

ORIGINAL

Decision No. 73327

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
A. W. HAYS TRUCKING, INC., a corpo-
ration, for authority to depart from
minimum rates in connection with
certain transportation to be per-
formed for PACIFIC INTERNATIONAL
RICE MILLS, INC.)

Application No. 49339
Filed May 2, 1967

In the Matter of the Application of
A. W. HAYS TRUCKING, INC., a corpo-
ration, for authority to depart
from minimum rates, rules and regu-
lations applicable in connection
with certain transportation to be
performed for PACIFIC INTERNATIONAL
RICE MILLS, INC.)

Application No. 49340
Filed May 2, 1967

Frank Loughran, for applicant.
Richard W. Smith, A. D. Poe and
H. F. Kollmyer, for California
Trucking Association, interested
party.
Joseph C. Matson and Jerome Parke,
for the Commission staff.

O P I N I O N

These applications were heard and submitted on a consoli-
dated record September 7, 1967, before Examiner Thompson, at San
Francisco. Copies of the application and notice of hearing were
served in accordance with the Commission's procedural rules. There
were no protests.

A. W. Hays Trucking, Inc., seeks authority to deviate
from the Commission's minimum rates for Pacific International Rice
Mills, Inc. (Pacific) in connection with (1) the transportation of
paddy rice, in bulk, subject to a minimum weight of 50,000 pounds,

from various Sacramento Valley points to Pacific's plant at Woodland and CBC Warehouse near Woodland; (2) the transportation of milled rice, in bulk or in packages loaded on pallets, subject to a minimum weight of 50,000 pounds, from Pacific's plant at Woodland to the Port of Sacramento; and (3) the return transportation of the empty pallets to the point of origin.

By Decision No. 72522, dated May 31, 1967, herein said authorities were granted pending public hearing. They are scheduled to expire December 1, 1967. At the hearing, applicant amended its Application No. 49339 by requesting that the rate on paddy rice in bulk from Colusa Glen Drier to Woodland be increased from 10.5 to 11.5 cents.

Applicant's vice president testified concerning the necessity to applicant of obtaining the authority. A certified public accountant, engaged by applicant, presented estimates of the costs of providing the various services involved.

Hays is now, and for a long period of time has been, engaged in business as a radial and contract carrier. Over the years in which it has been in business, Hays has specialized in the transportation of truckload agricultural traffic, including rice. It has moved rice cargoes for the shipper here concerned for many years prior to the year 1966 between the points involved in this application. In 1966 all of the traffic, except that which moved to the Port of Sacramento, was taken from it and given a rice grower. Applicant again enjoyed the traffic commencing about the first of the year 1967.

Each of the destination points is equipped with facilities which permit gravity unloading. Most of the origin points are equipped with facilities which permit gravity loading. The origin

points which are not equipped with facilities for gravity loading are equipped with machinery permitting sugar loading. The traffic frequently moves in multiple daily loads between the named origins and the named destinations, which permits equipment to move back and forth between origin and destination without return to the Hays terminal. Hays has realized for a period of time that these favorable characteristics permit this traffic to be handled at a cost less than that which would normally be attributed to movement of rice. The shipper has requested Hays to survey its costs and to predicate rates upon a reasonable relationship to the cost of moving the traffic. It has indicated that if rates reasonably related to costs are not made available to it, then the company will give serious consideration to moving its own rice on a proprietary basis. Hays is informed and believes that the shipper is financially in a position to acquire equipment of its own and to service this traffic and that because of the favorable traffic pattern it will do this unless rates appropriately related to cost are established for the service.

The certified public accountant testified regarding his estimates of the costs. The estimates reliably measure the cost to Hays of providing the services. In every instance the proposed rate for transportation exceeds the estimated cost; the ratios of the full costs to the revenue for each haul range from 63.3 to 93.9 per cent.

We find that the proposed rates are reasonable and conclude that the rates sought should be authorized for a period of one year.

ORDER

IT IS ORDERED that:

1. A. W. Hays Trucking, Inc., a corporation, is authorized to transport paddy rice in bulk, for Pacific International Rice Mills, Inc., from and to points set forth 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, and subject to the conditions specified, in said Appendix A.

2. A. W. Hays Trucking, Inc., a corporation, is authorized to transport for Pacific International Rice Mills, Inc., milled rice, in bulk and in packages, from Woodland to the Port of Sacramento and empty pallets from the Port of Sacramento to Woodland at rates less than the established minimum rates but not less than those set forth, and subject to the conditions specified in Appendix B, attached hereto and by this reference made a part hereof.

3. The authorities granted herein shall expire twelve months after the effective date of this order unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be December 1, 1967.

Dated at San Francisco, California, this 14th day of NOVEMBER, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
[Signature]
Commissioners

APPENDIX A

A. W. HAYS TRUCKING, INC.Schedule of Minimum Rates for
the Transportation of Paddy Rice for
Pacific International Rice Mills, Inc.

Rates in cents per 100 pounds

PART 1

Rates in this part are subject to a minimum weight of 50,000 pounds and apply only to the transportation of paddy rice, in bulk from the points named below to the plant of Pacific International Rice Mills, Inc., at Woodland:

<u>From</u>	<u>Rate</u>
Red Top Dryer, Biggs	14.0
Rice Growers Association of California, Merrett Station	5.5
Cadora Warehouse & Dryer, Cadora	14.0
CBC Warehouse	3.0
Woodland Warehouse, Woodland	4.0
Hi & Dry Warehouse, Sutter	13.5
Farmers Rice Co-op Warehouse & Dryer, Stegeman	14.0
Zumwalt Dryer & Warehouse, Colusa	12.5
Sacramento River Warehouse, Colusa	12.5
Sacramento River Warehouse Co., Grimes	10.5
Heidrick's Dryer	4.0
Beemans Rice Dryer	4.0
Darrell Day Warehouse 2	5.0
Arbuckle Warehouse and Rice Dryer	9.5
Fredrick Strain Dryer	9.0
Dettling Bros. Dryer & Warehouse	6.0
Tyndall Mound Warehouse & Dryer	7.0
Sutter Basin Growers Co-op Warehouse & Dryer	6.5
Collins & Story Warehouse & Dryer	7.0
Shannon Dryer	10.5
Pfister Rice Dryer	15.5
Colusa Glen Drier	11.5

PART 2

Rates in this part are subject to a minimum weight of 50,000 pounds and apply only to transportation of paddy rice, in bulk, from origins named below to destinations named below:

<u>Origin</u>	<u>Destination</u>	<u>Rate</u>
Plant of Pacific International Rice Mills, Inc., Woodland	CBC Warehouse, Inter- section Kentucky Road and Yolo County Road 101, near Woodland	3.0
Dettling Bros. Dryer & Warehouse, Intersection Yolo County Road 13 and State Sign Route 113, Yolo County	CBC Warehouse, Inter- section Kentucky Road and Yolo County Road 101, near Woodland	6.5

APPENDIX B

A. W. HAYS TRUCKING, INC.

Schedule of Minimum Rates for Transportation
of Milled Rice, in Bulk and in Bags and Packages,
for Pacific International Rice Mills, Inc.

Rates in cents per 100 pounds

- A. Rates in this section apply to transportation of milled rice, only in bulk.

<u>Origin</u>	<u>Destination</u>	<u>Rate</u> ¹
Plant of Pacific International Rice Mills, Inc., at Woodland	Port of Sacramento	7.0

- B. Rates in this section apply to the transportation of milled rice, only in bags and packages and loaded on pallets, and the rates include return to the plant of Pacific International Rice Mills, Inc., at Woodland, California, the empty pallets used to move outbound traffic.

<u>Origin</u>	<u>Destination</u>	<u>Rate</u> ^{1,2}
Plant of Pacific International Rice Mills, Inc., at Woodland	Port of Sacramento	11.5

- 1 Rates on movement of rice to Port of Sacramento are subject to a minimum weight of 50,000 pounds.
- 2 Inbound pallets transported under this rate must be the same pallets on which outbound traffic moved.