

Decision No. 56535

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SIGNAL TERMINALS, INC., a car-unloading
 corporation, for authority to publish
 and maintain certain rates lower than
 minimum rates, and for authority to
 publish and maintain rates higher than
 those in its Stevedoring Tariff No. 1,
 Cal. P.U.C. No. 1.

Application No. 39755

Edward M. Bezol, John E. Carroll, Jr., and Jay Frederick,
for applicant.

O P I N I O N

By this application Signal Terminals, Inc., seeks author-
ity to establish revised rates for certain services which it performs
as a car unloader in the Los Angeles area.

Public hearing on the matter was held before Examiner
C. S. Abernathy at Los Angeles on March 7, 1958. Evidence was sub-
mitted by applicant's traffic manager and by its chief cost
accountant.

The rates which are in issue herein are those which appli-
cant publishes and maintains in its Stevedoring Tariff No. 1, Cal.
P.U.C. No. 1, for services of unloading and segregating pool car
shipments of specified aluminum articles. For unloading and segre-
gating services performed in connection with shipments of aluminum
articles consigned to destinations within the Los Angeles Drayage
Area (as defined in Minimum Rate Tariff No. 5), a rate of 12 cents
per 100 pounds applies. For unloading and segregating services

performed in connection with shipments consigned to destinations outside of the Los Angeles Drayage Area, a rate of 5 cents per 100 pounds applies. Applicant seeks to assess a rate of 8 cents per 100 pounds for the unloading and segregating of all of the shipments of aluminum articles, irrespective of their ultimate destinations.^{1/}

According to the allegations and evidence of record, experience under the present rates has shown that the rate of 5 cents per 100 pounds does not return the costs of the service, whereas a rate of as much as 12 cents per 100 pounds is not necessary to return an adequate profit over the costs incurred. The services that are performed in the unloading and segregating of the aluminum shipments are essentially the same, regardless of whether the shipments are destined for delivery to points inside of, or outside of, the drayage area. As a consequence, the assessing of different rates for the same services is both discriminatory and confusing to applicant's patrons. In proposing a rate of 8 cents per 100 pounds to be applied both to shipments destined for delivery inside of and outside of the drayage area, applicant seeks to simplify its rate structure and to establish its rates on a nondiscriminatory and compensatory basis.

Applicant's traffic manager testified that the shipments are tendered in such form that most of the unloading and segregating can be accomplished efficiently and economically by mechanical

^{1/} Under the provisions of Minimum Rate Tariff No. 5, rates ranging from 16 to 28 cents per 100 pounds apply as minimum for the service of unloading, segregating, or unloading and segregating pool car shipments. The rate of 12 cents per 100 pounds which applicant maintains was established pursuant to specific authority granted to applicant by Decision No. 51046, dated January 25, 1955.

means. The cost accountant witness presented a summary of a study which he made of the costs incurred in the unloading and segregating of 82 pool cars of aluminum shipments. He reported that the study covered a total of 2,342,216 pounds of freight; that 1,820,056 pounds were handled at a rate of 5 cents per 100 pounds and at a loss of \$359.83; that 522,160 pounds were handled at a rate of 12 cents per 100 pounds and at a profit of \$243.43; and that had the total quantity been handled at the sought rate of 8 cents per 100 pounds, the total services would have produced a profit of \$187.17, resulting in an operating ratio of 90 percent.

The record shows that the aluminum shippers who utilize applicant's services have been informed of the proposed changes in rates and that they have informed applicant that they are not opposed to the revisions. Neither was granting of the application opposed otherwise.

The evidence is clear that the unloading and segregating services which are involved in this matter are performed under favorable operating circumstances. It appears that the rate of 8 cents per 100 pounds would be reasonably compensatory. In consideration of these matters the Commission is of the opinion and finds as a fact that establishment of the proposed rate has been shown justified by transportation conditions. The application will be granted.

O R D E R

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

IT IS HEREBY ORDERED that:

1. Signal Terminals, Inc., be, and it hereby is, authorized to establish and publish in its Stevedoring Tariff No. 1, Cal. P.U.C. No. 1, a rate of 8 cents per 100 pounds for unloading and segregating services performed at its terminal at 3747 Bandini Boulevard, Los Angeles County, in connection with pool cars of shipments composed exclusively of aluminum articles as described in paragraph 2 of Item No. 5 of said Stevedoring Tariff; the rate of 8 cents per 100 pounds shall apply in lieu of the rates of 12 cents per 100 pounds and 5 cents per 100 pounds now specified in said tariff for the unloading and segregating of pool car shipments of the aluminum articles described.

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

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California,
this 15th day of APRIL, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

Theodore Jenner
Commissioners