

Decision No. 62112

**ORIGINAL**

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 ) Case No. 5436  
 carriers relating to the transportation ) (Petition No. 42)  
 of petroleum and petroleum products in )  
 bulk (commodities for which rates are )  
 provided in Minimum Rate Tariff No. 6). )

OPINION AND ORDER

By Decision No. 60396 dated October 18, 1960, Acme Transportation, Inc., was authorized to publish a rate of 4½ cents per 100 <sup>1</sup> pounds for the transportation of flux from Oleum to Emeryville. This rate is lower than the established minimum rate for this transportation. The authorized rate was made 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 the equipment utilized. The authorized rate is scheduled to expire June 30, 1961.

By this petition filed May 4, 1961, authority is sought on two days' notice to the Commission and to the public, to continue to maintain a rate for this transportation less than the minimum rate but subject to the minimum quantity per annum of 35,000 tons rather than the present 50,000-ton minimum per annum.

Petitioner alleges that the conditions which existed at the time the Commission issued its previous order in this matter still prevail to the same extent as they did at that time, except that the shipper has requested that the minimum annual tonnage requirement be set at 35,000 tons because of depressed business conditions in the building industry. Petitioner states that it has examined its costs of operations under current conditions and has concluded that the

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

present authorized rate will be reasonable subject to a minimum tonnage of 35,000 tons per year. According to the petition, it is anticipated that the actual tonnage will be substantially greater than 35,000 tons per year in the event conditions in the building industry improve. Petitioner asserts that this traffic is very important to it and continuation of the availability of such transportation is dependent upon the continuation of the currently authorized rate.

Petitioner states that its current labor contract expires June 30, 1961, and that no new contract has been negotiated. It alleges that present rates would be reasonable under present labor rates or under labor rates moderately increased after June 30, 1961, and, in effect, that should wage negotiations result in increased wages so as to cause current rates to become unreasonable, it will seek an adjustment of the current rates.

The petition shows that on or about May 1, 1961, a copy thereof was served on various interested parties. California Trucking Associations, Inc., by letter dated May 15, 1961, states that it has no objection to an extension of the current authority but urges that any authority granted be limited to six months. In view of the prospective wage negotiations, this request appears reasonable.

In the circumstances, it appears, and the Commission finds, that the proposed rate is reasonable and justified by transportation conditions. A public hearing is not necessary. The sought authority to assess rates less than the established minimum rates will be granted for a period of six months.

Therefore, good cause appearing,

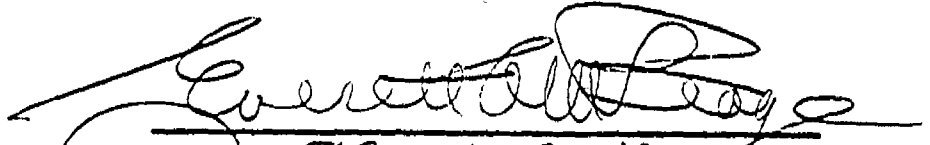
IT IS ORDERED:

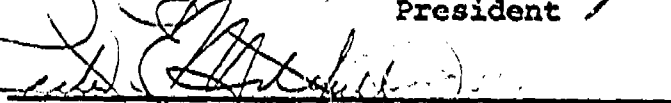
(1) That Acme Transportation, Inc., a corporation, is hereby authorized to publish and file, and to make effective on not less than five days' notice to the Commission and to the public, a rate of 4½ cents per 100 pounds on petroleum flux (asphalt-base crude petroleum residue) from Oleum to Emeryville, subject to a minimum quantity of 35,000 tons per annum and to a minimum weight per load equal to the legal carrying capacity of carrier's equipment utilized, and not subject to the minimum charges otherwise provided in petitioner's tariff.

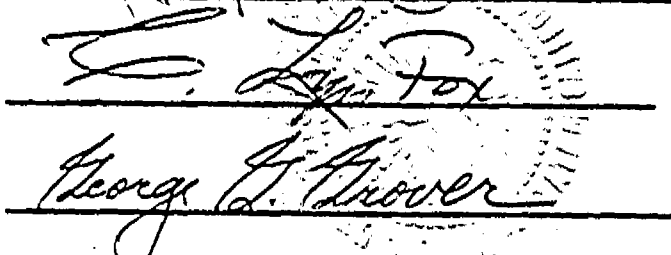
(2) That the authority herein granted shall, on and after June 30, 1961, supersede the authority granted by Decision No. 60896 and shall expire December 31, 1961.


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

Dated at San Francisco, California, this 6<sup>th</sup> day of June, 1961.

  
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President

  
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J. L. Fox

  
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George J. Grover

  
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Commissioners