

ORIGINAL

Decision No. 79604

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CLIFFORD L. AKSLAND,)
 doing business as SUNRISE TRANSPOR-)
 TATION, for authority under the)
 provisions of Section 3666 of the)
 Public Utilities Code, to deviate)
 from the minimum rates in Minimum)
 Rate Tariff No. 2 applicable to the)
 transportation of COMMON LIME from)
 the Marine Dolomite plant of Merck)
 & Co., Inc. at Sonora, to its manu-)
 facturing plant at South San)
 Francisco.)

Application No. 52943
 (Filed October 22, 1971;
 Amended November 16, 1971
 and December 7, 1971)

E. H. Griffiths, for applicant.
A. D. Maruna, H. Kollmyer and A. D. Poe,
 Attorney at Law, for California Trucking
 Association, interested party.
Alan Silvius, for the Commission staff.

O P I N I O N

This matter was heard and submitted December 13, 1971, before Examiner Thompson at San Francisco. Notice of hearing was served in accordance with the Commission's procedural rules. There are no protests.

Applicant seeks authority to transport common lime, including magnesium lime, for Merck & Co., Inc. (Merck) from the latter's Marine Dolomite plant at Sonora to its manufacturing plant at South San Francisco at a rate of 24 cents per 100 pounds, minimum weight 52,000 pounds per shipment. The applicable minimum rate is 49 cents per 100 pounds, minimum weight 40,000 pounds.

Applicant is a highway contract carrier and a dump truck carrier of bulk commodities with headquarters in Manteca. During the recent railroad strike Merck engaged applicant to transport its

lime from the plant at Sonora to the South San Francisco plant. It informed applicant that it was desirous of continuing applicant's service but not at the rate of 49 cents. It can and will tender applicant some 15,000 tons per year which the applicant would be required to transport over a period of eleven months to meet the requirements of the plant at South San Francisco. The plant at Sonora is closed for one month each year for repairs and maintenance.

Applicant contemplates hauling two shipments per day, six days per week, during the eleven-month period. It made a cost study based upon the shipments transported during the strike projected to reflect 1972 expense levels. The shipments that it had transported averaged 52,193 pounds and the time required to make the round trip from its terminal averaged eight hours. The lime is loaded from bunkers by gravity at origin by the driver and requires less than 20 minutes, and is discharged from the hopper bottom trailers at destination by the driver opening the gates of the hopper over a conveyor pit which requires less than 30 minutes. Both plants are open 24 hours per day, seven days per week. The fully distributed cost at 1972 expense levels estimated by applicant is \$0.2147 per hundred pounds.

No one protested the granting of the authority sought. California Trucking Association asked that the authority be limited to one year, to which applicant assented.

We find that:

1. Applicant is unable to compete for the traffic at a rate of 49 cents per 100 pounds and said rate is unreasonably high for transportation by applicant of said traffic.

2. The proposed rate of 24 cents per 100 pounds, minimum weight 52,000 pounds, will be compensatory for applicant for shipments transported during 1972.

3. The proposed rate is, and for the year 1972 will be, reasonable for the transportation of common lime by applicant for Merck & Co., Inc. from the latter's Marine Dolomite plant at Sonora to its plant at South San Francisco.

We conclude that the application should be granted subject to the limitation that the authority expire December 31, 1972.

O R D E R

IT IS ORDERED that:

1. Clifford L. Aksland, doing business as Sunrise Transportation, is authorized to charge and assess less than the established minimum rate, but not less than the rate set forth in Appendix A attached hereto and made a part hereof, for the transportation of common lime for Merck & Co., Inc. from the latter's Marine Dolomite plant at Sonora to its manufacturing plant at South San Francisco.

2. The authority granted above shall expire December 31, 1972, unless canceled, modified or extended by order of the Commission.

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

Dated at San Francisco, California, this 18th
day of JANUARY, 1972.


Chairman



Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

CARRIER: Clifford L. Aksland, dba Sunrise Transportation

SHIPPER: Merck & Co., Inc.

ORIGIN: Marine Dolomite plant of Merck & Co. at Sonora.

DESTINATION: Manufacturing plant of Merck & Co., Inc. at 500
Grande Avenue, South San Francisco.

RATE: Except as provided in subparagraphs (a), (b) and (c) the rates, rules and accessorial charges set forth in Minimum Rate Tariff 2 shall apply.

- (a) 24 cents per 100 pounds, minimum weight 52,000 pounds per shipment transported in one unit of equipment consisting of a tractor and two hopper bottom trailers.
- (b) When the total time for loading, or unloading, exceeds 30 minutes the charges provided in Item 145 of Minimum Rate Tariff 2 shall apply.
- (c) Surcharges in Supplement 75 applicable to transportation in Central Coastal Territory and in Supplement 80 shall not apply.