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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Transportation Division

RESOLUTION TL-18365*
Date July 18, 1990

R E S O L U T I O N

RESOLUTION TL-18365. MINIMUM RATE TARIFFS 7-A (MRT 7-A), 17-A (MRT 17-A), AND 20 (MRT 20), ALL FOR DUMP TRUCKS, ADJUSTMENTS IN ACCORDANCE WITH THE PASSAGE OF PROPOSITION 111, FORMERLY KNOWN AS SCA 1.

SUMMARY

On June 5, 1990, the voters of California approved Proposition 111. This statewide traffic congestion relief program provides new revenues to be used to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. The new revenues are generated by enactment of a 40% increase in truck weight fees and a five cents per gallon increase in the fuel tax, effective August 1, 1990. An additional annual one cent per gallon increase will be imposed on fuel tax on January 1, 1991, and each January thereafter, until the total increase amounts to nine cents per gallon. Another increase of 10% on truck weight fees will be imposed on January 1, 1995.

Since these weight fee and fuel tax increases will first become effective on August 1, 1990, this resolution is intended to: 1) inform Dump Truck Carriers, Highway Contract Carriers, Highway Common Carriers and Agricultural Carriers subject to MRT 7-A, 17-A and 20 (the dump truck MRT) rate minimums of Transportation Division's calculation of the cost impact of these increases, and; 2) grant Highway Common Carriers hauling commodities named in MRT 7-A authority to increase their rates by that amount if they so choose.

BACKGROUND

The Commission prescribes minimum rates, rules and regulations for dump truck transportation performed by the above

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cited classes of highway carriers over the public highways of the state. Dump Truck Carriers, Highway Contract Carriers and Agricultural Carriers are free to charge rates above those published in the dump truck MRT's without prior authorization from the Commission. Highway Common Carriers who transport commodities named in MRT 7-A, however, must seek authority from the Commission to raise their rates, pursuant to Public Utilities Code Section 454. The present rates set forth in the dump truck MRT's are based on underlying costs presented in Case 5437, Petition No. 328 (for MRT 7-A); Case 9819, Petition No. 77 (for MRT 17-A), and; Case 9820, Petition No. 28 (for MRT 20). These were all filed on May 22, 1985.

DISCUSSION

The most recent Commission decision affecting the dump truck MRTs' datum planes was Decision 89-04-086 issued in Case 5437, Order Setting Hearing (OSH) 325 et al., which allowed an interim increase of four percentage points. More recently, the Commission has been looking at the elements suitable for inclusion as profit in dump truck minimum rates and factors to be considered in defining "reasonably efficient carrier" for cost and ratemaking purposes.

In order to determine the cost impact of Proposition 111 August 1, 1990 weight fee and fuel tax increases, the Transportation Division staff used, as its cost model, what may be considered the datum planes of record established in Petitions 328, 77, and 28, together with the change in vehicle investment cost allowed in OSH 325, Exhibit 92. It varied the fuel and weight fees contained in this model by the amounts to become effective on August 1, and estimated the change these changed factors would cause in the total costs upon which the dump truck MRT's are based. The tabulations of the results for the specific MRT's are shown in Appendix A. They indicate the following average increases in costs would be incurred by carriers subject to these tariffs, if no other costs had changed:

- o For MRT 7-A distance rate hauling, 1.20% on average.
- o For MRT 7-A hourly rate hauling, 1.12% on average.
- o For hauling under MRT 17-A rates, 1.12% on average.
- o For hauling under MRT 20 rates, 0.93% on average.

Dump Truck Carriers, Highway Contract Carriers and Agricultural Carriers are free to raise their rates by these amounts without prior Commission authorization. However, Highway Common Carriers hauling subject to MRT 7-A must obtain Commission authorization before they can increase their rates. Highway Common Carrier MRT 7-A related rate increases of 1.2%, effective August 1, 1990, are justified to allow this class of carrier the same cost

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recovery opportunity as the aforementioned permitted carrier classes enjoy. Since we are only permitting, not requiring, common carrier rate increases to reflect the impact of Proposition 111, this authorization should be noncontroversial and public hearings to consider it unnecessary.

FINDINGS

1. The weight fee and fuel tax increases mandated by Proposition 111 and effective August 1, 1990 would increase the average operating costs of highway carriers subject to the dump truck MRTs by the amounts shown herein, if all other costs remained constant. All carriers subject to dump truck rates should be informed of this.

2. Although the permitted classes of carriers subject to the dump truck MRTs are free to raise their rates by the amounts set forth herein without prior Commission authorization, Highway Common Carriers subject to MRT 7-A are not.

3. We should authorize Highway Common Carriers who publish rates for commodities named in MRT 7-A to increase those rates by up to 1.2%, effective August 1, 1990.

4. The rate increase authorization referred to in Finding 3 is justified because it allows Highway Common Carriers the same opportunity to increase rates to deal with the impact of Proposition 111 as is enjoyed by the permitted classes of carriers subject to the dump truck MRTs.

5. A public hearing on this matter is not necessary.

6. The Commission has ongoing proceedings considering how best to set minimum rates for dump truck carriers.

THEREFORE, IT IS ORDERED that:

1. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to Decision 82061, as amended, are authorized to increase the rates for MRT 7-A commodities they publish subject to Decision 82061, as amended, by up to 1.2%.

2. Tariff publications by common carriers pursuant to this order shall be made effective no sooner than August 1, 1990, on not less than five days' notice to the Commission and to the public.

3. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of PU Code Section 461.5 to the extent necessary to adjust long-haul and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to increase rates by the amounts authorized in this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long-haul and short-haul departures and to this order.

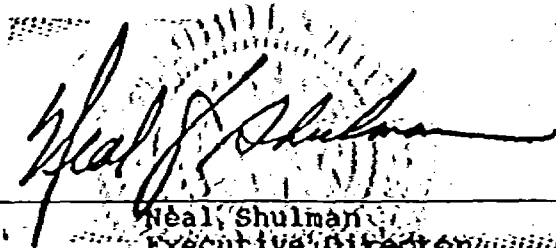
4. The Executive Director shall serve a copy of this resolution on every common carrier, or such carrier's authorized tariff publishing agent, performing transportation services subject to Minimum Rate Tariff 7-A.

5. The Executive Director shall serve a copy of this resolution on each subscriber to Minimum Rate Tariffs 7-A, 17-A and 20.

6. This order is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on July 18, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK H. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners


Neal Shulman
Executive Director

MRT 7-A

TABLE I

COMPARISON OF
 TOTAL COST PER REVENUE HOUR
 TRANSPORTATION OF ROCK, SAND, EARTH, OR ASPHALTIC CONCRETE
 INTERPLANT LABOR COST BASIS

5 AXLE BOTTOM DUMP DOUBLES

Ln. No.	DESCRIPTION	REGIONS				AVERAGE PERCENT INCREASE
		(NORTHERN REGION TERRITORY)	S F (NORTHERN TERRITORY)	(SOUTHERN REGION TERRITORY)	(SAN DIEGO REGION TERRITORY)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	EQUIPMENT COST PER REVENUE HOUR:					
2	Maximum	2.39%				
3	Minimum	2.39%				
4	Percentage Increase		2.39%	2.39%	2.39%	2.39%
5	STRAIGHT TIME - MONDAY THRU FRIDAY:					
6	Maximum	1.29%				
7	Minimum	1.04%				
8	Percentage Increase		1.29%	1.04%	1.16%	1.14%
9	INCLUDING WEEKDAY OVERTIME:					
10	Maximum	1.27%				
11	Minimum	1.02%				
12	Percentage Increase		1.27%	1.02%	1.14%	1.12%
13	WEEKDAY EXCESSIVE HOURS & SATURDAYS:					
14	Maximum	1.12%				
15	Minimum	0.88%				
16	Percentage Increase		1.12%	0.88%	1.00%	0.96%
17	SUNDAYS AND HOLIDAYS:					
18	Maximum	0.99%				
19	Minimum	0.76%				
20	Percentage Increase		0.99%	0.76%	0.87%	0.85%
21	OVERALL AVERAGED PERCENTAGE INCREASE:					
12	Average of L8(6), L12(6), L16(6) & L20(6)					1.02%

MRT 7-A

TABLE 2

TOTAL COST PER TON FOR VARIOUS LENGTHS OF HAUL
TRANSPORTATION OF ROCK, SAND, ASPHALTIC CONCRETE AND EARTH
INTERPLANT LABOR COST BASIS

5-AXLE DOUBLE BOTTOM UNIT

Line No.	Item	LENGTH OF HAUL - ONE WAY MILES								AVERAGE PERCENT INCREASE
		5	10	15	25	50	75	150		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	EQUIPMENT HOURS PER TRIP		0.50	0.60	1.08	1.59	2.77	3.67	6.97	
	LENGTH OF HAUL (ROUND TRIP)		10	20	30	50	100	150	300	
1 COST PER TRIP										
2	NORTHERN Percentage Increase		1.18%	1.25%	1.28%	1.33%	1.38%	1.41%	1.45%	1.33%
3	SOUTHERN Percentage Increase		0.98%	1.06%	1.10%	1.14%	1.20%	1.23%	1.28%	1.18%
4	Maximum	1.45%								
5	Minimum	0.98%								
6	AVERAGE INCREASE	1.23%								
7 COST PER TON (ROCKS & SAND)										
8	NORTHERN Percentage Increase		1.20%	1.16%	1.26%	1.28%	1.36%	1.38%	1.43%	1.30%
9	SOUTHERN Percentage Increase		0.99%	1.03%	1.07%	1.15%	1.19%	1.22%	1.27%	1.13%
10	Maximum	1.43%								
11	Minimum	0.99%								
12	AVERAGE INCREASE	1.21%								
13 COST PER TON (EARTH)										
14	NORTHERN Percentage Increase		1.16%	1.19%	1.27%	1.27%	1.36%	1.38%	1.44%	1.30%
15	SOUTHERN Percentage Increase		0.94%	1.05%	1.07%	1.11%	1.19%	1.23%	1.27%	1.12%
16	Maximum	1.44%								
17	Minimum	0.94%								
18	AVERAGE INCREASE	1.21%								
19 COST PER TON (ASPHALTIC CONCRETE)										
20	NORTHERN Percentage Increase		1.13%	1.18%	1.22%	1.28%	1.35%	1.38%	1.43%	1.28%
21	SOUTHERN Percentage Increase		0.95%	1.05%	1.03%	1.10%	1.17%	1.21%	1.26%	1.11%
22	Maximum	1.43%								
23	Minimum	0.95%								
24	AVERAGE INCREASE	1.19%								
25	OVERALL PERCENTAGE INCREASE	1.20%	(Average of 18, 19, 114, 115, 120 & 121)							

TABLE 2
COMPARISON OF
TOTAL COST PER TON MINUTE
TOTAL COST PER TON MILE
FOR TRANSPORTATION OF ROCK, SAND AND GRAVEL
5-AXLE BOTTOM DUMP TRAIN

Line No.	ITEM			AVERAGE PERCENTAGE INCREASE	
	(1)	(2)	(3)	(4)	
1	One Way Miles	5	25	50	
2	R.T. Minutes	30	90	150	
<u>MRT 17A</u>					
3	LOS ANGELES CORE COUNTIES				
4	Percentage Increase	0.87%	1.12%	1.22%	1.07%
5	SAN DIEGO COUNTY				
6	Percentage Increase	0.76%	1.03%	1.14%	0.97%
7	SANTA BARBARA & SAN OBISPO COUNTIES				
8	Percentage Increase	1.09%	1.40%	1.51%	1.33%
9	Average MRT 17A Percentage Increase				<u>1.12%</u>
<u>MRT 20</u>					
10	SAN FRANCISCO CORE COUNTIES				
11	Percentage Increase	0.74%	0.97%	1.07%	0.93%
12	Average MRT 20 Percentage Increase				<u>0.93%</u>
13	AVERAGE OVERALL PERCENTAGE INCREASE (4, 6, 8, & 11)				<u>1.06%</u>