

ORIGINAL

Decision No. 58938

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Consolidated Freightways, Inc., a corporation, for authority to charge less than minimum rates for the transportation of diatomaceous earth.)
Application No. 41291

Howard C. Alphson, for Consolidated Freightways, Inc., applicant.
F. Z. Wakefield, for Great Lakes Carbon Corporation; James Quintrall, J. C. Kaspar and Arlo D. Poe, for California Trucking Associations, Inc., interested parties.
R. A. Lubich, for the Commission staff.

O P I N I O N

By this application, Consolidated Freightways, Inc., seeks authority to transport, as a highway contract carrier, diatomaceous earth between points in the vicinity of Lompoc (Santa Barbara County) for the Great Lakes Carbon Corporation at a rate less than the minimum rate otherwise applicable.

Public hearing was held on July 29, 1959, at Los Angeles, before Examiner William E. Turpen. Evidence was presented on behalf of applicant by one of its accountants and by the traffic manager of Great Lakes Carbon Corporation. Representatives of the California Trucking Associations, Inc., and of the Commission staff assisted in developing the record.

Applicant proposes to transport diatomaceous earth in bulk in enclosed bottom-dump hopper equipment from a quarry of Great Lakes Carbon Corporation located southeast of Lompoc to the processing plant of that company located at Lompoc, a distance of 8 miles. Applicant proposes to charge a rate of not less than 49.7 cents per

ton, subject to a minimum weight of 40,000 pounds (20 tons). The minimum rate named in Minimum Rate Tariff No. 7 for this transportation is 61 cents per ton.

The record shows that this transportation has been performed for a number of years by another highway contract carrier at a rate less than the minimum rate under authority of the Commission. The traffic manager of Great Lakes Carbon Corporation testified that this other carrier has informed him that it does not desire to continue this transportation after August 31, 1959.

Applicant will transport 525 tons of diatomaceous earth per day, six days per week. Two tractor, hopper semitrailer and hopper trailer combination units will be assigned exclusively for this service. The equipment is built to handle 25 tons per load. Applicant presented a cost study which showed that the proposed rate of 49.7 cents per ton would produce a profit of approximately 4 cents per ton, for an operating ratio of approximately 92 per cent.

No one opposed the granting of the application. In the circumstances, it appears, and the Commission finds, that the proposed rate is reasonable. The application will be granted. Because the conditions under which the service is performed may change at any time, the authority will be made to expire at the end of one year, unless sooner canceled, changed, or extended by order of the Commission. In view of the present service now being performed by another carrier terminating August 31, 1959, the order which follows will be made effective in ~~10~~ 5 days.

In view of the provisions of Section 3542 of the Public Utilities Code, which prohibits a carrier from operating both as a common carrier and as a highway contract carrier of the same commodities between the same points, applicant requested that, if this

application is granted, its radial highway common carrier permit be appropriately restricted. This will be done.

O R D E R

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

IT IS ORDERED:

1. That Consolidated Freightways, Inc., be and it is hereby authorized to transport diatomaceous earth for Great Lakes Carbon Corporation from Lease No. 2 Quarry of Great Lakes Carbon Corporation, located eight miles southeast of Lompoc, to Lompoc, at a rate of not less than 49.7 cents per ton, subject to a minimum weight of 40,000 pounds per load, in lieu of the minimum rate otherwise applicable.

2. That the authority hereinabove granted shall expire one year after the effective date of this order unless sooner canceled, changed, or extended by order of the Commission.

3. That the permit of Consolidated Freightways, Inc., to operate as a radial highway common carrier is hereby conditioned as follows:

"This permit shall not authorize the transportation of diatomaceous earth from Lease No. 2 Quarry of Great Lakes Carbon Corporation, located eight miles southeast of Lompoc, to Lompoc."

~~Five~~
Five.

This order shall become effective ~~ten~~ days after the date hereof.

Dated at San Francisco, California, this 25th day of August, 1959.

[Signature]

President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.