

Decision No. 79414

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
BULK TRANSPORTATION, a corporation,)
to perform transportation services) Application No. 52962
for GLASS CONTAINER CORPORATION, in) (Filed October 29, 1971)
the movement of sand from Mission)
Viejo to Vernon, at less than)
minimum rates.)

INTERIM OPINION AND ORDER

Bulk Transportation, a corporation, operates as a highway permit carrier. By this application, it seeks authority to assess a rate less than the established minimum rate for the transportation of processed silica sand for Glass Container Corporation (Glass Container) from the Mission Viejo plant of Owens-Illinois Glass Company (Owens Illinois) near the City of San Juan Capistrano to the Glass Container plant in Vernon.

Applicant states that silica sand is used by Glass Container in the making of glass, that its consistency and density do not vary significantly and that it must be transported in clean dome covered vehicles to prevent contamination. Applicant alleges that, for many years, Glass Container's prime source for silica sand has been the Owens-Illinois production plant at Weisel (on Highway 71, south of Corona) but that this plant will be phased out due to pending exhaustion. Applicant avers that the bulk of shipments from the Weisel plant has moved via rail at a rate of 3½ cents per 100 pounds, or an equivalent rate of \$1.70 per ton. Applicant declares that the new Mission Viejo plant of Owens-Illinois has been constructed to replace the Wiesel plant and that Owens-Illinois is under contract to supply the required raw materials to Glass Container. According to applicant, the loading

facilities of the new plant consist of a 5,000-ton storage bin which feeds a 150-ton bunker located over a 100-foot truck scale permitting dump trucks to be loaded and weighed automatically in a minimum amount of time. Applicant points out that the loading facilities will be operated twenty-four hours per day seven days per week and that shipments will be transported by truck with anticipated operations commencing on or about December 1, 1971.

Applicant asserts that Glass Container has facilities for unloading trucks twenty-four hours per day seven days per week and has a storage capacity for silica sand of 900 tons. Applicant contends that the movement requires continuous 24-hour service within the limits of Glass Container's storage facilities, that unloading can normally be done in fifteen minutes, that the round trip running time would average 2 hours and 36 minutes and that maximum use of hauling equipment would result. Applicant states that, without the sought rate deviation, Glass Container must seriously consider the advisability of engaging in proprietary hauling.

Applicant declares that Glass Container estimates its minimum annual requirements for silica sand will be 85,000 tons, or 1,635 tons per week or approximately 234 tons per day. Applicant avers that the carrying capacity of its equipment is 27 tons and that it anticipates that the equivalent of nine loads per day on the average can be handled adequately with the two units of equipment it plans to assign solely to this transportation.

According to applicant, the sought rate of \$1.85 per ton is based upon the use of its own equipment, i.e., 2-axle tractors pulling gravity, bottom dump hopper type trailers with dome covers, operating on a basis of 4,860 hours per year per vehicle, averaging 13.5 hours per day for 360 days per year.

Data submitted by applicant indicate that the proposed rate will be compensatory for the transportation involved.

The verified application shows that copies thereof were mailed to interested parties on or about October 29, 1971. The application was listed on the Commission's Daily Calendar of November 2, 1971. By letter dated November 3, 1971, California Trucking Association has informed the Commission that it is opposed to ex parte consideration in this matter and requests that the application be set for public hearing.

The Transportation Division staff has reviewed the application and recommends that, in view of applicant's urgent need for the sought rate relief, it be granted by ex parte order on an interim basis pending decision on evidence to be adduced at a public hearing.

Subject to further review upon consideration of evidence which may be adduced at a public hearing, it appears, and the Commission finds, that the proposed rate is reasonable. In view of the existing conditions, the Commission concludes that applicant should be granted interim authority for a period of six months to the extent hereinafter indicated. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. Bulk Transportation, a corporation, is authorized to transport processed silica sand in dump truck equipment for Glass Container Corporation from the plant of Owens-Illinois Glass Company, located five miles east of Interstate Highway 5 on California State Highway 74 (Ortega Highway) near the City of San Juan Capistrano, to the Glass Container Corporation plant at Vernon, at a rate less than the Commission's established minimum rate but not less than \$1.35 per ton, minimum charge per shipment 26 tons at said rate.

2. The 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 for the receipt of evidence on this application and full disposition thereof.

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

Dated at San Francisco, California, this 23rd day of November, 1971.

Chairman
William J. Sykes, Jr.

James L. Stangen

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.