

Decision No. 84194**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SHARP FARMS TRUCKING,)
 INC. for authority to depart from)
 minimum rates in connection with)
 certain transportation to be)
 performed for United Rice Growers)
 and Millers, in Maxwell, California.)

Application No. 55247
 (Filed October 15, 1974)

Graham & James, by David J. Marchant, Attorney
 at Law, for applicant.
Arthur D. Maruna and Herbert W. Hughes, for
 California Trucking Association, and
Robert K. Davidson, for Roy E. Lay Trucking,
 interested parties.
Russell D. Corning, for the Commission staff.

O P I N I O N

Sharp Farms Trucking, Inc. operates as a radial highway common carrier and a highway contract carrier. It here seeks authority under Section 3666 of the Public Utilities Code to deviate from the minimum rates in Minimum Rate Tariff 14-A (MRT 14-A) for the transportation of paddy rice in bulk between numerous driers in the Sacramento-San Joaquin Valley, on the one hand, and United Rice Growers and Millers (United) at Maxwell, on the other hand.

Public hearing was held before Examiner O'Leary at San Francisco on January 3, 1975 at which time the matter was submitted.

Evidence in support of the application was presented by applicant's president and comptroller. The rates proposed by applicant are set forth in Exhibit 2. Applicant also seeks a condition that should the rates in MRT 14-A be increased as a result of Petition for Modification No. 117, Case No. 7857, the corresponding rates set forth in Exhibit 2 be increased by the same amount. The proposed rates would expire June 30, 1975.

Applicant's president testified that loading is accomplished by gravity by placing the truck adjacent to a storage bin and having it loaded through a chute. Unloading is performed by dropping the loads into underground storage bins at United's facility at Maxwell. Time for loading ranges from 10 minutes to 1 hour. Unloading is accomplished in approximately 12 minutes. No delays are expected to be encountered since the loads will be on a scheduled basis. Applicant has 16 power units and 35 grain hopper trailers which can be utilized for the proposed transportation. Applicant employs 12 drivers. Applicant anticipates that the entire movement will be 100 to 250 million pounds. It is estimated that applicant can transport 30 loads per day utilizing its own equipment and personnel. Loads in excess of 30 per day would have to be transported by subhaulers.

Revenue and expense data were submitted by applicant as to operations with its own equipment (Exhibit 4) and as to operations conducted by subhaulers (Exhibit 6). Both exhibits disclose that operations would be compensatory; however, as to Exhibit 6 applicant assumes that in all instances expenses of subhaulers would be the same as applicant's with the exception of indirect expenses which applicant assumes are 5 to 6 percent less because of removal of the following costs: officer's and dispatcher's salaries, auto travel, entertainment, advertising, dues, subscriptions, communications, and rent. We are not convinced that subhauler's expenses would be the same as applicant's nor that even if they were the same the indirect expenses should be reduced as suggested by applicant.

The California Trucking Association contends that applicant has not shown that special circumstances exist in the transportation proposed by applicant which are not present in the ordinary transportation of this commodity and urges that the application be denied.

The Commission staff does not oppose a grant of the application but urges that if the relief sought is granted it not apply to any transportation performed by subhaulers.

Contrary to the contention of the California Trucking Association, applicant has shown that certain special circumstances exist in the proposed transportation, namely, a substantial movement, with minimal delays because of scheduling of loads, and expedited loading and unloading procedures.

With respect to the Commission staff's recommendation we are aware that on applicant's obtaining authority to deviate from the minimum rates it should perform the transportation in its own equipment wherever possible. Highway carriers generally utilize subhaulers when the volume of traffic tendered is not capable of being performed with their own equipment. Adoption of the staff recommendation would not guarantee the subhauler a fixed amount of compensation since there are no minimum rates established for subhauling this commodity. However, to insure that applicant will not utilize subhaulers except when absolutely necessary the authority granted herein will be so conditioned that subhaulers may only be utilized for loads in excess of 30 per day.

Decision No. 84054 dated February 4, 1975 increased the rates in Minimum Rate Tariff 14-A by 5 percent.

Findings

1. The circumstances that exist for applicant's transportation of the commodity involved in this proceeding which are not present in the ordinary transportation of this commodity are substantial movement, minimal delays because of scheduled movements, and expedited loading and unloading.

2. There is a cost saving directly attributable to applicant's transportation of the commodity involved.

3. The proposed rates, after adjustment to include the increase ordered by Decision No. 84054, are compensatory, reasonable, and justified.

4. Subhaulers are not to be utilized except for loads in excess of 30 in any particular day.

The Commission concludes that the application should be granted as set forth in the ensuing order. As conditions may change, the authority will be made to expire June 30, 1975 unless sooner canceled, modified, or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. Sharp Farms Trucking, Inc. is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 14-A to the extent set forth in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire June 30, 1975 unless sooner canceled, modified, or extended by order of the Commission.

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

Dated at San Francisco, California, this 18th day of MARCH, 1975.

Vernon L. Stenger
President
William J. Stenger
Stenger
Leonard Ross
Commissioners

APPENDIX A
Page 1 of 2Carrier: Sharp Farms Trucking, Inc.Commodity: Rough paddy rice in bulk.Between: United Rice Growers and Millers, Maxwell, on the one hand, and:

		<u>Rate in Cents Per 100 lbs.</u>
Bronner & Son	Biggs + 2	15
Bultoma Bros. Drier	Durham + 1	17
Butte Co. Rice Growers	Richvale	15
Butte Creek Rice Drier	Butte City + 6	14
Butte City Whse	Butte City	12
Calif. Dehydrating Co.	West Sacramento	18
Collins & Story	Robbins	16
County Line	Arbuckle-Hershey	12
Depue Whse	Azenedo	8
Depue Whse	Delevan	8
Depue Whse	Spooner	8
Depue Whse	Williams	8
Doty Brick	Biggs	15
Farmers Co-op Drier & Storage	Colusa	8
Farmers Co-op Drier & Storage	Stegman	9
Farmers Co-op Drier & Storage	West Sacramento	18
Fenn Drier & Storage	Chico	15
John Fenn Drier	Live Oak	17
Glenn Growers	Codora	12
Gridley Whse	Gridley	16
Charles Johnson Bins	Biggs	15
Heldrick Rice	Woodland	16
Hi & Dri Whse	Marysville + 5	16
Hi & Dri Whse	Marysville + 6	16
Hi & Dri Whse	Sutter	14
Hoffman Ranch	Marysville + 2	16
LaMalfa Bins	Richvale + 2	15
McKnight Ranch	Nelson + 3	16
Princeton Whse	Princeton	9
RGA	Biggs	15
RGA	Westside or Riz	9
RGA	West Sacramento	18
Red Top	Biggs	15
S & S	East Nicolaus	17

APPENDIX A
Page 2 of 2

		Rate in Cents Per 100 lbs.
Sacramento River Whse	East Side Colusa + 7	12
Sacramento River Whse	Colusa	9
Sacramento River Whse	Grimes	13
Sacramento River Whse	Miller Landing	14
Sohrakoff Drier	Wheatland	17
Starkey Bins	Nelson	16
Straine Whse	Arb.	9
Sunset Drier	Woodland	16
Van Dyke Drier	Pleasant Grove	19
Woodland Whse	Woodland	16
Tom Garden Bins	Princeton + 2	11
R. C. Garill Whse	Richvale	15
Kalsfbeck Drier	College City	12
La Grand Drier	Williams	8
Pete Nelson Drier	Willows	11
Ruff & Whipple Drier	Marysville + 3	16
Sanborn Drier	Meridian + 3	13
Sutter Basin Co-op	Knight's Landing	15
Terrel Farms Drier	Colusa + 12	12
Tyndal Whse	Tyndal	15
Wehah Drier	Richvale	15

Minimum Weight: 52,000 lbs.Conditions:

1. Loading to be performed by gravity through a chute.
2. Unloading to be performed by gravity into underground storage bins.
3. Subhaulers not to be utilized except for loads in excess of 30 in any particular day.