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ORIGINAL

Decision No. 81391

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PAUL SIMON, doing business as SIMON
TRUCKING, for authority to deviate
from certain minimum rates pursuant
to Section 3666 of the California
Public Utilities Code for transpor-
tation performed for H. J. HEINZ CO.

Application No. 53919
(Filed March 23, 1973)

INTERIM OPINION AND ORDER

Paul Simon, doing business as Simon Trucking, operates pursuant to a radial highway common carrier permit. By this application, he seeks authority to assess rates 5 cents per 100 pounds less than the applicable minimum rates for the transportation of canned goods and/or foodstuffs, as described in Items 320, 320-1, and 345 of Minimum Rate Tariff 2 (MRT 2) for H. J. Heinz Co. (Heinz) subject to the conditions that the freight is palletized and loaded by forklift by the shipper and the transportation originates at the shipper's place of business at 1041 East 230th Street, Carson, California.¹

According to the application, four hours are required to load a 40,000-pound shipment of the commodities in issue; applicant's costs in connection therewith are \$25.29; this can be accomplished by the shipper with forklift equipment in one-half hour at a total cost to applicant of \$3.16; applicant's cost difference between the two methods of loading is \$22.13; the proposed allowance to Heinz for a shipment of this weight is \$20 which would result in a net savings to applicant of \$2.13 per load; applicant anticipates it will transport 9.9 million pounds per three-month period which would be 248 loads; based on a savings of \$2.13 per load applicant

¹ Canned goods are described in Items 320 and 320-1 of MRT 2. The application inadvertently refers to Item 320 only. It has been amended accordingly.

would save a total of \$528.24 each three months if the sought authority is granted; this would improve its net operating revenue. Rail alternative rates from other shipping points which are served by rail facilities and where competitors of Heinz are located are more favorable than the rates proposed herein, and applicant has the necessary experience and equipment for this operation.

The application was listed on the Commission's Daily Calendar. A copy has been served on the California Trucking Association which has requested that the matter be set for hearing. Identical authority, based on similar justification to that set forth in the application herein, was granted to Los Angeles Transport and Warehouse, Inc., on an interim ex parte basis by Decision No. 81278 dated April 17, 1973 in Application No. 53825. The decision provided that the authority would expire October 17, 1973 and that a public hearing would be scheduled for the receipt of evidence on the matter. Since applicant is requesting the same authority as Los Angeles Transport and Warehouse, Inc., it would be patently unfair not to grant him the same interim authority by ex parte order with the provision that the matter be set for hearing to determine whether any extension is justified. The Transportation Division staff has reviewed the application and in view of the urgency of this matter has recommended that it be handled in this manner.

Subject to further review upon consideration of the evidence which may be adduced at a public hearing, the Commission finds that the proposed rates are reasonable. The Commission concludes that applicant should be granted interim authority to expire with October 17, 1973 to the extent hereinafter indicated. A hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. Paul Simon, doing business as Simon Trucking, is hereby authorized to transport shipments of canned goods and/or foodstuffs, as described in Items 320, 320-1, and 345 of Minimum Rate Tariff 2,

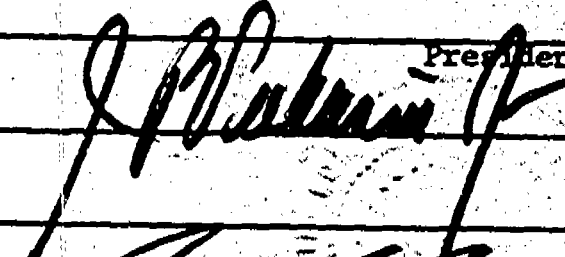
for H. J. Heinz Co. at rates 5 cents per 100 pounds less than the applicable minimum rates subject to the conditions that the freight shall be palletized and loaded by forklift by the shipper and the point of origin is the shipper's place of business at 1041 E. 230th Street, Carson, California.


2. The authority hereinabove granted shall expire with October 17, 1973 unless sooner canceled, modified, or extended by order of the Commission.

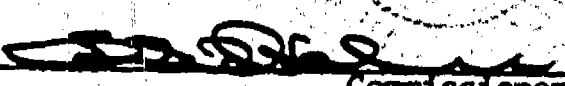
3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th day of MAY, 1973.



President




Commissioners

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

I abstain
Vernon L. Sturgeon Commissioner