

Decision No. 63523

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BLOMQUIST TANK LINES, INC., a)
corporation, for authority to charge)
less than minimum rates for the trans-)
portation of asphalt between Martinez)
and San Leandro at rates less than)
those prescribed as minimum in)
Minimum Rate Tariff No. 6 - Section)
3666.)

Application No. 44222
(Filed February 27, 1962)

OPINION AND ORDER

By this application Blomquist Tank Lines, Inc., seeks authority as a petroleum contract carrier to charge Shell Oil Company a round-trip rate of \$2.30 per ton for a period of one year for the transportation of certain asphalt materials in tank vehicles between Martinez and San Leandro.¹

Applicant proposes to transport asphalt charging stock from the refinery of Shell Oil Company (Shell) at Martinez to Trumbull Asphalt Company in San Leandro and return processed asphalt to Fibreboard Paper Products (Fibreboard) in Martinez.

The application states that Fibreboard is currently constructing in Martinez a plant to manufacture asphalt roofing; that Shell has agreed to supply Fibreboard with the required asphalt; and that Shell does not have processed asphalt at Martinez but has arranged to have charging stock processed in San Leandro and returned to Fibreboard in Martinez. According to the application, this transportation will last approximately six months because Shell is arranging for the establishment of processing facilities in

¹The application states that the rail rate for this transportation is \$1.50 per ton each way as published in Supplement 31 of PSFB Tariff 252. The Minimum Rate Tariff No. 6 rate is \$1.60 per ton each way (eight cents per 100 pounds).

Martinez, after which the asphalt will be delivered to Fibreboard by pipeline.

Applicant alleges that the transportation characteristics are favorable; that the operations will be conducted each weekday, Monday through Friday; that loading facilities are available 24 hours a day at San Leandro and at Shell's plant, and 16 hours a day at the Fibreboard plant; that the volume of traffic will approximate 3,000 tons per month; that this operation constitutes new and attractive business for applicant; and that applicant has the necessary personnel, equipment and facilities to conduct the proposed service.

The application is accompanied by an analysis of the estimated cost of performing the service in question. The cost analysis indicates that applicant can perform the proposed transportation at a reasonable profit. As thus developed the analysis indicates the total cost per round trip to be \$50.88, the revenue \$56.35, and the profit \$5.47. Applicant's operating ratio is shown as 90.3 per cent.

The application shows that, on or about February 27, 1962, a copy thereof was served upon California Trucking Associations, Inc. That association has informed the Commission that it has no objection to the granting of the application. The Transportation Division staff of the Commission has reviewed the application and has recommended that it be granted.

In the circumstances, it appears, and the Commission finds, that the rate proposed is reasonable for the transportation involved. A public hearing is not necessary. The application will be granted.

Good cause appearing,

IT IS ORDERED that:

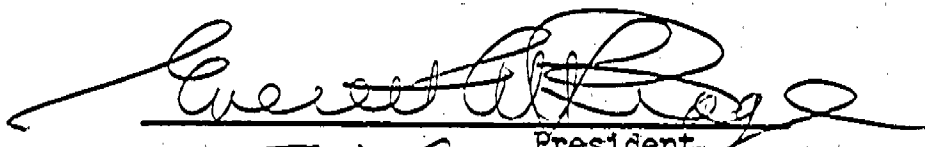
1. Blomquist Tank Lines, Inc., is hereby authorized to transport asphalt charging stock from Martinez to San Leandro and

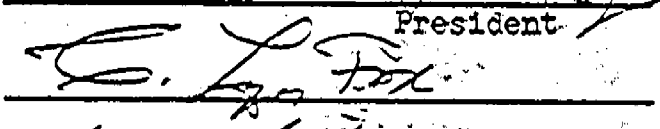
asphalt from San Leandro to Martinez for the Shell Oil Company at a rate of \$2.30 per ton per round trip.

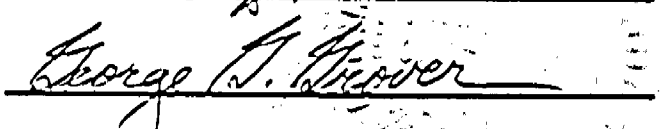
2. The authority shall expire with April 23, 1963, unless sooner canceled, changed or extended by order of the Commission.

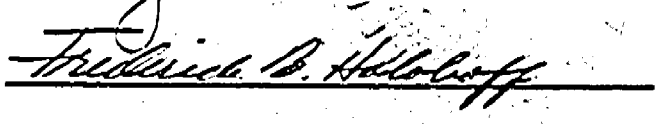
This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 3rd day of April, 1962.



President






Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.