

Decision No. 77813

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for renewal of authority granted in Decision No. 76087 to deviate from the minimum rates by PROGRESSIVE TRANSPORTATION COMPANY, a corporation, to perform transportation in the movement of fabricated steel from the fabricating Division of Kaiser Steel Corporation, located at Etiwanda Junction, San Bernardino County, to the Atlantic-Richfield Plaza Project, Los Angeles, at rates less than the established minimum rates under Section 3666 of the Public Utilities Code.

Application No. 52148
(Filed August 21, 1970)

O P I N I O N

By Decision No. 76087, dated August 26, 1969, in Application No. 51117, applicant was granted authority to deviate from minimum rates for the transportation of fabricated steel from the fabricating plant of Kaiser Steel Corporation, located at Etiwanda Junction, San Bernardino County to the Atlantic-Richfield Plaza Project, located on Flower Street between 5th and 6th Streets, Los Angeles. Said authority is scheduled to expire November 30, 1970.

By this application, applicant requests that the authority granted by Decision No. 76087 be modified and extended until June 30, 1971.

The application states that due to unforeseen construction problems, including a strike situation of Operating Engineers at the beginning of the project, there was a delay in starting. As of August 17, 1970, the Ironworkers were on strike for an undetermined time which will further delay this project.

The application further states that the transportation revenue received from this job through July 31, 1970 was \$109,792.06. This revenue was produced from the transportation of 1,415 loads at an average weight per load of 42,737 pounds with an average revenue to date of \$77.59 per load. This is an average revenue of \$16.04 per load higher than that projected in the study which was presented at the hearing in connection with Application No. 51117.

Effective July 1, 1970, drivers' wages, fringe benefits and payroll taxes were increased 35 cents per hour. On October 1, 1970, there will be a further increase of 15 cents per hour.

To offset the increased drivers' cost, Kaiser Steel has agreed to a one cent per 100 pounds increase, retroactive to July 1, 1970. One cent per 100 pounds will provide an additional \$4 per load (based on a minimum of 40,000 pounds) for the duration of this move. Based on five hours round trip per load this increase of one cent per 100 pounds will offset the increased wages and fringe benefits.

Applicant's experience of handling in excess of 30,000 tons to date discloses the transportation involved has been profitable. With the additional one cent per 100 pounds of revenue and improved delivery conditions at the jobsite, applicant expects that the operation will continue to be profitable during the remainder of the project.

The certificate of service shows that a copy of the verified application was mailed to Kaiser Steel Corporation and California Trucking Association August 17, 1970. The application was listed on the Commission's Daily Calendar of August 24, 1970. No objection to the granting of the application has been received.

In the circumstances it appears, and the Commission finds, that applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Progressive Transportation Company is authorized to transport fabricated steel for Kaiser Steel Corporation from the latter's plant at Etiwanda Junction to the Atlantic-Richfield Plaza Project at Los Angeles at rates less than the minimum established for such transportation but not less than 16 cents per 100 pounds subject to a truckload minimum weight of 40,000 pounds and 15 cents per 100 pounds subject to a truckload minimum weight of 50,000 pounds.

2. The foregoing authority is subject to the conditions that free loading time and unloading time is restricted to one hour each and that in all other respects the applicable rates and rules provided in the applicable minimum rate tariff shall be observed.

3. The authority herein granted shall, on and after the effective date of this order, supersede the authority granted by Decision No. 76087 and shall expire on June 30, 1971, unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 14th day of OCTOBER, 1970.

J. B. Keenan
Chairman
William J. Sproul
James L. Stinson
Commissioners