

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application No. 51088  
(Filed May 20, 1969)

American Transfer Co., a corporation, is engaged in the transportation of glass, flat, not bent, as described in Item No. 86730 of National Motor Freight Classification No. A-10, among other things, as a highway permit carrier. It seeks authority to transport said commodity for PPG Industries, Inc., from said shipper's plant in Fresno to various destinations in Los Angeles Metropolitan Zones 201 through 262 inclusive, as described in Distance Table No. 7, at a rate less than the applicable minimum rates set forth in Minimum Rate Tariff No. 2. Applicant asserts that the need for the proposed relief is immediate. Pending public hearing and final determination of this matter, applicant requests the Commission to grant the sought authority on an interim ex parte basis.

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by rail facilities and others are not. Applicant proposes to apply said 38 cent rate to all shipments irrespective of whether the consignee is or is not served by rail facilities. The rates provided in MRT No. 2 for said transportation range from 50 cents to 64 cents per 100 pounds, minimum weight 40,000 pounds, depending on the particular metropolitan zone in which the consignee is located.

The application states as follows: The Fresno plant of PPG commenced production in December 1966 and was expanded in April 1967; in excess of 20 million dollars have been invested in the plant; shipments of flat glass to the Los Angeles area commenced in early 1967 and have steadily increased since; approximately 95 percent of the production of the Fresno plant is sold on the west coast with 65 percent of this amount going to the metropolitan zones to which the sought rate would apply; applicant has performed the transportation for PPG to the Los Angeles as well as other areas; transportation to the Los Angeles area has been at the applicable rates provided in MRT No. 2; PPG's Fresno plant is currently operating at approximately 60 percent of its capacity and is meeting neither profitability expectations nor sales projections; this unsatisfactory condition results from the keen competition from foreign imports of flat glass to the west coast, and particularly to the Los Angeles area; while by reason of its making faster deliveries and otherwise providing better service PPG can sell at a modest price differential, the competition from abroad has been so keen that it has had to reduce its prices far below levels previously anticipated; PPG absorbs the transportation cost to the Los Angeles area, and this is a substantial part of the total cost of the product delivered to the consignee; it is critical that PPG be afforded transportation

service at the lowest possible cost; PPG has filed a complaint with the United States Customs Bureau under the Anti-Dumping Act of 1921 regarding this unrestrained and uncontrolled competition; said complaint is pending.

Applicant contends that the number of return hauls it has been handling from the Los Angeles area has been increasing. It alleges that it is to its interest that the volume of glass shipped by PPG to the Los Angeles market be as great as possible. Applicant submits that with the return haul traffic it is now handling, the proposed rates will produce a satisfactory profit.

Attached to the application are financial statements prepared by a certified public accountant firm for applicant. A statement of applicant's total net income and expense for the year ending December 31, 1968, indicates a net income, after federal income tax, of \$117,473. A cost and revenue projection for a single truckload of flat glass to the aforementioned Los Angeles metropolitan zones at the proposed rate and a return haul of various commodities was also prepared by the accountant firm. Said cost and revenue estimates reveal that applicant would realize an average net profit of \$30.24 for the round trip.

The certificate of service shows that a copy of the application was served on the California Trucking Association on May 19, 1969. The application was also listed on the Commission's Daily Calendar. No objections have been received to the granting of the sought relief on an interim basis, pending public hearing for the receipt of further evidence.

After consideration, we find that:

1. Applicant's revenue and expense estimates indicate that the revenue it would receive for the transportation of flat glass for PPG

from Fresno to the Los Angeles market area at the sought rate plus the revenue it would receive from return haul traffic would not be less than the cost of performing the round trip service.

2. The volume of traffic and character of movement represent attractive tonnage for applicant.

3. In view of the alleged urgency for the sought relief, it should be granted for a temporary period of six months to allow applicant an opportunity to develop and present at a public hearing additional evidence, based on actual experience of performing the service, relative to the compensatory nature of the rate proposal.

We conclude that the sought relief should be granted for an interim period of six months, unless sooner canceled, changed or extended by order of the Commission.

IT IS ORDERED that:

1. American Transfer Co., a corporation, is authorized to transport glass, flat, not bent, as described in Item No. 86730 of National Motor Freight Classification No. A-10, for PPG Industries, Inc., from said shipper's plant in Fresno to said shipper's customers located in Los Angeles Metropolitan Zones 201 through 262 inclusive, as described in Distance Table No. 7, at a rate less than the minimum rates established in Minimum Rate Tariff No. 2, but in no event less than 38 cents per 100 pounds, minimum weight 50,000 pounds.

2. The interim authority granted herein shall expire six months after the effective date of this order, unless sooner canceled, modified or extended by order of the Commission.

3. A public hearing shall be scheduled in this proceeding at such time as applicant is prepared to proceed with the presentation of additional evidence and final disposition of the application.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 17th day of JUNE, 1969.

William J. Lyons, Jr.  
President

David J. Lyons

James P. Monahan

W. F. M. Jones

James P. M. Jones  
Commissioners