

ORIGINAL

Decision No. 84313

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 sand, rock,  
gravel and related items (commodi-  
ties for which rates are provided  
in Minimum Rate Tariff No. 17-A).

Case No. 5437  
Petition for Modification  
No. 266  
(Filed February 28, 1974)  
Petition for Modification  
No. 267  
(Filed March 1, 1974)

E. O. Blackman, for California Dump Truck Owners  
Association, petitioner.

G. Ralph Grago, by E.O. Blackman, for Associated  
Independent Owner-Operators, Inc.; Harry C.  
Phelan, Jr., for California Asphalt Pavement  
Association; C. Fred Imhof, for Industrial  
Asphalt; R. W. Smith and A. D. Poe, Attorneys  
at Law, and G. K. Trant, for California  
Trucking Association; interested parties in  
both petitions.

Karl K. Roos, Attorney at Law, for P. W. Gillibrand  
Company; and Don Muncy, for himself; protes-  
tants in Petition No. 266, interested parties  
in Petition No. 267.

Earl J. Davis, for Southern Pacific Milling Company;  
interested party in Petition No. 266, protestant  
in Petition No. 267.

Raymond Toohey and George Hunt, for the Commission  
staff.

O P I N I O N

By these petitions California Dump Truck Owners Association (CDTOA) seeks to change the basis of existing minimum rates and rules for transportation of asphaltic concrete by for-hire dump truck carriers now applicable from a production source in Los Angeles County and from two sources in Ventura County. It is the position of petitioner that the current minimum rates and rules unduly prefer shippers and carriers relative to transportation from the three sources at issue, and unreasonably discriminate against shippers and carriers involved with transportation from other asphaltic concrete sources in the two counties that are subject to different minimum rates and rules. The purpose of the proposals is to remove the alleged discrimination by placing the shippers and carriers involved with transportation of asphaltic concrete from the three sources on the same basis of minimum rates as are applicable generally from the other sources in the area.

Public hearing on these petitions was held on a consolidated record before Examiner Norman Haley on June 6, 1974. Evidence was presented by the general manager of CDTOA, and by the owner-operator of P. W. Gillibrand Company, a producer of asphaltic concrete, rock, and sand (Gillibrand). The matters were submitted on July 15, 1974 with the filing of concurrent briefs.

By Petition No. 266 CDTOA seeks establishment of rates and rules in Minimum Rate Tariff 17-A (MRT 17-A) for transportation of asphaltic concrete from Los Angeles County Production Area 19-KK, (Soledad Canyon), and from Ventura County Production Area 56-0 (near Santa Susana).<sup>1/</sup> Asphaltic concrete is produced at these two

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<sup>1/</sup> The production areas and delivery zones are described in Southern California Production Area and Delivery Zone Directory 1.

locations by Gillibrand. By Petition No. 267 CDTQA seeks establishment of the same kind of rates and rules from Ventura County Production Area 56-P (near Santa Susana). Asphaltic concrete is produced at that location by Southern Pacific Milling Co. (SP Milling).<sup>2/</sup>

At the present time the asphaltic concrete rates and rules that apply from the three production areas identified in the petitions are distance tonnage rates and hourly rates published in Minimum Rate Tariff 7-A (MRT 7-A).<sup>3/</sup> Under petitioner's proposals the asphaltic concrete rates and rules in MRT 17-A<sup>4/</sup> would be substituted for those in MRT 7-A. Currently MRT 17-A contains rates and rules for rock, sand, and gravel transported from the production areas involved to specific delivery zones in Los Angeles and Ventura counties. Petitioner requests that asphaltic concrete rates be established to the same delivery zones based on the existing asphaltic concrete formula applicable from other production areas.

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- 2/ According to the record SP Milling is owned by Sully Miller Contracting Company which, in turn, is owned by Union Oil Company.
- 3/ MRT 7-A provides that for transportation of asphaltic concrete distance tonnage rates in Section 2 will apply, unless an hourly rate agreement is executed as provided in Item 360. In the latter event hourly rates in Section 3 will apply.
- 4/ Item 65 of MRT 17-A provides that when asphaltic concrete is transported in dump trucks without trailing equipment (2- or 3-axle trucks) zone tonnage rates in Sections 11 through 15 will apply. Item 65 also provides that when transportation is performed in trucks with trailing equipment, or tractors with trailers (4- or 5-axle equipment), the hourly rates in MRT 7-A will apply. In other words, there are no zone tonnage rates in MRT 17-A for transportation of asphaltic concrete in 4- or 5-axle equipment.

Evidence of Petitioner

The witness for petitioner testified that the petitions were filed pursuant to a directive of the CDTOA board of directors; that CDTOA represents a substantial cross section of the for-hire dump truck industry; that the carrier industry believes all commercial producing plants of asphaltic concrete, rock, sand, and gravel in an area of competitive sales (general marketing area)<sup>5/</sup> should be on the same rate basis; that transportation of asphaltic concrete from production areas identified in the petitions moves largely in for-hire dump trucks to destinations which compete with the same commodities moving to the same areas from other points of origin for which rates and rules in MRT 17-A presently are applicable; and that for plants selling in a common marketing area to be on different rate bases is unfair and discriminatory between shippers and also between carriers who supply transportation service from the various plants.

It was the opinion of the witness that where alternative rates are available to shippers, adverse selection of rates<sup>6/</sup> against carriers is potential and, if utilized, could destroy averages upon which the rates are based. It was the testimony of the witness that because Gillibrand has a choice of two bases of rates and rules available under MRT 7-A for all types and sizes of trucks the

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<sup>5/</sup> The CDTOA witness was of the opinion that the general marketing area for asphaltic concrete covered by these petitions includes the counties of Los Angeles, (except Antelope Valley), Ventura, and Santa Barbara. He stated that he attended a meeting of 60 to 70 carriers who regularly haul in the Ventura County area, at which meeting they expressed their views concerning the matters involved in these petitions.

<sup>6/</sup> The witness was referring to the possible alternative selection or use of either distance tonnage or hourly rates, whichever produces the lowest total charge on a haul-by-haul or a job-by-job basis. Different hauls may reflect different transit times or other cost conditions for comparable distances which can make the features of one rate structure more desirable than another. A selection of rate structures according to the most desirable features of any one structure tends to break down the reasonableness of the rates in the situation in which they are being applied.

company enjoys a "favorable discrimination" over competitors in the general marketing area. Under the CDTOA proposal one basis of rates would be in effect under MRT 17-A from the three production areas, depending upon whether the shipper employed a 2- or 3-axle truck (zone rates only) or a 4- or 5-axle unit (hourly rates only).

Petitioner's witness stated that the dominant truck used to transport asphaltic concrete from Production Areas 56-0 and 56-P is the 5-axle unit. Under the proposal hourly rates would be required to be used by for-hire carriers.

On cross-examination petitioner's witness stated that although he believes that Gillibrand enjoys a favorable discrimination, having both distance and hourly rates available for all types and sizes of trucks, he could not state precisely who may suffer adverse discrimination. It was his opinion that a different method of computing rates necessarily results in unjust and unlawful discrimination. He referred to Decision No. 80964 involving two production areas located about a tenth of a mile apart, one being subject to rates and rules in MRT 7-A and the other being subject to rates and rules in MRT 17-A. In that decision the Commission found that circumstances warranted establishing MRT 17-A rates and rules from the production source formerly subject to MRT 7-A rates and rules.

The CDTOA witness stated that when Gillibrand enters into an agreement with carriers it gives them the option of selecting either hourly or distance rates and that carriers who selected hourly rates stated they found discrimination in utilizing those rates. He said carriers who elected to use distance tonnage rates were first used and that carriers who chose hourly rates were used only when Gillibrand ran out of carriers who had agreed to use distance tonnage rates. The witness agreed that Gillibrand requires a preselection of rates for a continuing period and that this is not on a day-by-day or haul-by-haul basis.

The CDTOA general manager stated that the plant of Gillibrand in 56-0 and the plant of SP Milling in 56-P are several miles apart and that these production sources compete in the general marketing area on the same basis of rates in MRT 7-A. He believes that those rates do not result in undue discrimination between those producers.

The witness stated that the nearest production area to 19-KK subject to asphaltic concrete rates and rules in MRT 17-A is 19-A in Sun Valley, which is located in the San Fernando Valley (Los Angeles County) 15 to 18 miles in an easterly direction.<sup>7/</sup> He said he did not make a study of asphaltic concrete plants in the Los Angeles-Ventura County area. He was of the opinion that following the filing of several previous petitions, which resulted in bringing certain unzoned asphaltic concrete plants under the provisions of MRT 17-A, there remain probably six to eight such plants in the southern California zone rate system which are not in production areas. Late-filed Exhibit 1 prepared by the CDTOA witness consisted of a list of asphaltic concrete producers in Los Angeles and Ventura counties subject to MRT 17-A. The exhibit discloses that there are eight different companies located in 16 production areas. The exhibit also shows that there are 12 other production areas listed in the tariff which are inactive. The witness stated that inactive production areas are being reviewed for the purpose of recommending elimination of them because no further need exists.

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<sup>7/</sup> The record does not show whether asphaltic concrete is transported from 19-A in 2- or 3-axle equipment at zone rates, or in 4- or 5-axle equipment at hourly rates, or in both categories of equipment at the applicable rates.

Evidence of Gillibrand

The owner-operator of Gillibrand testified that his company has been a producer of sand and gravel since 1957 and a producer of asphaltic concrete since 1970. These commodities are marketed from Production Areas 19-KK and 56-0. This company ships in excess of 98 percent of its asphaltic concrete in 5-axle trucks.

The shipper witness stated that there is a unique situation with respect to 56-0 in that it is not close to any other production area that has a substantial number of trucks. This creates a problem of bringing trucks in from either Ventura or Sun Valley, which points are a considerable distance from the plant. Where there is work near their home base the dump truck carriers prefer not to haul from Production Area 56-0. Under the circumstances Gillibrand pays a premium over the distance tonnage rates and also over the hourly rates in order to induce carriers to come and haul from that source. The witness stated that there are a number of regular carriers who take care of the normal loads on a day-to-day basis. Most of these carriers have elected to use distance tonnage rates. Some of the carriers that come from Ventura have elected to use hourly rates.

Gillibrand gives carriers the option of hauling either on distance tonnage rates or on hourly rates. Gillibrand prefers to use distance tonnage rates. There are no zone tonnage rates now available for 5-axle equipment in the area involved, either in MRT 7-A or MRT 17-A. By electing to use distance tonnage rates and paying premiums over them the company can arrive at a precise cost to deliver the product from the source of production to any given point of delivery. The ability to project the cost of transportation under distance tonnage rates is useful to the company both for bidding and budgeting purposes. The witness stated that an almost precise cost of transportation from the production area to point of destination can be ascertained under distance tonnage rates by calculating the miles between the points involved.

The shipper witness asserted that hourly rates are more expensive to supervise because more people must be employed in order to control the transportation. He said if a carrier is guaranteed an hourly rate, he will make as much money traveling 25 miles an hour as he will traveling 45 miles an hour. He contended that this lessens incentive to get in one extra load at the end of the day and encourages procrastination getting to the job. He gave examples of the relative efficiency of two carriers on the same job on the same day, one selected the distance rates and the other selected the hourly rates. In the same period of time the distance rated carrier made five round trips while the hourly rated carrier made four round trips. The distance rated carrier delivered five full loads and earned more revenue than the hourly rated carrier earned in delivering four full loads. Both carriers incurred delay time at the job site. The distance rated carrier obtained the signature of the job site construction contractor acknowledging the delay time, thus enabling Gillibrand to bill the contractor for the delay time. The hourly rated carrier, although instructed to obtain the contractor's signature for delay time, did not do so.

Gillibrand's witness stated that SP Milling has a fleet of truck and transfer trailer units of its own available for transportation of asphaltic concrete.<sup>8/</sup> He pointed out that this was in contrast to his company's operation which is 95 percent dependent upon for-hire carriers. Gillibrand owns four trucks and has had as many as 80 trucks a day working. The witness said that his company does not have a transportation department with people assigned duties to watch the carriers working by the hour. He also said that the company does not have enough units of its own to put in between owner-operator vehicles on particular runs for the purpose of pacing them when working on hourly rates.

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<sup>8/</sup> Section 3511(b) of the Public Utilities Code exempts persons or corporations hauling their own property from the definition of "highway carrier". Section 3549 exempts transportation within the scope and furtherance of a primary business other than transportation.

The witness stated that when carriers working for Gillibrand select distance rates they are permanently on distance rates and they do not change from distance to hourly rates from job to job. He said Gillibrand has never denied any carrier the opportunity to select different types of rates from job to job but that this has never been requested.

The shipper witness explained that the same trucks (5-axle units) are used to transport rock, sand, and asphaltic concrete. Under petitioner's proposals to have MRT 17-A rates and rules apply to asphaltic concrete, that commodity would be required to move at hourly rates and the rock and sand would be required to move at zone tonnage rates. He said this would create difficult accounting and control problems. In the alternative, the asphaltic concrete and the rock and sand operations would have to be separated which assertedly would be less efficient than the present arrangement.

The owner-operator of Gillibrand stated that his company competes with SP Milling in the Simi Valley (Ventura County) and at Chatsworth, Canoga Park, and Woodland Hills, which are located in the western San Fernando Valley. He stated that his company is not so competitive with SP Milling to points in the western part of Ventura County, which includes Thousand Oaks and Newbury Park. It was his opinion that the present MRT 7-A rates and rules from 56-0 and 56-P result in fair competition between Gillibrand and SP Milling.

From 19-KK Gillibrand also competes with Industrial Asphalt and Blacktop Materials located in 19-A. Competition with those producers is basically in the western San Fernando Valley. The witness said that the majority of the asphaltic concrete produced in 19-KK is sold in that area and in the Saugus-Newhall area

of Los Angeles County. This was particularly true in 1973. Currently, Gillibrand sells virtually no products in the eastern San Fernando Valley which is served by plants in 19-A. Shortly after asphaltic concrete manufacture was commenced in 1970, Gillibrand marketed that product southeasterly as far as the Los Angeles International Airport. The witness said there was a buyers' market at the time which made the longer hauls necessary. Such longer hauls are not now being performed.

The witness stated that instead of the present distance tonnage and hourly rates he would prefer to have a fixed zone tonnage rate in MRT 17-A for asphaltic concrete transported from Production Areas 19-KK and 56-0 based on the cost of the 5-axle unit.

#### SP Milling

The representative of SP Milling stated that his company had no objection to petitioner's proposals to establish the MRT 17-A rates and rules involved. However, should the Commission deny Petition No. 266, SP Milling requests that Petition No. 267 also be denied. The record indicates that SP Milling in 56-P operates a fleet of its own truck equipment which it uses to transport asphaltic concrete. Whether SP Milling uses for-hire carriers was not established.

#### Discussion

Gillibrand opposes Petition No. 266 because, if granted, hourly rates would become the only rates applicable to most of the asphaltic concrete transported from its two facilities in 19-KK and 56-0. Gillibrand and most of the carriers that haul for that company prefer distance tonnage rates over hourly rates; distance tonnage rates are now available; distance tonnage rates would not be

available under the CDTOA proposals; almost all of the asphaltic concrete from the Gillibrand plants is moved by for-hire carriers in 5-axle dump truck equipment; and there are no zone tonnage rates for 5-axle equipment available either in MRT 7-A or MRT 17-A from points in the area involved. Gillibrand does not contemplate purchasing equipment.

Gillibrand would prefer that zone tonnage rates be established for asphaltic concrete from the three production areas based on the operation of 5-axle equipment. This would require studies which more appropriately should be considered in a separate proceeding.

In Decision No. 80964, cited by petitioner's witness, MRT 17-A asphaltic concrete rates and rules were substituted for MRT 7-A rates and rules previously applicable from a source of asphaltic concrete in Los Angeles County in order that two sources would be on the same (MRT 17-A) basis of rates. In that decision we pointed out that transportation from either of the two competing plants involved was performed in virtually identical circumstances; the two plants were located only about a tenth of a mile apart; the plants competed substantially equally in the same marketing area; the plants shipped over the same routes; and virtually identical distances and vehicle transit times to common delivery points were experienced. At that time the MRT 17-A rates reflected substantially more current costs than did the comparable MRT 7-A rates. The MRT 7-A rates at the time produced charges to

common points, which were unduly preferential and prejudicial as to the shippers and carriers involved. (Decision No. 80964, page 7, mimeo). At pages 5 and 6 of the decision we stated:

"The fact that there are differences between the zone and distance rates for like transportation does not of itself establish that the differences are unduly discriminatory. Zone and distance rates by their structure give different effect to the cost and other factors that make up the rates, and are not the same for all lengths of haul. However, if the differences between the rates are to be nondiscriminatory, the rates in either case should reasonably reflect amongst other things, the costs of the transportation performed. In this instance it appears that they do not."

The facts surrounding the transportation involved in Decision No. 80964 differ substantially from those underlying these petitions. The rates in both tariffs have been substantially revised since Decision No. 80964 to reflect similar and more current conditions. (Decisions Nos. 82061 (1973), 83124 (1974), and 83377 (1974)). The record here does not show what the minimum rates or charges under the two tariffs are to common points from competing production sources, or what the rate differences may be. Production Areas 19-KK, 56-0, and 56-P are located in different directions a number of miles from other production areas subject to the different bases of rates and rules in MRT 17-A. The result is that most rates and charges to common points are different due to different routes, transit times, distances, and resulting costs.<sup>9/</sup>

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<sup>9/</sup> Even if only one basis of rates existed, as sought, rate equality to common delivery points could not be expected under the circumstances involved except where times and distances from different origins were approximately the same. Petitioner does not allege that there should not be different rates or charges to common delivery points. As explained above petitioner relies to a large degree for its proposals on the fact that some production sources are subject to one method of rate computation and other production sources are subject to another method.

Each petition involving issues of the nature presented herein must be considered on its own merits. As a general practice the matter of whether a production facility should remain outside of, or be brought under MRT 17-A rates and rules has been dealt with as a prerogative of the shipper involved (Decision No. 80964, page 4, mimeo). At pages 7 and 8 of the Decision we commented on the broad aspects of the asphaltic concrete rate situation in the Los Angeles basin area as follows:

"Moreover, we question whether all asphaltic concrete plants in the Los Angeles basin area should be required to be on a same rate basis -- preferably a zone basis. The zone and distance rates are designed to meet different needs. Providing both types of rates are reasonable and reasonably related, and do not result in undue preference or prejudice either to shippers or carriers operating thereunder, there does not appear to be any compelling reason for requiring all asphaltic concrete plants in the Los Angeles basin area to operate under a common basis of rates." (Footnote 3 omitted.)

It has long been held that to be unlawful, rate discrimination, preference, or prejudice must be undue, taking into consideration all of the surrounding facts and circumstances, and that a rate difference is not undue unless shown to be a source of advantage to the parties or traffic alleged to be favored and a detriment to other parties or traffic (Scott Lumber Co. v ATSF (1949) 48 CPUC 511; Reduced Rates on Cement (1951) 50 CPUC 622; Alcoholic Beverage Rates (1940) 43 CRC 25; Reduced Rates on Cement (1939) 42 CRC 92). The record in these petitions does not show that present asphaltic concrete rates and rules applicable from Production Areas 19-KK, 56-0, or 56-P unduly favor shippers or carriers involved with transportation from those areas, or unduly prejudice shippers or carriers involved with transportation from other production areas in Los Angeles and Ventura counties.

Findings

1. It is the position of CDTOA in these petitions that all commercial producing plants of asphaltic concrete in a general marketing area should be on the same basis of transportation rates, and that for plants in a competitive general marketing area to be on different rate bases is unfair and discriminatory between carriers and between shippers.

2. CDTOA considers the general marketing area for asphaltic concrete transported from Production Areas 19-KK, 56-0, and 56-P to be the counties of Los Angeles (except Antelope Valley), Ventura, and Santa Barbara.

3. Under MRT 7-A for-hire dump truck carriers and shippers have the option of using distance tonnage rates or hourly rates (the latter when subject to written agreement) for transportation of asphaltic concrete from Production Areas 19-KK, 56-0, and 56-P in all sizes and types of equipment.

4. The rates and rules in MRT 17-A now apply to asphaltic concrete producers and for-hire dump truck carriers for transportation of asphaltic concrete from certain production areas in Los Angeles and Ventura counties, other than 19-KK, 56-0, and 56-P, as shown in Exhibit 1.

5. By these petitions CDTOA seeks to change the basis of minimum dump truck rates and rules currently applicable to transportation of asphaltic concrete from Production Areas 19-KK, 56-0, and 56-P from those in MRT 7-A to those in MRT 17-A.

6. Under MRT 17-A for-hire dump truck carriers and shippers are subject to zone tonnage rates exclusively when asphaltic concrete is transported in 2- or 3-axle equipment, and to hourly rates exclusively when that commodity is transported in 4- or 5-axle equipment.

7. Zone tonnage rates have not been established in MRT 17-A for transportation of asphaltic concrete in 4- or 5-axle dump truck equipment.

8. Zone tonnage rates have not been established in MRT 7-A for transportation of asphaltic concrete in 4- or 5-axle dump truck equipment from points in the geographic area involved in these petitions.

9. Gillibrand ships most of its asphaltic concrete by for-hire carriers who utilize 5-axle dump truck equipment.

10. If the petitions were granted most of the carriers hauling asphaltic concrete for Gillibrand (those using 5-axle equipment) would be required to use hourly rates.

11. Most of the for-hire dump truck carriers who haul for Gillibrand prefer to use distance tonnage rates rather than hourly rates. A few carriers prefer hourly rates.

12. Gillibrand prefers to ship asphaltic concrete at distance tonnage rates rather than at hourly rates. Gillibrand has experienced certain difficulties and inefficiencies in connection with hauls made from Production Areas 19-KK and 56-0 at hourly rates.

13. When hauling asphaltic concrete for Gillibrand for-hire carriers are given the option of using distance tonnage or hourly rates, and once a carrier has made the selection, Gillibrand pays the carrier on the selected basis of rates for all loads.

14. The record does not show that Gillibrand or for-hire dump truck carriers hauling for that company practice adverse selection of distance tonnage and hourly rates on a job-by-job basis.

15. Gillibrand pays a premium over distance tonnage and hourly rates in MRT 7-A for transportation from Production Area 56-0 to attract carriers domiciled at relatively distant points.

16. Gillibrand finds it efficient to use the same for-hire carriers (and trucks) to haul rock and sand at zone tonnage rates as are used to haul asphaltic concrete at distance tonnage rates from the same points.

17. If Petition No. 266 were granted the current practice of Gillibrand to use 5-axle equipment to haul asphaltic concrete, and also to use the same vehicles to haul rock and sand in alternate loads, would cause difficult accounting and control problems in the application of both hourly rates for asphaltic concrete and zone tonnage rates for rock and sand during the same time period.

18. Production Area 56-0 (Gillibrand) is located approximately six or seven road miles from Production Area 56-P (SP Milling). These sources compete with each other on the same basis of rates (MRT 7-A).

19. The record shows that SP Milling in Production Area 56-P operates approximately 15 transfer truck and trailer units of its own. The record does not show whether for-hire carriers currently are utilized to haul asphaltic concrete from Production Area 56-P.

20. The record shows that Gillibrand in Production Area 19-KK competes in the western San Fernando Valley at rates and rules in MRT 7-A with producers located 15 to 18 miles to the east in Production Area 19-A (Sun Valley) who ship into the same area at rates and rules in MRT 17-A.

21. The record does not disclose the extent of rate or charge differences that exist for transportation of asphaltic concrete to common points served by carriers at rates and rules in MRT 7-A from Production Areas 19-KK, 56-0, and 56-P, on the one hand, and by carriers hauling from other production areas in Los Angeles and Ventura counties subject to MRT 17-A rates and rules, on the other hand.

22. The record does not show that any of the current rates in MRT 7-A or MRT 17-A for transportation of asphaltic concrete in Los Angeles and Ventura counties, are too high, too low, unreasonably discriminatory, or otherwise improper in relation to one another.

23. The record does not show that the current MRT 7-A asphaltic concrete rates and rules applicable from Production Areas 19-KK, 56-0, and 56-P make or grant any undue preference or advantage to any corporation or person or subject any corporation or person to any undue prejudice or disadvantage.

24. The record does not justify changing the rates and rules applicable to transportation of asphaltic concrete from Production Areas 19-KK, 56-0, and 56-P, as sought by petitioner.

The Commission concludes that Petitions for Modification Nos. 266 and 267 should be denied.

O R D E R

IT IS ORDERED that Petitions Nos. 266 and 267 in Case No. 5437 are denied.

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

Dated at San Francisco, California, this 8<sup>th</sup> day of APRIL, 1975.

Verma L. L. L.  
President  
William Lyons Jr.  
Leonard Nor

Commissioners

Commissioner ROBERT BATNOVICE

Present but not participating.