

ORIGINAL

Decision No. 81225

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ROLAND F. MASON, INC., a California)
corporation, doing business as
VALLEY TRANSPORTATION CO., for
authority to deviate from minimum
rates pursuant to Section 3666 of
the Public Utilities Code, for
Southwestern Portland Cement
Company.

Application No. 53604
(Filed September 22, 1972)

Russell & Schureman, by Carl H. Fritze, Attorney at
Law, for Roland F. Mason, Inc., applicant.
J. C. Kaspar, A. D. Poe, Attorney at Law, and
Herbert W. Hughes, for California Trucking
Association; George B. Shannon, for Southwestern
Portland Cement Company; and William Mitze, for
Riverside Cement Company; interested parties.
B. I. Shoda, for the Commission staff.

O P I N I O N

Roland F. Mason, Inc., doing business as Valley Transportation Co. (applicant), operates as a certificated cement carrier and as a highway permit carrier. By Decision No. 80687 dated October 31, 1972 in Application No. 53604, applicant was granted ex parte authority, pending public hearing, to charge less than the minimum rates for the transportation of crude gypsum rock for Southwestern Portland Cement Company from Plaster City to Victorville. The interim authority is scheduled to expire April 30, 1973.

Public hearing was held before Examiner Gagnon at San Francisco on February 26, 1973. Applicant's president submitted operating cost and revenue data in support of the sought relief. The traffic manager for Southwestern Portland Cement Company also testified in support of the application.

Minimum Rate Tariff 7 names a distance rate of \$7.62 per ton (33.1 cents per 100 pounds), minimum weight 2 tons for shipments of crude gypsum rock in dump truck equipment. Items 49 and 49.1 of the tariff provide:

"1. When a carrier does not pick up an entire shipment in a single unit of carrier's equipment at one time, the following provisions shall apply in addition to other applicable rules...

(a) The entire shipment shall be available at the time of the first pickup.

(b) Except as provided in paragraph 2 of this item, at the time of or prior to first pickup, the carrier shall issue to the shipper a single multiple lot document for the entire shipment...

"2. . . .

"3. . . .

"4. The entire shipment shall be picked up by the carrier within:

(a) a period of two days computed from 12:01 a.m. of the date on which the initial pickup commences...when the highway carrier's trailer equipment is placed for loading by the consignor without the presence of carrier's personnel or... equipment.

(b) a 24-hour period computed from 12:01 a.m. of the date on which the initial pickup commences, when the shipment is loaded other than under the conditions specified in subparagraph (a) above."

In lieu of the aforementioned minimum rate provisions, applicant was authorized by Decision No. 20687 to assess a rate of 28.7 cents per 100 pounds, minimum weight 52,000 pounds, for the transportation of crude gypsum rock from Plaster City to Victorville. As justification for the sought extension of this authority applicant states:

1. Valley Transportation Co. has transported shipments of gypsum from Plaster City to Victorville at the rail rate of 28.7 cents per ton, minimum 30,000 pounds, set forth in Item 10260 of Pacific Southcoast Freight Bureau Tariff No. 273-F.^{1/} Applicant explains that two units of equipment are required to transport a single shipment of crude gypsum rock weighing 30,000 pounds. The transportation is subject to the multiple lot provisions set forth in Rule 4(b) of Tariff Item 49.1 which requires applicant to pick up the shipment lots of crude gypsum within a 24-hour period computed from 12:01 a.m. of the date on which the initial pickup commences. Prior to Decision No. 30124 dated May 31, 1972 in Case No. 5437, applicant was permitted to pick up the multiple lots of crude gypsum within a 2-day period.

2. Valley Transportation Co. operates two pneumatic units of equipment which were purchased for the movement of gypsum for Southwestern Portland Cement Company. The equipment is designed to permit the gypsum to be gravity loaded and unloaded. With only two units of equipment suitable for hauling gypsum as a backhaul in connection with a prior cement shipment, applicant is unable to transport the coordinated cement-gypsum multiple lot movements within the 24-hour period prescribed in Minimum Rate Tariff 7.

3. Applicant transports outbound shipments of bulk cement from the Victorville cement plant of Southwestern Portland Cement Company to El Centro, which is only some 18 miles from Plaster City, the origin point for the gypsum backhaul movement to Victorville.

^{1/} Item 70 of Minimum Rate Tariff 7 provides for the alternative application of rail rates in lieu of the otherwise governing minimum rates named in the tariff when rail rates produce lower aggregate charges for the same transportation.

The shipper can coordinate a backhaul movement of gypsum for every outbound load of bulk cement. On those days when only one load of cement is available, applicant is forced to either forego the return haul of gypsum or send an extra unit to Plaster City for the gypsum. Applicant states that bulk cement shipments move to El Centro on practically a daily basis.

4. The bulk cement is loaded at night at Victorville and sent on to El Centro. Following the unloading of the cement the carrier's equipment is diverted to Plaster City for a return movement of gypsum to Victorville. Depending upon available driver hours, the entire trip is handled by a single driver, or on relay via applicant's terminal. Upon unloading the gypsum, the carrier's equipment moves within the shipper's plant for a load of bulk cement.

5. Applicant states that no time is lost in the loading or unloading of the gypsum. Weighing is accomplished by means of a computerized conveyor belt. The gypsum can be loaded at any time from 7:00 a.m. Monday through 7:00 a.m. Saturday of each week. The cement plant at Victorville is open 24 hours per day, seven days a week, and gypsum can be unloaded and cement loaded into carrier's equipment at any time.

6. Gypsum is a heavy loading commodity and generally applicant receives about 55,000 pounds per unit of equipment for both gypsum and cement.

7. Southwestern Portland Cement Company advises that it is now paying a premium of 40 cents per ton to utilize truck service over the lowest possible rail rate subject to a minimum weight greater than 30,000 pounds. Applicant states shipper will not pay a greater premium to receive gypsum by truck.

The operating revenue and cost data submitted by applicant demonstrate that the transportation of gypsum for the account of Southwestern Portland Cement Company, under the circumstances described herein, results in a profitable operation either as an

independent movement or as a backhaul coordinated multiple lot shipment with a prior cement haul. Applicant has no objection to limiting the sought authority to return inbound shipments of gypsum from Plaster City to Victorville which have been preceded by an outbound shipment of bulk cement from the shipper's Victorville cement plant to destinations within a 30-mile radius of El Centro.

Applicant is authorized to assess rail rates under the alternative application of common carrier rate provisions of Minimum Rate Tariff 7 whenever such rail rates produce lower aggregate charges for the same transportation than those resulting under the specific rates named in the minimum rate tariff. The traffic manager for Southwestern Portland Cement Company stated that he has employed applicant for some 18 months and as of this date expects to utilize the carrier's services in the future. He also stated that if the existing rail rate assessed for the transportation involved is increased, shipper will make like adjustment in its compensation to applicant.

The Commission finds that applicant's sought continuation to deviate from the multiple lot provisions of Rule 4(b) in Item 49.1 of Minimum Rate Tariff 7 has been shown to be just and reasonable. The authority should be clarified and limited to inbound shipments of crude gypsum rock returning from an immediately prior outbound movement of bulk cement. The Commission concludes that the temporary authority granted by Decision No. 30637, as amended by the order herein, should be extended. Since transportation conditions may change, the extended authority should be made subject to an expiration date of approximately one year.

O R D E R

IT IS ORDERED that:

1. Roland F. Mason, Inc., a corporation, doing business as Valley Transportation Company, is authorized to transport gypsum rock,

crude, not further processed than broken or crushed, in bulk, in dump truck pneumatic equipment, from the plant of U. S. Gypsum Co. at Plaster City to the cement plant of Southwestern Portland Cement Company at Victorville, at the rate specified in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein is in lieu of the interim relief granted by Decision No. 80637 and shall expire May 6, 1974 unless sooner canceled, modified, or extended by order of the Commission.

The effective date of this order shall be April 30, 1973.

Dated at San Francisco, California, this 3rd day of APRIL, 1973.

Vernon L. Sturgeon
President
William J. ...
...
...
Commissioners

APPENDIX A

CARRIER: Roland F. Mason, Inc., doing business as Valley Transportation Company.

SHIPPER: Southwestern Portland Cement Company.

COMMODITY: Gypsum rock, crude, not further processed than broken or crushed, in bulk.

FROM: U. S. Gypsum plant, Plaster City, California.

TO: Southwestern Portland Cement Company plant, Victorville, California.

RATE: 23.7 cents per 100 pounds.

MINIMUM WEIGHT: 30,000 pounds per shipment but not less than 52,000 pounds per unit of pneumatic dump truck equipment employed.

- RESTRICTIONS: (1) Application of rate limited to inbound shipments of gypsum, as described herein, transported in pneumatic dump truck equipment returning from an outbound shipment of bulk cement from shipper's Victorville plant to destinations within a thirty mile radius of El Centro, California.
- (2) The entire shipment shall be picked up by the carrier within a period of 2 days computed from 12:01 a.m. of the date on which the initial pickup commences, excluding Saturdays, Sundays, and legal holidays.