

ORIGINALDecision No. 51875

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 WALTER ALVES, an individual, doing)
 business as ALVES SERVICE TRANSPORTATION,) Application No. 36969
 for authority to publish a rate lower)
 than the minimum for the transportation)
 of metal containers between Oakland and)
 points within Los Angeles Territory.)

Marquam C. George, for applicant.

Kenneth M. Robinson, for Kaiser Nest-A-Bin
 Division, Willys Motors Inc.; J. C. Kaspar
 and R. D. Boynton, for California Trucking
 Associations, Inc.; H. J. Bischoff, for
 Southern California Freight Lines and
 Southern California Freight Forwarders,
 interested parties.

Robert A. Lane and A. R. Day, for the Commission's
 staff.

O P I N I O N

Applicant is a highway common carrier of property between San Francisco Bay area points and Los Angeles Territory. His highway common carrier operative authority is limited to shipments of 5,000 pounds or more except on shipments consisting of automobile parts accessories and equipment and steel parts and products.

By this application, authority is sought to publish and file in applicant's Local Freight Tariff No. 1, on five days' notice to the Commission and to the public, a provision under which applicant would transport without charge from points in Los Angeles Territory to Oakland, fork lift truck pallets with ends, sides or enclosures, set up, steel, returning from outbound pay loads or for pay loads to be transported by applicant of the following commodities only; steel stampings consisting of automobile parts or accessories, parts N.O.I.B.N., iron or steel as described in

Item 3280 of the Consolidated Freight Classification, bumpers or bumper fittings as described in Item 3030 of said classification, and, iron or steel bolts or nuts as described in Item 24960 of the aforesaid classification.

Public hearing was held before Examiner J. E. Thompson at San Francisco July 26, 1955.

Applicant testified in support of the application. He stated that the proposal is designed for traffic from Allwork Manufacturing Co., Oakland to Ford, General Motors and Chrysler automobile plants in Los Angeles Territory. At present, steel stampings varying in weight from one ounce to eight pounds are shipped by Allwork Manufacturing Co. via applicant in various size open-top fibreboard containers. In most instances these containers have a cubic capacity of 36 feet and when laden with the smaller stampings weigh as much as 1,000 pounds. Such packages are difficult to handle because of the weight and more particularly because the containers are susceptible to bursting. Applicant testified that at times it has been necessary to transfer the stampings to other containers at time of loading or unloading because the original fibreboard cartons could not be further handled without endangering the contents. He stated that the combined loading and unloading time for a 15,000-pound shipment is approximately four hours. Applicant stated that because of the nonrigidity of the open-top fibreboard containers, shipments must be transported on flat-rack equipment, and because of the dimensions of the present containers it is impossible to load shipments so as to make optimum use of the loading area of the vehicles. Furthermore, applicant asserts, the structure of the open-top containers makes it impossible to place any other articles on top of them. When applicant is tendered a shipment of 36,000 pounds it is necessary for him to furnish two separate units of equipment to handle the shipment even though each unit is designed to transport 40,000 pounds.

Applicant testified that he has negotiated with the three consignees for their furnishing metal containers which are regularly utilized by the consignees in their intra-plant activities. The officials of the automobile plants informed applicant that they will supply metal containers to applicant for use in transporting their shipments from Allwork Manufacturing Co. provided the empty containers returning for pay loads will be transported without charge. Applicant stated that he has had experience in transporting shipments in such containers and has found that they can be double-decked or triple-decked, can be handled on van-type equipment and that shipments can be loaded and unloaded with fork lift trucks with great speed and efficiency. He stated that provided the authority requested herein is granted, he will, after delivery of a shipment of stampings, pick up a load of empty containers and return them to his terminal in Los Angeles. The containers would be sent northbound on equipment that has not been fully loaded with other freight at his convenience. Applicant testified that he has an unbalanced load factor whereby he transports more freight southbound than northbound so that the empty containers can be transported on regular line haul equipment on his present schedules.

Applicant relies upon the following facts and circumstances to support his application:

1. That the use of metal containers will reduce loading and unloading time and will thereby give applicant a saving in labor expense which will be greater than the charge for empty containers returning under his presently effective tariff provisions. It will also afford him greater use of the equipment.

2. That the use of metal containers will substantially increase applicant's load factor because such containers may be "double-decked" or "triple-decked" allowing him to make full use of the equipment involved.

3. Applicant intends to transport the empty containers northbound at his own convenience and such transportation would not result in any appreciable additional expense.

Granting of the application was opposed by the California Trucking Associations, Inc., on two grounds: (1) the applicant made no showing of costs, and (2) applicant is not authorized to transport metal containers in shipments of less than 5,000 pounds as a highway common carrier.

Conclusion

The evidence of record supports the points relied upon by applicant for the authority requested; however, a different showing is necessary to support an application for authority to publish a rate less than that found by the Commission to be the minimum reasonable rate for the transportation involved. Applicant made a showing that under his proposal he would effect a substantial saving on transportation of steel stampings from Allwork Manufacturing Co. to the three automobile plants. However, he has not shown that the transportation under consideration would be performed above cost nor has he undertaken to show that the operation is not presently conducted at a loss. The evidence shows that the present operation is being conducted under very adverse conditions; much more adverse than that contemplated when the presently effective minimum rate was established. Applicant testified that in his opinion the present open-top fibreboard containers fulfill the requirements of his tariff which provides that articles may be accepted for transportation in any container or any shipping form, providing such container or form of shipment will render the transportation of the freight reasonably safe and practical. From the evidence of record it appears that if the present containers do

meet the requirement of the tariff, they would just barely do so. Evidence showing that the entire transportation involved can be performed above cost under the proposed rate is indispensable in this type of proceeding; applicant has not produced such evidence.

Upon consideration of all of the facts of record, the Commission is of the opinion and hereby finds that the authorization herein sought has not been shown to be reasonable. In view of this finding it is not necessary to consider the contention regarding applicant's operative authority. The application will be denied.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that the authority sought in the above-entitled application of Walter Alves, doing business as Alves Service Transportation, be and it is hereby denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 23rd day of August, 1955.

John E. Atchell
President

Justin J. O'Connell

William J. [unclear]

Ray E. Untereiner

Commissioners

Commissioner Ray E. Untereiner, being necessarily absent, did not participate in the disposition of this proceeding.