

ORIGINAL

Decision No. 65689

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JACK THOMPSON TRUCKING, INC., a)
 corporation, for authority to depart)
 from minimum rates prescribed in)
 Minimum Rate Tariff No. 2, under)
 provisions of Section 3666, Public)
 Utilities Code, State of California,)
 in connection with certain transpor-)
 tation to be performed for CEN-VI-RO)
 PIPE CORPORATION of Shafter,)
 California.)

Application No. 45155

Howard E. Meyers, for Jack Thompson Trucking, Inc.,
 applicant.

Jack K. Miller, Arlo D. Poe, and James Quintrall,
 for California Trucking Association, interested
 party.

C. R. L'Ecluse and Leonard Diamond, for the
 Commission staff.

O P I N I O N

By the above-entitled application, filed February 1, 1963, Jack Thompson Trucking, Inc., a highway contract carrier, seeks authority under the provisions of Section 3666 of the Public Utilities Code to transport reinforced concrete pipe for CEN-VI-RO Concrete Pipe Corporation, located at Shafter, at rates less than the minimum rates otherwise applicable.

Public hearing on the application was held before Examiner Turpen at Bakersfield on April 10, 1963. Evidence was presented by officials of the shipper and of the carrier. Representatives of the California Trucking Association and of the Commission's staff assisted in developing the record.

The record shows that applicant has transported reinforced concrete pipe for CEN-VI-RO for approximately two years at the

applicable minimum rates. During this time applicant and shipper have developed methods of handling involving pre-loading of trailers by the shipper, exchange of empty trailers for loaded trailers, and mechanical unloading at delivery point. This has resulted in increasing the load per shipment to approximately 46,000 pounds, elimination of loading time expense, reducing unloading damage from 3 percent to $\frac{1}{2}$ percent, and increasing the use factor due to expedited turn-around time. The net result, according to applicant, has been to produce excessive earnings under the minimum rates.

Applicant seeks authority to assess rates two cents less than the applicable Class E minimum rates to points and places within 180 constructive miles of Shafter, when shipments are loaded by the shipper and subject to a minimum weight of 40,000 pounds per shipment and in volume movements of 100 tons or more to one destination area.

In support of the proposal, applicant's vice president and general manager presented a study of the cost of performing the transportation service here involved during the period of January through September, 1962. Comparison of the expenses and revenue for a 40,000-pound load under the sought rates for representative distances are shown below:

<u>Miles</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net Profit</u>	<u>Operating Ratio</u>
15	\$ 40.00	\$ 27.07	\$12.93	67.08%
60	68.00	45.74	22.26	67.26
110	96.00	70.12	25.88	73.04
160	120.00	94.38	25.62	78.65

It is clear from the record, and we so find, that, under the conditions surrounding the transportation service here involved, applicant can profitably perform the service at the proposed rates.

We further find that the sought less-than-minimum rates are reasonable and justified by transportation conditions. The application will be granted. Because conditions may change, the authority herein granted will be limited to a one-year period.

C R D E R

IT IS ORDERED that:

1. Jack Thompson Trucking, Inc., a corporation is hereby authorized to transport reinforced concrete pipe for CEN-VI-RC Concrete Pipe Corporation from Shafter to points within 180 constructive miles thereof, at rates less than the established minimum rates but not less than two cents per 100 pounds less than the applicable Class E minimum rates named in Minimum Rate Tariff No. 2, subject to minimum weight of 40,000 pounds per shipment and in volume movements of 100 tons or more to one destination area, and subject to the condition that shipper will load carrier's equipment. In all other respects the transportation here under consideration shall be subject to the provisions of Minimum Rate Tariff No. 2.

2. The authority herein granted shall expire one year after the effective date hereof, unless sooner changed or canceled by order of the Commission.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 9th day of JULY, 1963.

William W. Donald
President
George T. Trover
Fredrick B. Halbluff
Commissioners