition No. 74.

By this petition the California Trucking Association (CTA) seeks increases of between 2.11 percent and 3.14 percent in the rates and most charges in MRT 3-A to offset increases attributable to higher labor costs and social benefit taxes enacted by legislation.

The Freight Economics Branch staff of the Commission's Transportation Division has developed new cost information in connection with this petition based upon the Direct Wage Offset method. A comparison of the staff's and CTA's cost figures at selected cost points show a range of increases from 2.31 to 3.39 percent averaging 2.70 percent for the staff and a range of from 2.11 to 3.14 percent, averaging 2.49 percent for CTA. The small

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difference between the staff's cost figures and those of CTA stems from the fact that CTA used its own Wage Offset procedure figures from Petition 74.

The staff recommends that an increase of three percentage points to the present surcharge be authorized for distance commodity rates. When factored against the current surcharge, the addition of three percentage points results in a real increase of approximately 2.47 percent. In addition the staff recommends that certain other labor-intensive items should be increased by six percent.

The effect of the proposed increases will yield approximately \$516,094 of additional annual revenue.

A letter received from CTA states that there will be no reasonably foreseeable impact, as a result of the proposed increases, on the energy efficiency of highway carriers.

The petition was listed on the Commission's Daily Calendar of December 18, 1980. A letter was filed in protest to the proposed increase on January 12, 1981 by the California Cattle Feeders Association. The protest was withdrawn by letter dated February 3, 1981. In the absence of further protest, we will grant the proposed increase in rates and charges by ex parte order.

Findings of Fact

1. The operating cost data underlying the existing levels of MRT 3-A rates and charges reflect increases in cost stemming from increased wages, rates and fringe benefits payable pursuant to contractual labor agreements and from significant changes in social benefit taxes enacted by legislation.

2. Since the minimum rates in MRT 3-A were last revised and generally adjusted, carriers governed by the provisions of MRT 3-A have incurred further increases in contractual labor agreements and from significant changes in social benefit taxes.

3. CTA seeks an increase which could approximate 2.49 percent, an increase in annual revenue of \$516,094.

4. The Commission's Transportation Division staff recommends an increase based upon the Direct Wage Offset procedure which would approximate a 2.47 percent increase in annual revenue of \$516,094.

5. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

6. The increase recommended by the staff has been shown to be justified, and the resulting rates are and for the future will be the just, reasonable, and nondiscriminatory minimum rates for highway carriers governed by the provisions of MRT 3-A.

7. The petition was listed on the Commission's Daily Calendar of December 18, 1980. A letter of protest on the proposed increases was filed on January 12, 1981, by the California Cattle Feeders Association and withdrawn on February 3, 1981. No further protest has been received. A public hearing is not necessary.

Conclusions of Law

1. Petition for Modification No. 75 should be granted to the extent provided herein and MRT 3-A amended accordingly.
2. To the extent not granted herein, Petition for Modification No. 75 should be denied.
3. The effective date of this order should be the date of signature because there is an immediate need for the sought relief.

IT IS ORDERED that:

1. Minimum Rate Tariff 3-A (Appendix A to Decision No. 55587, as amended) is further amended by incorporating therein, to become effective five days after the date hereof, Supplement 23, 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 five days after

the date hereof, on not less than five days' notice to the Commission and to the public; such tariff publications as are authorized shall be made effective not earlier than five days after the date hereof, on not less than five 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.


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.

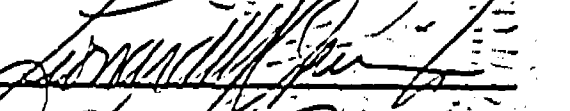
7. The Executive Director shall serve a copy of the tariff amendment on each subscriber to Minimum Rate Tariff 3-A.


The effective date of this order is the date hereof.

Dated MAR 17 1981, at San Francisco, California.



President






Commissioners

SUPPLEMENT 23

(Cancels Supplement 22)

(Supplement 23 Contains All Changes)

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
HIGHWAY CONTRACT CARRIERS
AND
LIVESTOCK CARRIERS

Decision No.

92839

EFFECTIVE

3/22/81

♦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 twenty-four (24) percent on charges computed at rates set forth in Items 270, 272, 280 and 282 for shipments less than 75 constructive miles.
2. By twenty-four (24) percent on charges computed at rates (including minimum charge) set forth in Item 300.
3. By twenty-nine (29) percent on charges computed at rates set forth in Items 270, 272, 280 and 282 for shipments of 75 constructive miles and over.
4. By nineteen and one-half (19½) percent on charges set forth in:

Item 110 - Accessorial Charges
Item 170 - Split Pickup
Item 180 - Split Delivery
Item 185 - Livestock Service Shipment
Item 200 - Stopping in Transit, and
Item 210 (Note 3 only) - Loading and Unloading

For purposes of disposing of fractions under provisions hereof, fractions of less than one-half (1/2) cent shall be dropped and fractions of one-half (1/2) cent or greater shall be increased to the next higher whole cent.

EXCEPTION:

Items 210, 220 and 221 - (Railhead-to-Railhead Changes Only).

THE END

♦ Increase, Decision No.

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