

ORIGINAL

Decision No. 72786

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA COMMODITY TRANSPORT, INC.,
a California corporation, for authority
to charge less than minimum rates
pursuant to Section 3666 of the Public
Utilities Code

Application No. 49344
(Filed May 2, 1967)

Carl H. Fritze, for applicant.
Terry J. Baker, for James E.
Baker, Inc., interested party.
H. F. Kollmyer, A. D. Poe and
J. C. Kaspar, for California
Trucking Association, inter-
ested party.
George L. Hunt, of the Commis-
sion's staff.

O P I N I O N

This is an application for authority to transport certain ingredients of animal and poultry feeds at rates which are less than those that apply as minimum for the transportation involved. The feed ingredients are mainly a mixture of raw sugar and hominy. At present the transportation of said ingredients is subject to rates which are set forth in Minimum Rate Tariff No. 2. The sought rates are those which apply under the provisions of Minimum Rate Tariff No. 14 to the transportation of various animal and poultry feeds in quantities of 48,000 pounds or more. Said rates are about 30 to 50 percent less than the applicable rates in Minimum Rate Tariff No. 2.

Public hearing on the application was held before Examiner Abernathy at Los Angeles on June 7, 1967. Evidence was submitted by applicant's vice-president and by the vice-president of James E. Baker, Inc., the shipper of the feed ingredients. The application was supported by the California Trucking Association. There was no opposition thereto.

The record shows that:

1. Applicant is a for-hire highway carrier of property, operating under permits of a radial highway common carrier, a highway contract carrier and a city carrier. It is engaged mainly in the transportation of dry, flowable materials in bulk.
2. James E. Baker, Inc., is a dealer in animal and poultry feeds. It plans to commence the mixing and shipment of sugar and hominy for feed purposes in the near future.¹
3. The usage of sugar and hominy, in mixtures, for animal and poultry feeds is a new usage of said materials.
4. Estimated production is about 4,500 tons a month initially.
5. The feed will be produced at, and shipped from, Long Beach and Oakland.
6. Principal users of the feed will be mainly livestock feed lots and poultry feed mills in the Petaluma and Sacramento areas, in the San Joaquin and Imperial Valleys and in the Chino and San Diego areas.
7. The value and density of the feed is about \$60 a ton and about 55 to 60 pounds per cubic foot.

¹ The sugar which is referred to throughout herein is raw sugar which is unfit for human consumption.

8. Values and densities of various other animal and poultry feeds and/or feed ingredients which are subject to the rates in Minimum Rate Tariff No. 14-A are as follows:

<u>Commodity</u>	<u>Price per Ton</u>	<u>Pounds per Cubic Foot</u>
Barley	\$ 60	44 to 48
Wheat	70	52 to 56
Beet Pulp	60	14 to 20
Alfalfa Pellets	50	35
Alfalfa Cubes	42	25
Urea, Feed Grade	90-110	55
Fish Meal or Meat Meal	126-180	60
Brewers' Grain	100	17

9. In transporting the feed applicant proposes to operate on a 24-hour-day, 7-days-a-week basis.
10. Applicant will be able to regulate the dispatching of shipments in such manner as to obtain maximum flexibility of operations and usage of equipment.
11. The handling characteristics of the feed and the types of facilities used at loading and unloading points will permit expeditious loading and unloading of applicant's equipment.
12. The points of destination of the shipments are located along or near freeways and/or highway arterials. As a consequence applicant will achieve relatively expeditious transit times in the transportation of said shipments.
13. Applicant possesses equipment of the type and capability necessary for the transportation services involved.
14. A minimum weight of 50,000 pounds per unit of equipment used will apply in connection with the proposed rates instead of the minimum weight of 48,000 pounds per unit (96,000 pounds, two or more units) specified in Minimum Rate Tariff No. 14-A.
15. Applicant's estimates show that it will realize adequate earnings from its services under the proposed rates.

16. James E. Baker, Inc., is of the opinion it will not be able to market successfully the feed in question in competition with other animal and poultry feeds under the rates which apply at present for the transportation of said feed.
17. If the sought rates are not authorized, James E. Baker, Inc., will undertake to perform the transportation on its own behalf.

In the past, commodities which are used as animal or poultry feeds have been accorded the rates in Minimum Rate Tariff No. 14-A (or predecessor rates) (a) when it has been shown that the densities and values of said commodities are substantially similar to the densities and values of feeds for which the rates in Minimum Rate Tariff No. 14-A have been provided, and (b) when it has been shown that said commodities are sold in competition with said feeds. We find on this record that the mixture of feed ingredients which is the subject of this application is substantially the same, both as to density and value, as feeds or ingredients of feeds subject to the provisions of Minimum Rate Tariff No. 14-A, and that said mixture is sold in competition with said feeds or feed ingredients. We find that the rates which applicant proposes to assess are and will be reasonable for the transportation involved. We conclude that the application should be granted.

In accordance with Commission practice in matters of this kind, the authority will be scheduled to expire in one year, subject to sooner cancellation or modification or to extension by further order of the Commission.

ORDER

IT IS ORDERED that:

1. California Commodity Transport, Inc., is hereby authorized to transport ingredients of animal and poultry feeds (as more specifically described in Appendix A attached hereto and by this reference made a part hereof) for James E. Baker, Inc., at rates and subject to the rules and provisions set forth or specified in the attached Appendix A.

2. The authority herein granted shall expire one year after the effective date of this order unless sooner canceled or modified or extended by further order of the Commission.

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

Dated at San Francisco, California, this 25th day of JULY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

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

APPENDIX A

Application of Rates - Commodity

Rates apply for the transportation of animal or poultry feed ingredients (in bulk), consisting mainly of

Raw sugar, not prepared nor fit for human consumption, mixed with Hominy (See note).

Note: Not less than 50 percent of mixture shall consist of raw sugar.

Application of Rates - Territory

Rates apply from Long Beach and Oakland, California, as points of origin, to points and places not farther than 550 constructive miles from either point of origin.

Application of Rates - Minimum Weight

Rates are subject to a minimum weight of 50,000 pounds per unit of carrier's equipment.*

*Unit of carrier's equipment means any motor truck or other self-propelled highway vehicle, trailer, semi-trailer, or any combination of such highway vehicles, operated as a single unit.

Rates

The rates herein authorized are those set forth in the column headed "48,000 pounds" of Item No. 550, Minimum Rate Tariff No. 14-A.

Application of Rates to Split Pickup or Split Delivery Services

Split pickup or split delivery services will not be provided in conjunction with transportation performed under the rates herein authorized.

Charges for Delays to Equipment

One hour's free time shall be allowed for loading and two hours' free time shall be allowed for unloading. For time in excess of free time additional charges shall be assessed as provided in Item No. 130 of Minimum Rate Tariff No. 14-A. For the purposes of computing time under this rule, the free time for loading shall start at the commencement of loading and the free time for unloading shall start at the commencement of unloading.

Rules and Regulations

Except as otherwise provided herein, the transportation performed subject to the rates herein authorized shall be subject to the rules and regulations of general application which are set forth in Minimum Rate Tariff No. 14-A.

(End of Appendix)