

Decision No. 74902**ORIGINAL**

## 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 devi-	)	Application No. 50145
ate from minimum rates pursuant to	)	(Filed April 4, 1968)
Sections 3666 and 4015 of the Public	)	(Amended April 30, 1968)
Utilities Code, for specified shipper.	)	

Russell & Schureman, by Carl H. Fritze, for  
applicant.  
W. T. Hill, for Corn Products Company; and  
W. A. Dillon, J. C. Kaspar, and Arlo D. Poe,  
for California Trucking Association, interested  
parties.  
Frank O. Haymond, Jr., and George L. Hunt, for the  
Commission staff.

O P I N I O N

Public hearing was held and the application was submitted before Examiner Mallory at Los Angeles on September 27, 1968. There are no protests.

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.<sup>1/</sup> At the hearing, applicant was granted leave to amend

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<sup>1/</sup> By interim opinion and order in Decision No. 74207, dated June 5, 1968, herein applicant was authorized to charge the rates proposed in the application, pending public hearing.

the authority requested to include Santa Barbara, Ventura, San Luis Obispo and Kern Counties.

Applicant's president testified as follows: Applicant intends to perform the transportation involved in this application at rates substantially the same as the rates authorized to be assessed by it for the transportation of flour in bulk, as set forth in Decision No. 73882, dated March 19, 1968 in Application No. 49999. The transportation characteristics of starch are very similar to flour; because of its slightly greater weight and flowability, starch is easier to handle in pneumatic trailer equipment than flour. Applicant intends to use the same units of pneumatic equipment for transportation of starch as is now used for flour. Applicant has the experience necessary to provide the specialized transportation service to be performed for Corn Products Company, and has the necessary equipment and personnel.

The witness presented estimates of the cost of providing the transportation service. These estimates show that the proposed rates exceed the estimated costs and provide an adequate margin of profit.

The witness testified that Flour has received interstate operative rights to perform the type of transportation involved herein within the territory for which it seeks rate relief in the application herein. Flour's rates filed with the Interstate Commerce Commission are identical to the rates sought in the application. As the transportation involves the unloading and delivery of merchandise from rail freight cars shipped from points outside of this State, applicant believes the service it performs to be interstate commerce.

The authority was requested to avoid the possibility of undercharges should it later be determined that some portion of the aforementioned transportation service was intrastate in nature, and because there is a possibility that the starch could, at some time in the future, be moved to a storage location rather than directly to the ultimate consignee.

The Western States Traffic Manager of the shipper for whom the transportation service will be performed also testified in support of the application. His testimony indicates that the initial movement under the sought authority will be sorghum starch shipped in airslide rail cars from Corpus Christi, Texas, to team tracks located in one or more of the counties named in the application. The rail car capacity is 160,000 pounds, which constitutes four truckloads. The rail cars will be billed to Corn Products, and will be unloaded and delivered by applicant. Deliveries from said cars will be made to two or more consignees. As the rail cars will be spotted at team tracks as close as possible to the ultimate destinations, the over-the-road haul generally will be less than 20 miles. This type of service requires installation of bulk receiving facilities by the users of the starch. Such facilities are now being built. No carrier, other than applicant, operating in Southern California holds itself out to perform the transportation services desired by Corn Products. An estimated 10 million pounds yearly will be handled by applicant under the sought rates.

Based on the record herein, we find:

1. Applicant has been authorized to transport flour at less than minimum rates (Decision No. 73882, *supra*).

2. The transportation characteristics of starch in bulk are substantially similar to flour in bulk.

3. The rail car unloading and distribution services to be accorded under the application herein are substantially the same as accorded to the transportation of flour under rates authorized in Decision No. 73882.

4. The cost study relating to the transportation of flour in bulk unloaded and delivered from rail cars reasonably represents the costs of handling starch under the conditions specified in the application herein.

5. The rates proposed in the application exceed said costs of providing service and provide a margin of profit to the carrier.

6. The proposed rates are reasonable and justified.

The Commission concludes that the application should be granted. As conditions may change, the relief will be made to expire at the end of one year.

#### O R D E R

##### 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, San Bernardino, Santa Barbara, Ventura, San Luis Obispo and Kern 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 1, 1969.

3. This authority granted in ordering paragraph 1 shall, after the effective date of this order, supersede the authority granted by Decision No. 74207 in this proceeding.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of NOVEMBER, 1968.

William J. ...  
President

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Commissioners

A. 50145 LM/NB

APPENDIX A

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, San Bernardino, Santa Barbara, Ventura, San Luis Obispo and Kern 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

## APPENDIX A

- 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, Riverside Santa Barbara, Ventura, San Luis Obispo and Kern 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)