

ORIGINAL

Decision No. 71499

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
American Transfer Company, for)
authority under Section 3666 of the)
Public Utilities Code to assess and)
collect transportation charges based)
on rates lower than the minimum)
rates heretofore established by the)
commission.)

Application No. 48874
(Filed October 18, 1946)

INTERIM OPINION AND ORDER

American Transfer Company, a corporation, holds a highway contract carrier permit. By this application, it seeks authority to transport crushed dolomite rock in bulk, in hopper trucks, from the quarry of Kaiser Refractories located in Natividad, to the plant of Pittsburgh Plate Glass Company (Pittsburgh) located in Fresno, at a less-than-minimum rate of \$3.80 per net ton, minimum weight 54,000 pounds. The Commission's Minimum Rate Tariff No. 7 provides a rate of \$4.32 per net ton, minimum weight 23 tons.

Applicant states that Pittsburgh is building a new factory at Fresno for the production of window glass and one of the principal raw materials required will be crushed dolomite rock. According to the application, high utilization of equipment would result from the two shipments per day that will be required to supply the shipper's needs. It is alleged that these shipments can be handled with one unit of equipment (tractor and two hopper trailers), each load to consist of 56,000 pounds. Two shipments per day, five days per week throughout the year would be made to fill the weekly requirement of

280 tons of crushed dolomite rock. The truck would make two round trips in less than 16 hours. Two drivers would be used, one for the first shipment of the day and another for the second shipment.

The application further states that the shipper has overhead bins and chutes which feed by gravity flow into the trucks below and that not more than five minutes would be required to load each trailer. Except for 10 miles, the entire distance of 152 miles is via state highways. Most of the route is over freeways and expressways. The consignee is installing modern, below ground level, receiving hoppers over which the trucks would drive and discharge their loads by gravity feed into a pit large enough to receive the entire contents of both trailers without delay. It is estimated that not more than five minutes would be required to unload each trailer and that pay loads of 56,000 pounds per shipment would provide adequate revenue and two round trips per day would result in efficient utilization of equipment.

The sought rate, applicant alleges, would forestall the use of proprietary transportation. The volume of the movement and its steady flow make it attractive for private hauling. It is further alleged that the continuous daily need for transportation from one origin to one destination is very susceptible to private transportation and unless the public carrier charge is on a reasonable minimum level the traffic could very well be lost to proprietary transportation. Pittsburgh currently owns and operates motor vehicles in other parts of the country and could readily transport this tonnage in similar fashion to that proposed by applicant.

Applicant believes that the sought rate would be just and reasonable and compensatory to applicant.

Exhibit A shows estimated costs based on applicant's general operation as applied specifically to the movement of crushed dolomite rock. The exhibit indicates that expenses would be 29.68 cents per mile and revenue 35 cents per mile for an operating ratio of 84.8%. Applicant states that revenue of 35 cents per mile exceeds the revenue that would accrue in connection with the present mileage scale in Minimum Rate Tariff No. 7 of \$4.32 per ton, minimum 23 tons; that this rate and minimum produce truckload revenue of \$99.36 and, for 304 round-trip miles, 32.7 cents per mile; and that the sought rate of \$3.80 per ton, minimum 27 tons, results in truckload revenue of \$102.60 or 33.7 cents per mile.

According to applicant, completion of the Pittsburgh Plate Glass Company plant is expected by January 1, 1967. Prior to that time it will be necessary for Pittsburgh to begin receiving raw materials so that adequate supplies will be on hand for the start-up of production. On or about December 15, the crushed dolomite rock will start to move to fill the storage silo which has a dolomite rock capacity of 1450 tons. As time is drawing near when shipments must commence, applicant seeks interim authority for a period of six months.

The certificate of service shows that a copy of the application was served on California Trucking Association, California Dump Truck Owners Association, Associated Independent Owner-Operators, Inc., Pittsburgh Plate Glass Company and Kaiser Refractories on October 14, 1966. The application was listed on the Commission's Daily Calendar of October 19, 1966. No objection to the granting of the application on an interim basis has been received.

Subject to further review upon consideration of additional evidence which may be adduced at a public hearing to be scheduled in this proceeding, it appears, and the Commission finds, that the proposed rate is reasonable. In view of applicant's urgent request

for relief herein, the Commission concludes that applicant should be granted interim authority for a period of six months, unless sooner canceled, changed or extended by order of the Commission, subject to future hearing to be scheduled in this proceeding.

IT IS ORDERED that:

1. American Transfer Company is hereby authorized to transport crushed dolomite rock for Pittsburgh Plate Glass Company between the points set forth in Appendix A, attached hereto and by this reference made a part hereof, at a rate less than the established minimum rate but not less than that set forth, and subject to the conditions shown, in said Appendix A.

2. The interim authority herein granted shall expire six months after the effective date of this order, unless sooner canceled, modified or extended by order of the Commission.

3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application and final disposition thereof.

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

Dated at San Francisco, California, this 1st day of November, 1966.

W. E. Mitchell
President
George H. Dwyer
Frederick B. Hallock
Augustine
William L. Bernard
Commissioners

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APPENDIX A TO DECISION NO. 71499

AMERICAN TRANSFER COMPANY

Commodity: Crushed dolomite rock, in hopper trucks
From: Kaiser Refractories Quarry, Natividad
To: Pittsburgh Plate Glass Company, 3333 South Peach
Avenue, Fresno
Rate: \$3.80 per net ton
Minimum Weight: 54,000 pounds per shipment

(End of Appendix A)