

**ORIGINAL**

Decision No. 74207

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )  
FLOUR TRANSPORT, INC., a California ) Application No. 50145  
corporation, for authority to devi- ) (Filed April 4, 1968)  
ate from minimum rates pursuant to ) (Amended April 30, 1968)  
Sections 3666 and 4015 of the Public )  
Utilities Code, for specified shipper.)

INTERIM OPINION AND ORDER

Flour Transport, Inc., a corporation (Flour), is a highway contract carrier and city carrier engaged principally in the transportation of flour, in bulk, between points in southern California. By this application, as amended, Flour seeks authority to charge rates less than the minimum rates set forth in Minimum Rate Tariffs Nos. 2 and 5 for the transportation of dry starch or dry starch substitutes in bulk for Corn Products Company between points and places in Los Angeles, Orange, Riverside and San Bernardino Counties.

Applicant states that it is currently authorized to assess rates that are less than the Commission's established minimum rates for the transportation of flour in bulk for specified shippers between points in the above counties and that the proposed rates are on the same level as the aforementioned less-than-minimum rates.<sup>1</sup>

Applicant alleges that the transportation and distribution of dry starch in bulk in California represent an entirely new concept on the part of the above shipper. Applicant declares that the dry

<sup>1</sup>

See Decision No. 73882 dated March 19, 1968, in Application No. 49999.

starch will be transported into California by rail car and that it will unload the rail cars and make deliveries direct to consignees in bulk. Applicant contends that this will mean that the consignee, not located on rail, will be able to receive the commodity in bulk and that lesser quantities can be delivered at one time as the contents of the rail car can be delivered to more than one consignee when the final distribution is performed by motor vehicle.

Applicant avers that the circumstances and conditions surrounding the transportation of dry starch in bulk will be substantially the same as those attending the transportation of flour in bulk and that bulk dry starch which is slightly heavier than flour, will allow slightly faster unloading due to the density factor. Applicant states that the existing equipment and facilities, which it utilizes in connection with the movement of flour in bulk, are suitable for the transportation of dry starch in bulk. Applicant asserts that it now has sufficient idle capacity in its equipment and facilities to transport a substantial quantity of dry starch in bulk and that use of such equipment and facilities in connection with the aforementioned transportation will contribute to more efficient operations and will allow fixed expenses to be spread over additional revenues.

According to applicant, its cost study for the transportation in question shows a projected operating ratio of 84.26 based on anticipated revenue under the proposed rates, 1968 direct labor costs and other costs experienced in 1967 in transporting flour in bulk under conditions similar to those involved herein.

Applicant requests that the sought relief be granted as soon as possible as the shipper contemplates making shipments from

rail cars in the near future and such relief is required to obtain and retain desirable traffic.

The certificate of service shows that a copy of the application was mailed to California Trucking Association on April 3, 1968. The application was listed on the Commission's Daily Calendar of April 8, 1968. California Trucking Association has informed the Commission by letter that it has no objection to granting the sought relief on an interim basis pending a full hearing.

Subject to further review upon consideration of additional evidence which may be adduced at a public hearing in this proceeding, it appears, and the Commission finds, that the rates sought herein are reasonable and consistent with the public interest to the extent hereinafter indicated. In view of applicant's urgent need for the relief sought herein, the Commission concludes that Flour should be granted interim authority for a period of six months, unless sooner changed, canceled or extended by order of the Commission. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

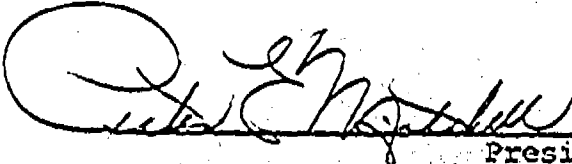
1. Flour Transport, Inc., is authorized to transport dry starch or dry starch substitutes in bulk for Corn Products Company between points in Los Angeles, Orange, Riverside and San Bernardino Counties at rates less than the established minimum rates but not less than those set forth, and subject to the conditions specified, in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire with December 13, 1968.

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

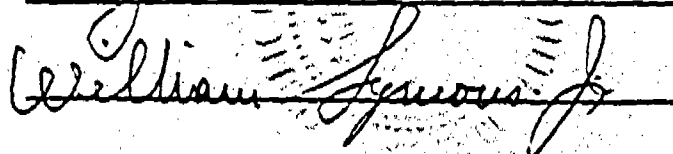
This order shall become effective on the date hereof.

Dated at San Francisco, California, this 5th day of June, 1968.

  
President

  
Commissioner

  
Commissioner

  
Commissioner

Commissioners

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

By: Flour Transport, Inc.

For: Corn Products Company

Commodity:

Dry starch or starch substitutes, 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 9. Mileages to be computed in accordance with the Commission's Distance Table 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 8 and Note 10. Mileages to be computed in accordance with the Commission's Distance Table 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 4.0 cents per 100 pounds for rail car service, which shall include electrical power furnished by Flour Transport, Inc., for unloading rail cars at the designated team tracks. Add an additional 50.0 cents, per one-way mile, per unit of equipment, per calendar day, for rail cars unloaded from team tracks located in San Bernardino and Riverside Counties, California. Mileage shall be computed from the terminal of Flour Transport, Inc., located at 4325 Fruitland Avenue, Los Angeles, California, to the designated location of the rail car in Riverside or San Bernardino County. Add an additional 2.5 cents per 100 pounds if the rail car is not unloaded in one calendar day through no fault of Flour Transport, Inc., utilizing one unit of equipment.
- Note 3 - Weighing Service: Add \$5.00 per truckload 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 starch is delivered to consignee, refused, returned 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 delivery is specified on Sunday, New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving or Christmas Day.
- Note 8 - Special Setup: Add 3.0 cents per 100 pounds when delivery is made to a plant not equipped with 220 or 440 three-phase electrical power.
- Note 9 - In all other respects, the provisions of Minimum Rate Tariff No. 5 are applicable.
- Note 10- In all other respects, the provisions of Minimum Rate Tariff No. 2 are applicable.

(END OF APPENDIX A)