

Decision No. 82426

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
into the rates, rules, regulations,
charges, allowances and practices
of all common carriers, highway
carriers and city carriers relating
to the transportation of any and
all commodities between and within
all points and places in the State
of California (including, but not
limited to, transportation for
which rates are provided in Minimum
Rate Tariff No. 2).

Case No. 5432
OSH 700
(Filed May 2, 1972)

(Appearances are shown in
Appendix A of Decision No. 80625)

Additional Appearances

David Christianson, Attorney at Law, for Bulk
Freightways; and Milton W. Flack, Attorney at
Law, for Tom Utsuki Trucking, Inc.; respondents.
Ronald C. Broberg, H. W. Hughes, and A. D. Poe,
Attorney at Law, for California Trucking
Association; and James S. Blaine, for Leslie
Salt Co.; interested parties.

FINAL OPINION

This proceeding was instituted for the receipt of evidence
with respect to a proposal of the Commission's Transportation Division
staff to amend Minimum Rate Tariff 2 (MRT 2) to establish therein
commodity rates on common salt (sodium chloride) from points in Los
Angeles County to destinations within 110 miles of the point of origin.

Hearings were held in May and June of 1972, and the matter was temporarily removed from the calendar so that the Commission could rule on motions which involved the final determination of the proceeding (Rule 56 of the Commission's Rules of Practice and Procedure). Decision No. 80625, issued October 17, 1972, denied the several motions to dismiss or to broaden the scope of OSH 700 and ordered that an adjourned hearing be held in that proceeding to complete the taking of evidence. Decision No. 81075 dated February 21, 1973 modified Decision No. 80625 by the addition of certain findings of fact and conclusions of law and denied the petition for rehearing filed by Frank A. Rieble, Jr. (Pacific Salt & Chemical Co.).

OSH 700 was set for further hearing on March 28, 1973 and was then temporarily removed from the calendar at the request of California Trucking Association (CTA). Parties to the proceeding were advised on August 17, 1973 that the matter again would be placed on calendar and were requested to advise the presiding examiner whether additional evidence or argument would be presented. Several parties replied that argument would be offered. The further hearing was held on November 13, 1973 in Los Angeles before Examiner Mallory, and the matter was submitted following receipt of oral argument.

The background of the proceeding and the evidence offered by the staff and other parties are set forth in Decision No. 80625 and need not be repeated herein. Subsequent to the issuance of Decisions Nos. 80625 and 81075, the Commission, on rehearing, established minimum hourly rates in Minimum Rate Tariff 15 (MRT 15) for pneumatic hopper equipment. (Decision No. 80844 dated December 19, 1972 in Case No. 7783.) No hourly (or other vehicle unit) rates have been established for the use of dump truck equipment consisting of a truck and transfer trailer.

As indicated in Decision No. 80625, Bulk Freightways (Bulk) operates pneumatic hopper equipment for the transportation of bulk salt for three shippers located in Los Angeles County, and Tom Utsuki Trucking, Inc. (Utsuki) operates dump truck and transfer-trailer equipment for transportation of bulk salt for the same shippers. Bulk operates under the hourly rates in MRT 15. Utsuki charges hourly rates under a rate deviation authority granted in Decision No. 79708 dated February 15, 1972 in Application No. 52634. These carriers are the only carriers known to be engaged in the handling of bulk salt from origins in Los Angeles County at this time.^{1/}

Bulk, Utsuki, CTA, and the Commission staff presented closing argument. Bulk stated that its transportation of bulk salt was performed under the vehicle unit rates in MRT 15; therefore, it had no need or desire for rates on a weight basis. Utsuki stated that its transportation of bulk salt was performed under a rate deviation order authorizing the use of hourly rates; hourly rates are satisfactory to it and to the three shippers involved; therefore, it had no need for or desire to use proposed rates on a weight basis.

CTA argued that the proposed rates are unnecessary because they will not be used to move any traffic and the establishment of a distance scale of rates may adversely affect the marketing of salt. The staff urged that the proposed rates be established as it is apparent that the existing minimum class rates are excessive and that lower commodity rates are required to provide equal opportunity for

^{1/} The less-than-minimum rate authority issued to West Coast Warehouse Co. by Decision No. 80406 in Application No. 53182 expired October 1, 1973.

all carriers to participate in the traffic under reasonable minimum rates. The staff also urged that there is nothing in the record to support the contention that the establishment of the proposed minimum commodity rates will be detrimental to the marketing of salt.

Findings

1. Substantial quantities of common salt (sodium chloride) in bulk are transported within the Los Angeles Metropolitan Area from three locations in Los Angeles and Long Beach.

2. MRT 2 provides class rates in cents per 100 pounds for all shipment weights, regardless of whether the salt is in granular, lump, cake, or block form, whether it is in bulk or in packages, or whether it is transported in flatbed, dump, or pneumatic equipment. The present class ratings are 50.1, less truckload (MRT 2, Item 380), and 35.3, truckload, minimum weight 45,000 pounds (Exception Ratings Tariff 1, Item 880).

3. Common salt has the characteristics of relatively low value in dollars per pound and relatively high density in pounds per cubic foot.

4. The class rates in MRT 2 are too high to move the traffic described in Finding 1. Such traffic has been moved for many years under hourly rates, which provided lower transportation charges. Prior to April 24, 1971 carriers utilized hourly rates in Section 5 of Minimum Rate Tariff 5, which applied throughout all of Los Angeles and Orange Counties. By Decisions Nos. 78264 and 78472 that tariff was canceled. By the same decisions certain new and different hourly rates were established in MRT 15 which did not apply to the types of equipment used by highway carriers for the movement of bulk salt (pneumatic hopper equipment and dump truck and transfer-trailer equipment). The principal carriers involved in the transportation of

bulk salt were authorized to deviate from minimum rates so that they could continue to assess hourly rates. Since that time minimum hourly rates have been established in MRT 15 for pneumatic hopper equipment; that tariff does not contain vehicle unit rates for dump truck and transfer-trailer equipment.

5. Appropriate minimum rates on a weight basis, which are designed to reflect the transportation characteristics of common salt in bulk, should be established in MRT 2.

6. The establishment of reasonable minimum commodity rates on bulk salt from points in Los Angeles County will permit all carriers to participate in that traffic to the extent that such carriers operate equipment satisfactory for the movement of common salt in bulk. (Majors Truck Lines (1970) 71 CPUC 447, 453.)

7. The rates in cents per 100 pounds proposed by the staff are designed to reflect the hourly rates and charges of the carriers engaged in the transportation as specifically covered in the Commission's decisions granting relief to the carriers. The proposed rates should produce essentially the same total revenues as the current hourly rates. The salt hauling operations of the carriers involved are profitable, as reflected in the several application proceedings authorizing rate deviations. Separate rate scales are applicable for dump trucks and for pneumatic trucks, subject to a minimum weight of 45,000 pounds. A minimum weight of 25,000 pounds will apply to the occasional smaller loads transported in dump trucks. For shipments below 25,000 pounds either class rates or the commodity rates subject to a minimum weight of 25,000 pounds will apply.

8. The proposed commodity rates are subject to all of the applicable rules of the tariff, including those applicable to delay time. The proposed rates will produce both increases and reductions with respect to the specifically authorized charges, depending upon the weight of individual shipments and the lengths of haul; however, the variations are not large.

9. With the establishment in MRT 2 of the proposed commodity rates on common salt in bulk, amendment of Minimum Rate Tariff 14-A is necessary to clarify the application of rates in that tariff for salt used for livestock feeding.

10. The rate proposals of the staff will result in just, reasonable, and nondiscriminatory minimum rates and provisions for the transportation of common salt in bulk from origins in Los Angeles County to points within 110 constructive miles thereof and those rates should be established in MRT 2. To the extent that increases may result from the establishment of said rates, the increases are justified.

11. Common carriers, to the extent that they are subject to MRT 2 and to the extent that they participate in the transportation of common salt in bulk in the geographical area involved herein, should be authorized and directed to establish the rates established in the order herein.

12. Common carriers should be granted relief from the long- and short-haul provisions of the Public Utilities Code to the extent necessary to establish the rates set forth in the order herein.

Conclusions

1. Minimum Rate Tariff 2 should be amended as provided in the order herein.

2. Minimum Rate Tariff 14-A should be amended by separate order to avoid duplication of tariff distribution.

FINAL ORDER

IT IS ORDERED that:

1. Minimum Rate Tariff 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein, to become effective March 8, 1974, Forty-fourth Revised Page 2, Fifty-first Revised Page 9, and Third Revised Page 51-HH, attached hereto and by this reference made a part hereof.

2. Common carriers subject to the Public Utilities Act, to the extent that they are subject to Decision No. 31606, as amended, are hereby directed to establish in their tariffs the increases necessary to conform with the further adjustments ordered herein.

3. Tariff publications required or authorized to be made by common carriers 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 the tenth day after the effective date of this order, on not less than ten days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than March 8, 1974; and as to tariff publications which are authorized but not required, the authority shall expire unless exercised within sixty days after the effective date of this order.

4. Common carriers, in establishing and maintaining the amendments authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations, such outstanding authorizations are hereby modified only to the extent necessary to comply with this order, and schedules containing the amendments published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

5. Radial highway common carriers and highway contract carriers heretofore authorized to transport property at lesser rates or charges, or under different conditions than those established as minimum by this order are authorized to continue such transportation under the conditions and for the duration of the periods of time specified in the orders granting such authorities.

6. In all other respects Decision No. 31606, as amended, shall remain in full force and effect.

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

Dated at San Diego, California, this 5th
day of FEBRUARY, 1974.

James L. Stevenson
President
William J. Sequious
William J. Sequious
William J. Sequious
William J. Sequious
Commissioners

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* Addition) ** Eliminated) Decision No. 82426	
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	
Correction	

INDEX OF COMMODITIES (Continued)

Only those articles which are named in commodity rate items or in Exceptions to the Governing Classification and Exception Ratings Tariff are shown in the following list.

COMMODITY	ITEM	COMMODITY	ITEM
Salad Dressing Preparations, dry	360	Solids, Milk, Cream, Butter- milk or Dry Milk (M)	335.7
Salads (M)	335.7	Solvent (M)	377.5, 723-726
Salads, Fish, Macaroni, Meat or Vegetable	320-1, 360	Solvent, Drain pipe	730-732
Salt, common	380, *728.5	Soups	320
Salt (M)	360	Sour, laundry	730-732
Sandwich Spreads	320-1, 335.7, 345	Soybean Milk Compound	320-1
Sauce, popper	320-1	Spaghetti and Cheese	345
Sauces, basic foods	320-1	Spaghetti, except canned	360
Sauces, table	320-1	Spaghetti (prepared)	320
Sausage	320-1	Spaghetti, dry, and other ingredients	345, 360
Sausage casings	320-1	Spices	360
Sawdust, Wood	370, 729	Spreads, sandwich	320-1, 345
Sawmill Refuse	729	Stain, wood (M)	377.5, 723-726
Seeds as described under that heading in the Governing Classification	383, 652-654	Starch	730-732
Shakes	690, 710	Steel, plate or sheet	365
Shavings, Wood	370, 729	Stout	310, 360
Sheets, sawdust or ground wood, compressed	685, 690, 691, 710	Sugar	390, 740, 745
Shells, cocoa bean	652-654	Sugar, beet or cane	390
Shells, Nut	652-654	Sugar, corn, sorghum grain or wheat	390
Shingles	685, 690, 691, 710	Supplies, Oil, Water or Gas Well	365
Shook, box or crate	690, 710	Syrup	318-1, 320-1
Shortening	335.5	Syrup, Malt	360
Slab, building or roofing	318	Syrups, flavoring or fruit	318.1, 335.7
Soap	730-732	Syrups, Fruit	360
Soap, liquid (M)	377.5, 723-726	Table Sauces	320-1
Soap, liquid	730-732	Tankage	759
Soap, powder	730-732	Tanks, steel	365
Sodium Hypochlorite Solution	730-732	Tapioca	360
Softeners, textile	730-732		

(M) Denotes articles on which application of rates is limited to mixed shipments.

ø Change)
* Addition) Decision No.

82426

EFFECTIVE

Correction

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

MINIMUM RATE TARIFF 2

 THIRD REVISED PAGE.....51-HH
 CANCELS
 SECOND REVISED PAGE....51-HH

SECTION 3--COMMODITY RATES (Continued) In Cents per 100 Pounds					ITEM
SALT (Sodium Chloride) in bulk (not in packages)					
FROM: Points in Central Los Angeles Metropolitan Zone Group (MZ 228, 229, 230, 234, 235, 236, 242 and 243), or Los Angeles-Long Beach Harbor Metropolitan Zone Group (MZ 247, 248, 249, 250, 251 and 252).					
TO: Points within 110 miles of point of origin.					
MILES		MINIMUM WEIGHT IN POUNDS			
Over	But Not Over	25,000 (1)	45,000 (1)	45,000 (2)	
0	3	11	7	15	
3	5	12	7½	15½	
5	10	13	8½	16	
10	15	15	9½	17	
15	20	16½	11	18	
20	25	18½	12½	19	
25	30	20½	14	20	
30	35	23	16	21	
35	40	25	17½	22½	
40	45	27½	19	24	
45	50	30	20½	25	
50	60	33	23	27	
60	70	38	26½	29½	
70	80	42	30	32	
80	90	47	33	34½	
90	100	52	36½	37	
100	110	56	39½	39½	
110	---	(3)	(3)	(3)	
(1) Rates apply except when unloading conditions require that transportation be performed in pneumatic truck equipment (equipment which discharges its load by air pressure).					
(2) Rates apply only when unloading conditions require that transportation be performed in pneumatic truck equipment (equipment which discharges its load by air pressure).					
(3) For distances over 110 miles class rates apply.					
* Addition) o Increase) Decision No. 82426 o Reduction)					
EFFECTIVE					
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.					
Correction					