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ORIGINAL

Decision No. 80045

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application under Section 3666 of)
the Public Utilities Code of West)
Transportation, Inc., a corporation,)
to perform transportation in the)
movement of fabricated structural)
steel columns and miscellaneous)
structural steel from the Fabrica-)
tion Plant of Kaiser Steel Corpora-)
tion, located at Etiwanda Junction,)
San Bernardino County, California,)
to the Security Pacific Building)
Project, Los Angeles, at rates less)
than the established minimum rate.)

Application No. 53190
(Filed March 6, 1972)

Silver, Rosen & Johnson, by Michael J. Stecher,
Attorney at Law, and Anthony J. Heywood, for
West Transportation, Inc., applicant.
Roy A. Bellesen, for Kaiser Steel Corporation;
and Arthur J. Maruna, H. F. Kollmyer and A. D.
Poe, Attorney at Law, for California Trucking
Association; interested parties.
John R. Glovka, for the Commission staff.

O P I N I O N

In this application West Transportation, Inc. (West) seeks authority to deviate from the rates in Minimum Rate Tariff 2 for the transportation of fabricated structural steel from the fabrication plant of Kaiser Steel Corporation at Etiwanda Junction to the construction site of the Security Pacific Bank Building at 333 South Hope Street, Los Angeles. The transportation will be performed for Kaiser Steel Corporation, which will use the steel to erect the framework of the building.

Public hearing was held and the matter submitted before Examiner Mallory at San Francisco on April 14, 1972. There were no protests.

The traffic manager of Kaiser Steel Corporation's metal products division testified with respect to the transportation services required in connection with the erection of the framework of the Security Pacific Bank Building. The witness stated that transportation of steel for the erection of the building will commence about July 15, 1972. The material will consist of approximately 11,800 tons of fabricated structural columns and 9,200 tons of fabricated structural beams, for a total weight of 21,000 tons. He estimated that 925 loads would be transported, and that approximately five loads per day would be required. Kaiser will load the steel at its yard with a moveable overhead crane and will unload at jobsite with a stiff-leg derrick. The witness estimated that loading and unloading times would not exceed one hour each. The trucks will be dispatched to meet arrival times specified by Kaiser, as the material must arrive at specified times to fit in the construction schedule.

West's traffic manager described the rate authority requested herein. Applicant seeks the authority to assess a rate of 20 cents per 100 pounds, subject to a minimum weight of 40,000 pounds per unit of equipment. Free time of one hour for loading and one hour for unloading will be allowed. Time for loading or unloading in excess of said free time periods will be subject to the charges set forth in MRT 2, as well as any other accessorial services performed by the carrier. The present minimum rate is 35 cents per 100 pounds (plus 5 percent surcharge), subject to a minimum weight of 45,000 pounds.

Applicant's traffic manager presented a cost study showing the estimated costs of transporting the steel required for the erection of the Security Pacific Bank Building under the service conditions described hereinabove. Cross-examination of the witness indicates that minor elements of costs were omitted from the study. However, adjustment for the cost differences indicates that the charges under the proposed rates will exceed the total estimated costs of providing the service.

The Commission finds as follows:

1. Kaiser Steel Corporation will provide the structural steel for, and will erect, the framework of the Security Pacific Bank Building to be located at 333 South Hope Street, Los Angeles.

2. Transportation of structural steel for said building will commence about July 15, 1972 and will conclude about nine months thereafter.

3. There are 21,000 tons of structural steel to be transported from the plant of Kaiser Steel at Etiwanda Junction to the aforementioned building site, consisting of approximately 925 truckloads.

4. Applicant seeks to perform said service at rates less than established minimum rates, but not less than the rates described in the preceding opinion.

5. Applicant has presented cost evidence which shows that the revenues under the sought rates will exceed the estimated costs of performing the transportation service in question.

6. The proposed rates are compensatory, and will be reasonable for the services to be performed by West for Kaiser, and are justified by transportation conditions.

The Commission concludes that the authority should be granted. The operating authority under which the transportation service will be performed is the certificate of public convenience and necessity granted to West in Decision No. 60454 in Application No. 41778. Therefore, West will be authorized to publish the sought rates in its common carrier tariff.

O R D E R

IT IS ORDERED that:

1. West Transportation, Inc., a highway common carrier, is authorized to establish the following rates and charges:

Structural steel columns and beams, from Etiwanda Junction to Metropolitan Zone 229, 20 cents per 100 pounds, minimum weight 40,000 pounds per unit of equipment, subject to the following conditions:

- (a) Free time for loading shall be one hour, and free time for unloading shall be one hour. Time in excess of such free time shall be charged for at hourly accessorial rates for unit of equipment and driver.
- (b) Minimum tonnage of 21,000 tons shall be transported within a period of one year from the date transportation services commence, and such service shall be for a single shipper from a single point origin to single point of destination.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

3. The authority granted herein shall expire one year after the effective date of this order.

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

Dated at San Francisco, California, this 9th
day of MAY, 1972.

[Signature]
Chairman
[Signature]
[Signature]
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Commissioners