

ORIGINAL

Decision No. 73882

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.)

Application No. 49999
(Filed February 2, 1968)

OPINION AND ORDER

Flour Transport, Inc., a corporation, is a highway contract carrier and city carrier engaged in the transportation of flour, in bulk, between points in Los Angeles, Orange, Riverside and San Bernardino Counties. By Decision No. 72249 dated April 4, 1967, as amended by Decision No. 72343 dated April 25, 1967, in Application No. 49112, it was authorized to charge rates less than the minimum rates named in Minimum Rate Tariffs Nos. 2 and 5 for the transportation of various types of flour, in bulk, between points in the above counties for specified shippers. The current authority is scheduled to expire with April 18, 1968.

By this application, applicant seeks to modify and extend, for an additional one-year period, the authority currently in effect. The modifications proposed to be made in the existing authority involve: (1) an increase in the charge for rail car service from 2.5 to 3.5 cents per 100 pounds; (2) the assessment of an additional

charge of 2.5 cents per 100 pounds when rail cars are not entirely unloaded in one calendar day at team tracks in Los Angeles and Orange Counties; and (3) the application of an additional charge of 3 cents per 100 pounds for holiday deliveries.

Applicant states that the increase in the charge for rail car service is necessary to compensate it for the additional loading time and higher costs involved in this type of service. Applicant contends that the proposed charge for services performed when rail cars are not fully unloaded in one day is required to offset the additional expense incurred for set up and closing time for the second or third day to complete unloading and for sending trucks out to the team tracks on the second day. Applicant declares that the extra charge for holiday deliveries is needed to compensate it for the additional cost of premium pay for such days.

According to applicant, technological changes which have occurred since January of 1963 have made the transportation of bulk flour in the areas involved both practical and compensatory at the rates and charges proposed herein. Applicant utilizes a "drop loading" process whereby 40,000 pounds of flour are dropped into its specialized equipment from overhead gravity bins within a period of only 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 avers that the weight rates named in Minimum Rate Tariffs Nos. 2 and 5 and the hourly rates set forth in the latter tariff were not designed for the specialized transportation service involved and that the shippers desire and require rates in

cents per 100 pounds along with reasonably predictable accessorial charges which will permit them to make firm bids to bakeries 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 and that other shippers have indicated they would consider proprietary operations unless the rate relief sought herein 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 during the ensuing year.

The certificate of service shows that a copy of the verified application was mailed to California Trucking Association on February 1, 1968. The application was listed on the Commission's Daily Calendar of February 6, 1968. 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 Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Flour Transport, Inc., is hereby authorized to transport:

Grain or Rice Flour, in bulk,
Grain or Rice Flour, in bulk, including
chemical or other ingredients not to
exceed four percent, and
Semolina or Semolina and Grain Flour,
in bulk,

between points in Los Angeles, Orange, Riverside and San Bernardino Counties 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, and subject to the conditions specified, in said Appendix A.

2. The authority granted herein shall, on and after April 18, 1968, supersede the authority granted by Decision No. 72249, as amended by Decision No. 72343, and shall expire with April 18, 1969.

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

Dated at San Francisco, California, this 19th day of March, 1968.

John E. Mitchell
President

William L. Russell

Augustus

William S. Young, Jr.

Aud P. Moussey
Commissioners

APPENDIX A TO DECISION NO. 73882

APPLICATION OF RATES

By: Flour Transport, Inc.

For: Barbara Ann Baking Co.
 California Milling Corporation
 Capitol Milling Company
 Centennial Mills Incorporated
 Colorado Milling & Elevator Co.
 Fisher Flouring Mills Co.
 General Mills, Inc.
 Iglehart Operations
 The Ismert-Hincke Milling Co.
 Kansas Milling Company

Montana Flour Mills Company
 Nebraska Consolidated Mills
 The Peavey Company
 The Pillsbury Company
 Quaker Oats Company
 Russell Miller Milling Co.
 Salt Lake Flouring Mills
 Sheridan Flouring Mills
 Terminal Flour Mills

Commodity:

Grain or Rice Flour, in bulk. Grain or Rice Flour, in bulk, chemical or other ingredients not to exceed four percent. Semolina or Semolina and Grain Flour, in bulk.

Authorized Rates (in cents per hundred pounds):

- A. Rates lower than minimum rates otherwise prescribed but not less than the following rates applicable between points and places within the Los Angeles Drayage Area (as defined in Minimum Rate Tariff No. 5). Rates subject to Notes 1 through 10. Mileages to be computed in accordance with the Commission's Distance Table No. 6, supplements thereto or successive issues thereof.

<u>MILES</u>		<u>RATES</u>	
<u>Over</u>	<u>But Not Over</u>	<u>Minimum Weight 30,000 Pounds</u>	<u>Minimum Weight 40,000 Pounds</u>
0	3	10.5	8.5
3	5	11.0	9.0
5	10	11.5	9.5
10	15	12.0	10.0
15	20	12.5	10.5
20	25	13.0	11.0

- B. Rates lower than minimum rates otherwise prescribed but not less than the following rates applicable between points in Los Angeles, Orange, Riverside and San Bernardino Counties. Rates subject to Notes 1 through 9 and Note 11. Mileages to be computed in accordance with the Commission's Distance Table No. 6, supplements thereto or successive issues thereof.

<u>MILES</u>		<u>RATES</u>	
<u>Over</u>	<u>But Not Over</u>	<u>Minimum Weight 30,000 Pounds</u>	<u>Minimum Weight 40,000 Pounds</u>
0	3	10.5	8.5
3	5	11.0	9.0
5	10	11.5	9.5
10	15	12.0	10.0
15	20	12.5	10.5
20	25	13.0	11.0
25	30	13.5	11.5
30	35	14.0	12.0
35	40	15.0	13.0
40	45	16.0	14.0
45	50	17.0	15.0
50	60	19.0	17.0
60	70	20.0	18.0

- Note 1 - Loading Time: An additional charge of \$2.00 shall be assessed for each 15 minutes period or fraction thereof after the first 30 minutes of free time, except on rail car service. Free time is not to commence before scheduled arrival time at the loading hopper or actual arrival time, whichever is later.
- Note 2 - Rail Car Service: Add 3.5 cents per 100 pounds for rail car service. Add an additional .5 cents (total 4.0 cents) if Flour Transport, Inc. furnishes electrical power at designated team track. Add an additional \$35.00 per calendar day, per unit, for rail service from team tracks located in San Bernardino and Riverside Counties. At team tracks in Los Angeles and Orange Counties add an additional 2.5 cents per 100 pounds if rail car is not entirely unloaded in one calendar day.
- Note 3 - Weighing Service: Add \$15.00 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.
- Note 7 - Sunday and Holiday Delivery: Add 3.0 cents per 100 pounds when Sunday or Holiday delivery is specified. Holidays shall be determined by Local Teamsters Contract, Local 818.
- Note 8 - Special Setup: 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.
- Note 10 - In all other respects, the provisions of Minimum Rate Tariff No. 5 are applicable.
- Note 11 - In all other respects, the provisions of Minimum Rate Tariff No. 2 are applicable.

(End of Appendix A)