

ORIGINAL

Decision No. 56990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
GERALD R. WILSON, doing business as  
G. R. WILSON TRUCKING, for authority  
to assess less than minimum rates.

} Application No. 39951  
}

Gerald R. Wilson, in person, applicant.  
James Quintrall, Arlo D. Poe and J. C. Kaspar,  
for California Trucking Associations, Inc.,  
interested party.  
Fred P. Hughes, for the staff of the Public  
Utilities Commission of the State of  
California.

O P I N I O N

Gerald R. Wilson is engaged in the business of transport-  
ing property under a permit authorizing operations as a highway con-  
tract carrier. By this application he seeks authority to transport  
rock at rates which are less than those which apply as minimum  
under the provisions of Minimum Rate Tariff No. 2.

Public hearing on the application was held before Examiner  
C. S. Abernathy at Los Angeles on May 22, 1958. Evidence was pre-  
sented by applicant. Representatives of the California Trucking  
Associations, Inc., and of the Commission staff participated in  
the development of the record.

The record shows that applicant recently entered into a  
contract to transport rough quarried rock from a point near South  
Fontana to Playa del Rey, on Santa Monica Bay, and to the Long  
Beach Harbor area. The minimum class rate which applies to this  
transportation in accordance with the provisions of Minimum Rate

Tariff No. 2 is \$3.60 per ton based upon a rate of 18 cents per 100 pounds, minimum weight 40,000 pounds. Applicant alleges that the rate is excessive for the service and that unless a lesser rate is authorized the shippers will transport the rock by their own equipment. Applicant asks that it be authorized to assess the following rates during the coming year for the transportation of rough quarried rock between the points involved:

<u>Rate per Ton</u>	<u>Minimum Weight in Pounds</u>
\$ 2.61	40,000
2.55	44,000
2.55	46,000
2.55	50,000

Applicant testified that the transportation is performed under particularly favorable operating conditions: loading and unloading of the vehicles is performed expeditiously by mechanical means, and travel conditions between the quarry and destination points are such that the vehicles can be operated at near-maximum legal operating speeds. These factors, together with the lengths of haul involved, combine to permit virtually continuous operations throughout each working day. Applicant submitted figures representing his costs of performing the service to show that at the proposed rates he would be able to realize an adequate profit.

The record herein is persuasive that a lesser rate than the class rate applicable under Minimum Rate Tariff No. 2 would return to applicant revenues in excess of the costs of providing service. Nevertheless, it appears for reasons as follow that the specific authority which applicant seeks should not be granted. First, applicant asks that the sought rates be authorized for a year. It appears, however,

that the contract under which the transportation is being performed will soon be completed.<sup>1</sup> There is no assurance on this record that a new contract will be entered into for transportation for the remainder of the year under substantially the same conditions and circumstances as those covered by the present contract. Second, applicant's cost showing was developed on his own operating experience with his own vehicles. The evidence shows that in the performance of the transportation applicant also utilizes the services of subhaulers extensively. No evidence was presented concerning the operating costs of such subhaulers. Insofar as applicant's own operations are concerned, it appears that the sought rates would return a substantial margin of profit. Applicant alleges that the experience of the subhaulers would not be materially different from his own. In the absence of supporting data dealing directly with the subhaulers' operations, however, this allegation does not provide adequate basis for a finding that the rates which applicant proposes are and will be reasonable for the total services involved.

It should be pointed out that even though the authority which applicant seeks is not granted, applicant is not required to

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<sup>1</sup> The record shows that the contract specifies a total quantity of 90,000 tons of rock, more or less, and a delivery rate of 800 to 1,000 tons per day. Applicant stated that he commenced deliveries in early March and that his deliveries have been at the rate of about 700 tons a day. It is evident that even at this lower delivery rate the contract will be completed in about six months from the initial delivery thereunder.

assess charges as great as those which would accrue under the class rates named in Minimum Rate Tariff No. 2. The tariff also provides monthly rates which produce lower charges for the transportation involved than the charges which would accrue under the sought rates.

Upon consideration of the allegations and evidence adduced in this matter, the Commission is of the opinion and finds that applicant has not established the reasonableness of his proposals. The application will be denied.

ORDER

Based on the findings and conclusions set forth in the preceding opinion,

IT IS HEREBY ORDERED that the above-numbered application in this proceeding be and it hereby is denied.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of July, 1956.

[Signature]  
President  
[Signature]  
[Signature]

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Commissioners

Matthew J. Dooley  
Commissioners Theodora H. Janner being necessarily absent, did not participate in the disposition of this proceeding.