

Decision No. 68885

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )  
 )  
 FLOUR TRANSPORT, INC., a California )  
 corporation, for authority to deviate )  
 from minimum rates pursuant to )  
 Sections 3666 and 4015 of the Public )  
 Utilities Code for the transportation )  
 of flour in bulk for specified )  
 shippers between points within the )  
 Los Angeles Drayage Area. )

Application No. 47304  
(Filed January 28, 1965)

OPINION AND ORDER

Applicant holds highway contract and city carrier permits. By Decision No. 67063 dated April 7, 1964, in Application No. 45431, as amended by Decision No. 67809 dated September 1, 1964, in Application No. 46865, applicant was authorized to transport various types of flour, in bulk, between points within the Los Angeles Drayage Area for specified shippers. The current authority, as amended, is scheduled to expire April 18, 1965.

By this application, applicant seeks an extension of the current authority, with certain modifications, for an additional one-year period. The modifications involve provisions for demurrage charges, return shipments, Sunday delivery, special setup and shipping notice;<sup>1</sup> the inclusion of an additional shipper; and the elimination of two conditions. One of the conditions provides that the charges assessed shall not be less than those computed under the

---

<sup>1</sup> These provisions are generally the same as those specified in connection with rate authority granted to applicant by Decision No. 68234 dated November 17, 1964, in Application No. 46825, for similar transportation services performed within Los Angeles and Orange Counties.

hourly rates in Item No. 420 of Minimum Rate Tariff No. 5. The other condition provides that the freight bills covering such transportation shall have attached thereto a statement of the charges computed at the hourly rates and otherwise contain full information necessary to determine such charges.

Applicant avers that the proposed modifications involving accessorial services are necessary to compensate it for the additional services rendered. It is further averred that the two conditions herein sought to be eliminated were originally proposed by applicant as a revenue protecting measure and experience has proved that the authorized rates have exceeded the hourly rates in all instances and such conditions are no longer necessary.

Applicant has been requested by Terminal Flour Mills to transport flour, in bulk, between points in the Los Angeles Drayage Area under the proposed rates. Applicant alleges that the transportation circumstances of this shipper's traffic are the same as those for the other shippers involved. It is further alleged that Terminal Flour Mills would be placed at a serious competitive disadvantage should applicant be authorized only to apply the sought rates in connection with the services it performs for such other shippers.

Applicant utilizes a new "drop loading" process whereby 40,000 pounds of flour are simply dropped into its specialized equipment from overhead gravity bins within a period of three to five minutes. Unloading time averages about fifty minutes per load and transit times are held to a minimum due to the fact that freeways can be used to a great extent.

Applicant further states that the weight and hourly rates named in Minimum Rate Tariff No. 5 were not designed for the specialized service involved and the shippers desire and require rates in cents per 100 pounds that will permit them to make firm bids to bakeries in advance for periods of approximately six months.

Applicant asserts that the proposed rates are necessary to prevent substantial diversion of this traffic to proprietary transportation. Since commencing such operations in 1962, applicant alleges that it has lost the traffic of one large shipper to proprietary hauling, that it is faced with the possible loss to proprietary trucking of certain tonnage destined to one large bakery, and other shippers have indicated that proprietary operations would be considered unless the sought rate relief is granted.

Revenue and expense data submitted by applicant indicate that the transportation involved has been profitable and reasonably may be expected to be profitable in the future.

The certificate of service shows that a copy of the application was mailed to California Trucking Association on January 28, 1965. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable and consistent with the public interest. A public hearing is not necessary. The application should be granted.

In view of the impending expiration date of the current authority, the order which follows will be made effective April 18, 1965.

IT IS ORDERED that:

1. Flour Transport, Inc., is hereby authorized to transport grain or rice flour (including chemical or other ingredients not to exceed 4 percent of the weight of the shipment transported), in bulk, and semolina or semolina and grain flour, in bulk, between points within the Los Angeles Drayage Area (as defined in Minimum Rate Tariff No. 5), for the milling companies named in Appendix A attached hereto and by this reference made a part hereof at rates less than the established minimum rates but not less than those set forth in, and subject to the conditions specified in, said Appendix A.
2. The authority herein granted shall, on and after April 18, 1965, supersede the authority granted by Decision No. 67063, as amended by Decision No. 67809, and shall expire with April 18, 1966.

The effective date of this order shall be April 18, 1965.

Dated at San Francisco, California, this 13th day of April, 1965.

Frederick B. Holbrook  
President

George T. Brown

Augusta

William Van Dusen  
Commissioners

APPENDIX A TO DECISION NO. 68885FLOUR TRANSPORT, INC.Milling Companies:

Barbara Ann Baking Co.	Kansas Milling Company
California Milling Corporation	New Era Milling Company
Capitol Milling Company	The Pillsbury Company
Centennial Mills Incorporated	Quaker Oats Company
Colorado Milling & Elevator Co.	Russel Miller Milling Co.
Fisher Flouring Mills Co.	Salt Lake Flouring Mills
General Mills Inc.	Sheridan Flouring Mills
Inglehart Operations	Terminal Flour Mills
The Ismert-Hincke Milling Co.	

Commodity:

Grain or Rice Flour (including chemical or other ingredients not to exceed four percent of the weight of the shipment transported), in bulk, and Semolina or Semolina and Grain Flour, in bulk.

Authorized Rates (in cents per 100 pounds):

<u>Miles(Actual)</u>		<u>Minimum Weight</u>	<u>Minimum Weight</u>
<u>More</u>	<u>But not</u>	<u>30,000 pounds</u>	<u>40,000 pounds</u>
<u>than</u>	<u>more than</u>		
0	10	11.5	9.5
10	15	12.0	10.0

- Note 1 - Loading Time: An additional charge of \$3.00 shall be assessed for each 45 minute period or fraction thereof after the first 45 minutes of free time.
- Note 2 - Rail Car Service: Add 1.5 cents per 100 pounds for rail car service. Add an additional .5 cents (total 2.0 cents) if Flour Transport, Inc. furnishes electrical power at designated team track.
- Note 3 - Weighing Service: Add \$15 per car for weighing service provided in connection with unloading of rail cars.
- Note 4 - Rate Computation: When charges accruing on a shipment based on actual weight exceed the charges computed on a rate based on a greater minimum, the latter shall apply.
- Note 5 - Demurrage: If delivery cannot be accomplished and the trailer is put out of service without driver in attendance, a charge of \$1.50 per hour will be assessed after the first two hours. If a driver is in attendance, a charge of \$14.00 per hour will be assessed.
- Note 6 - Returns: If flour is delivered to consignee, refused, returned to mill or car for unloading, a charge of one and one-half times normal applicable rate will be made.

A. 47304 - hd

Note 7 - Sunday Delivery: Add 3.0 cents per 100 pounds when Sunday delivery is specified.

Note 8 - Special Set Up: Add 3.0 cents per 100 pounds when delivery is made to a bakery not equipped for truck delivery (220 three-phase power and reasonable access).

Note 9 - Shipping Notice: Add 2.0 cents per 100 pounds when shipment must be made with less than twelve hours notice if driver call back is required.

Condition:

Transportation performed by Flour Transport, Inc., under the rates herein authorized shall be performed by vehicles of the type depicted or described in Exhibits Nos. D and E appended to Application No. 45431.

(End of Appendix A)