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ORIGINAL

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFIC MOTOR TRUCKING COMPANY, a )  
 corporation, under Section 3666 of )  
 the Public Utilities Code, for an )  
 order permitting departure from )  
 provisions of Minimum Rate Tariffs )  
 Nos. 2 and 7. )

Application No. 45642  
 (As Amended)  
 (Filed August 5, 1963)

John McDonald Smith, and W. N. Greenham, for  
 applicant.  
C. D. Gilbert, A. D. Poe and James K. Quintrall,  
 for California Trucking Association, interested  
 party.  
Robert J. Carberry and John F. Specht, for the  
 Commission staff.

OPINION AND ORDER

Public hearing in this matter was held in San Francisco on September 24, 1963 before Examiner Mallory, at which time the matter was submitted. The granting of the application was not opposed. The Commission staff assisted in the development of the record.

Pacific Motor Trucking Company, a corporation, operates in California as a highway common carrier, a highway contract carrier, and as a radial highway common carrier. By this application, as amended at the hearing to correctly state the location of the points of origin of the asbestos ore, it seeks authority under Section 3666 of the Public Utilities Code, as a highway contract carrier, to assess less than the established minimum rates for the transportation of asbestos ore from a mine near Condor Peak (in Fresno and San Benito Counties) to a plant of Union Carbide

Corporation near Welby (Monterey County). Transportation of the ore commenced on August 12, 1963.

Applicant proposes to assess a rate of \$2.75 per ton, minimum weight 23 tons, for the movement of the asbestos ore in bulk in open-top gravity dump truck equipment. This rate would apply when the shipper loads the applicant's equipment. When applicant loads its equipment it proposes to assess a rate of \$3.00 per ton. In the latter situation, applicant will furnish a skipmobile (skip loader) to push the asbestos ore from storage piles into a truck-loading chute. Initially, loading will be performed by the carrier.

Applicant presented three witnesses, its vice president and controller, the western states traffic manager of Union Carbide, and the project manager of Union Carbide's mining and plant operations at Condor Peak and Welby.

Applicant presented a study of the costs of performing the transportation. These costs were developed on the basis of the loading being performed by the carrier and on the basis of the loading being performed by the shipper. The estimated cost for the combined service of transportation and loading by the carrier under conditions experienced since commencing operations in August 1963 is \$2.759 per ton. The project manager for Union Carbide testified that certain improvements in loading facilities will be made in the near future. Under the improved loading conditions, applicant estimates that the combined cost for loading and transportation would be \$2.6175 per ton. Applicant estimates its transportation cost when the consignor performs the loading to be \$2.3968 per ton. None of the cost estimates contain provision

for administrative and general expenses. However, applicant's vice president and controller stated that applicant believes that there is sufficient margin between the estimated costs and the rates proposed to be assessed to provide adequately for these elements of cost and for a reasonable profit.

Minimum Rate Tariff No. 7 provides only hourly rates for the transportation of ore between the points in question. Applicant seeks authority to depart from the provisions of that tariff in the following respects:

1. To assess a rate per ton for the transportation.
2. To assess a specific charge of 25 cents per ton for the loading service in lieu of any other accessorial charge for this service in the tariff.
3. To depart from the provisions of Item No. 94-C of the tariff, which require that charges paid by an overlying carrier to an underlying carrier for services of the latter for the former shall not be less than 95 percent of the charges applicable under the minimum rates prescribed in the tariff (less the gross revenue taxes applicable and required to be paid by the overlying carrier).

With respect to the request to depart from Item No. 94-C, applicant's vice president and controller testified that applicant is employing a subhauler to perform the transportation and loading services. The subhauler is paid a negotiated \$2.40 per ton for transportation and 35 cents per ton for loading. Applicant desires to continue to pay the subhauler at the specified rates per ton, in lieu of the hourly rates provided in the minimum rate tariff. ✓

Until it is known whether the operations of the pilot plant at Welby are fully practical, applicant does not intend to purchase the specialized equipment necessary for the hauling. It will do so, however, as soon as Union Carbide concludes that the Welby asbestos plant will be operated on a permanent basis.

Based upon the evidence, we find that the proposed rates and governing rules are reasonable and conclude that the application should be granted. Because the conditions under which the transportation is to be performed may change, the authority which will be granted will be limited to a period of one year unless sooner canceled, modified or extended by order of the Commission. Inasmuch as the transportation service has commenced since the filing of the application, the effective date of the order herein will be ten days after the date thereof.

IT IS ORDERED that:

1. Pacific Motor Trucking Company, a corporation, is authorized to charge and collect rates less than the applicable minimum rates but not less than the rates set forth in Appendix A, attached hereto and by this reference made a part hereof, for the transportation of asbestos ore for the Union Carbide Corporation from a mine near Condor Peak (Fresno and San Benito Counties) to a plant site near Welby (Monterey County).

2. The authority granted herein shall expire October 30, 1964, unless sooner canceled, modified or extended by order of the Commission.

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

Dated at San Francisco, California, this 22nd day of OCTOBER, 1963.

President  
Carl E. [Signature]  
George G. Grover  
Frederick B. Hallock

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner George G. Grover present but not voting.

## APPENDIX A

## PACIFIC MOTOR TRUCKING COMPANY

Schedule of Minimum Rates for the  
 Transportation of Asbestos Ore for  
Union Carbide Corporation

Section 1Item 10 - Application of Rates - General

The minimum rates, rules and regulations set forth in Minimum Rate Tariff No. 7 are applicable to the transportation of asbestos ore, except as specifically provided in Sections 2 and 3.

Section 2

Item 20 - Rates in this section apply to the transportation of asbestos ore in bulk in dump truck equipment from a mine near Condor Peak (San Benito and Fresno Counties) to the plant of Union Carbide Corporation near Welby (Monterey County).

Item 30 - Minimum Weight

The rates in this section are subject to a minimum weight of 23 tons per shipment. The minimum weight shall be transported in one unit of equipment at one time.

Item 40 - Commodity Rates

Rates applicable when carrier's equipment is loaded by:

	<u>Rate Per Ton</u>
Consignor	\$2.75
Carrier	3.00

Section 3Item 50 - Payments to Subhaulers

When subhaulers are used to perform the transportation service and/or loading service, such subhaulers shall receive from Pacific Motor Trucking Company not less than the following:

Rates applicable when carrier's equipment is loaded by:

	<u>Rate Per Ton</u>
Consignor	\$2.40
Carrier	2.75

End of Appendix