

**ORIGINAL**Decision No. 60295

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into )  
 the rates, rules, regulations, charges, )  
 allowances and practices of all common )  
 carriers, highway carriers and city )  
 carriers relating to the transportation )  
 of petroleum and petroleum products in )  
 bulk (commodities for which rates are )  
 provided in Minimum Rate Tariff No. 6). )

Case No. 5436  
 Petition No. 32

Berol & Geernaert by Edward M. Berol, for Acme  
 Transportation, Inc., petitioner.  
J. C. Kaspar, A. D. Poe and J. X. Quintrall,  
 for California Trucking Associations, Inc.,  
R. A. Morin, for Fibreboard Paper Products  
 Corporation, Philip J. Ryan, for Union Oil  
 Company of California, interested parties.  
Grant L. Malquist and Thomas W. Morley, for  
 the Commission's staff.

O P I N I O N

By this petition, filed May 17, 1960, Acme Transportation, Inc., seeks authority to publish a rate lower than the minimum rate otherwise applicable for the transportation of flux<sup>1</sup> from Oleum to Emeryville.

Public hearing was held before Examiner William E. Turpen at San Francisco on August 5, 1960. Evidence was presented by petitioner's vice president and by a representative of the shipper involved. Members of the Commission's staff and a representative of the California Trucking Associations, Inc., assisted in developing the record.

The record shows that petitioner transports the flux in tank vehicles, 49,000 pounds per load, from the Union Oil Company at Oleum to the plant of Fibreboard Paper Products Corporation at

<sup>1</sup> Flux is an asphaltic material used in manufacturing roofing material and pipe coating.

Emeryville; that Fibreboard has recently improved its unloading facilities resulting in savings to petitioner; that Fibreboard has come to the conclusion that it cannot continue to pay the minimum rate of 7 cents per 100 pounds for this transportation; and that, if the petition is not granted, Fibreboard intends to perform the transportation with its own or leased vehicles.

Petitioner proposes a rate of 4½ cents per 100 pounds, subject to a minimum of 50,000 tons per year. It is also requested that the rate be published to expire June 30, 1961, the date when petitioner's present labor contracts expire.

Petitioner's vice president introduced and explained a study he had made of the estimated cost of the transportation involved. The study was based on performance data gathered covering this transportation conducted during June of this year. Using this information, the witness estimated the revenue and expense per trip. His study showed a revenue of \$20.82 per trip under the proposed rate which would be sufficient to cover the estimated expenses and provide a profit factor of approximately 10 percent of the expenses, before provision for income taxes. The witness also said that as Fibreboard has a large storage capacity, petitioner is able to schedule this transportation as a fill-in when its equipment would otherwise be idle.

The record is clear that the sought reduced rate is necessary to enable petitioner to retain this transportation and that petitioner can perform the transportation at a profit. Accordingly, the Commission is of the opinion and finds that the sought rate is reasonable and is justified by transportation conditions. The petition will be granted.

The director of research of the California Trucking Associations, Inc., suggested a commodity description to be used so as to

make certain that the rate will be limited in its application to the transportation here involved. Neither the petitioner nor the shipper had any objections to the suggested description. It will be adopted in the order which follows.

O R D E R

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

IT IS ORDERED that Acme Transportation, Inc., be and it is hereby authorized to publish and file, on not less than five days' notice to the Commission and to the public, a rate of 4½ cents per 100 pounds, subject to an expiration date of June 30, 1961, on petroleum flux (asphalt-base crude petroleum residue), from Oleum to Emeryville, subject to a minimum quantity of 50,000 tons per annum and to a minimum weight per load equal to the legal carrying capacity of carriers' equipment utilized, and not subject to the minimum charges otherwise provided in petitioner's tariff.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of October, 1960.

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President

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Commissioners

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Commissioners

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Commissioners