

ORIGINAL

Decision No. 72259

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the investigation into the rates, rules, regulations, charges, allowances and practices of all common carriers, highway carriers and city carriers relating to the transportation of sand, rock, gravel and related items (commodities for which rates are provided in Minimum Rate Tariffs Nos. 7 and 17).

Case No. 5437

Petition No. 121
(Filed November 1, 1965.)

John R. Schell and William R. Walker,
for San Diego County Rock Producers
Association, petitioner.

James A. Hearn, for Griffith Company,
interested party.

Alex O. Swanson, for H. G. Fenton
Materials Co., interested party.

Fred Imhof, for Southern California
Rock Products Association, inter-
ested party.

Harry Phelan, Jr. (by Fred Imhof),
for California Asphalt Plant
Association, interested party.

Richard W. Smith, H. F. Kollmyer,
Arlo D. Poe and J. C. Kaspar, for
California Trucking Association,
interested party.

E. O. Blackman, for California Dump
Truck Owners Association, interested
party.

R. Herman Ohs, for Consolidated Rock
Products Company, interested party.

Norman Haley, for the Transportation
Division of the Commission's staff.

O P I N I O N

San Diego County Rock Producers Association, the petitioner in this phase of Case No. 5437, seeks the establishment of zone rates to apply as minimum rates for services performed

by for-hire highway carriers in transporting rock, sand, gravel, decomposed granite, asphaltic concrete and certain other materials (all referred to collectively herein as "rock products") in dump truck equipment from the principal points of production or processing of said materials to points of consumption or usage within the westerly portion of San Diego County. Except as noted in the margin below, the minimum rates which apply at present for said services are hourly and distance rates.¹ Petitioner states that for the services involved zone rates are preferred to the hourly and distance rates by a majority of the shippers and carriers of rock products.

During 1966 five days of public hearings were held before Examiner Abernathy at San Diego relative to zones which petitioner proposes be adopted as an initial step toward the establishment of a zone system of rates as sought. Representatives of petitioner, of the California Dump Truck Owners Association, of the California Trucking Association, of the California Asphalt Plant Association, of individual producers of rock products and of the Commission's Transportation Division participated in the hearings. The record was closed on January 23, 1967, following the receipt of late-filed exhibits.

The areas which petitioner seeks to have designated as production areas and delivery zones are described in Exhibits Nos. 121-7, 121-11, 121-12 and 121-15.

¹ Zone rates are presently provided for the transportation of rock products from production facilities in Oceanside, Carlsbad and Escondido.

The numbering system which petitioner asks be adopted in connection with the delivery zones is set forth in Exhibit No. 121-16. In general the proposed production areas lie along river and creek beds in western San Diego County where deposits of rock, sand and gravel are mainly located. The delivery zones are situated in the more populous portions of San Diego County and/or along the principal highways thereof where petitioner expects that most of the deliveries of rock products will be made within the foreseeable future. In total petitioner seeks the establishment of 36 production areas and 279 delivery zones.²

According to witnesses who presented and explained the zone proposals on petitioner's behalf, the determinations which were made with respect to the size, shape and boundaries of the proposed zones take into account factors which the Commission has heretofore indicated should be considered in arriving at an appropriate rate structure for the transportation of rock products.³ The factors to which the witness thus referred are as follows:

- a. The size of the zones in relation to the costs of service;
- b. Topographical features;

² When ultimately established and made effective, the proposed production areas, delivery zones and zone rates will supersede those which now apply within San Diego County.

³ Decision No. 61893, dated April 25, 1961, re zones for zone rates, transportation of rock products within that portion of southern California comprised of Orange County and portions of Los Angeles, Riverside, San Bernardino, Santa Barbara and Ventura Counties.

- c. Transportation conditions within the area to be zoned;
- d. Shippers' marketing needs;
- e. Probable future developments within the area.

The witnesses also said that representatives of the California Dump Truck Owners Association, of the California Trucking Association and of the Commission's Transportation Division had been consulted in the development of the proposals, and that the proposals here under consideration reflect various suggestions of said parties.

No one opposed the adoption of petitioner's proposed system of production areas and delivery zones.

Upon consideration of the record the Commission finds and concludes that the proposed system of production areas, delivery zones and numbering system for the delivery zones, are, and will be, reasonable as a basis for the development and establishment of zone rates (or revised zone rates) for the transportation of rock products and allied materials in further phases of this proceeding, Case No. 5437.

In view of the fact that the San Diego County Rock Producers Association has here presented a system of production areas and delivery zones which we find to be reasonable, it is not necessary for the Commission's Transportation Division staff to develop separate production area and delivery zone recommendations for the same general area. The staff and the parties hereto should review the proposed production area and delivery zone descriptions and inform the Commission and the other parties of any corrections which should be made in the descriptions to eliminate errors and/or uncertainties.

O R D E R

IT IS ORDERED that the system of production areas and delivery zones (also, the numbering of the delivery zones) which the San Diego County Rock Producers has proposed in connection with its Petition No. 121 in Case No. 5437, and which is set forth or otherwise referred to or identified in Exhibits Nos. 121-7, 121-11, 121-12, 121-15 and 121-16 in this matter, is hereby adopted as a reasonable basis for the development and establishment of zone rates (or revised zone rates) in further phases of Petition No. 121, in Case No. 5437, for the transportation of rock products within San Diego County by for-hire highway carriers operating dump truck equipment as defined in the Commission's Minimum Rate Tariffs Nos. 7 and 17.

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

Dated at San Francisco, California, this 11th day of APRIL, 1967.

Robert E. Marshall
President
William M. Bennett
August
William Lyman
Jud P. Monsey
Commissioners