

ltc

ORIGINAL

Decision No. 84439

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
S.M.D.S., INC., doing business as
SANTA MONICA DELIVERY SERVICE, for
Authority to Deviate from Certain
Minimum Rates Pursuant to Section 3666
of the California Public Utilities
Code for Transportation performed for
General Tire & Rubber Co.

Application No. 54325
(Filed September 14, 1973)

John P. Crawford and John K. Grissom, for
applicant.
Lawrence A. Buchholz, for General Tire &
Rubber Co., and H. W. Hughes and J. C.
Kaspar, for California Trucking
Association, interested parties.
Frank M. Nyulassy, for the Commission staff.

O P I N I O N

By Decision No. 82147 dated November 20, 1973, applicant was granted interim authority to depart from the minimum rates in Minimum Rate Tariff 15 (MRT 15) by charging base yearly vehicle unit rates not less than 8.8 percent below the otherwise applicable rates named in the tariff for the transportation of tires, batteries, and accessories for General Tire & Rubber Company (General) in Los Angeles and Orange Counties. The authority was extended to May 20, 1975 by Decision No. 82877 dated May 15, 1974. At the request of the California Trucking Association, the matter was reopened for public hearing by Decision No. 83078 dated July 2, 1974. The latter decision provided that Decision No. 82877 shall remain in effect.

Public hearing in the reopened proceeding was held before Examiner Arthur M. Mooney in Los Angeles on December 12, 1974, on which date the matter was submitted.

Following is a summary of the evidence presented by applicant and General: Applicant has provided transportation services for General for a number of years. Since December 1, 1973, it has continuously leased equipment with drivers to General on a yearly basis pursuant to the deviation authority granted to it by Decisions Nos. 82147 and 82877. The current lease, dated December 1, 1974, is for two tractors and trailers and a van truck. This arrangement is under its highway contract carrier authority. The equipment is kept at General's premises and is operated eight hours a day five days a week with a small amount of overtime. The drivers report for work there and are under General's supervision. The operating conditions under which the equipment is utilized are favorable and differ from those generally experienced. If the deviation authority is not continued, General will discontinue the lease arrangement with applicant and use proprietary equipment. The loss of the General account would adversely affect applicant's financial position. For the first nine months of 1974, revenue from the General account under the deviation authority was \$61,542.00, the expenses in connection therewith totaled \$53,133.03, the resulting profit was \$8,408.97, and the operating ratio was 86.3 percent. This favorable experience under the deviation authority will continue.

Applicant pointed out that at times the leased equipment might go beyond Los Angeles and Orange Counties and requested that the extension of the present authority authorize service within a radius of 250 air miles of General's place of business which is presently located in the City of Industry.

No one opposed an extension of the deviation authority. We are of the opinion that a one-year extension with the revised service area requested by applicant should be granted.

Findings

1. Applicant has been leasing equipment to General under the rate deviation in issue since December 1, 1973.
2. Operations under the rate deviation have been compensatory and reasonably may be expected to be compensatory for the forthcoming year.
3. The rate deviation is reasonable for the transportation herein.
4. The conditions and circumstances surrounding the transportation herein differ from those contemplated by the minimum rates.

Conclusions

1. The rate deviation granted to applicant by Decisions Nos. 82147 and 82877 should be continued and amended as set forth in the ensuing order.
2. As conditions may change, the authority will be made to expire one year after the effective date of this order unless sooner canceled, modified, or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. S.M.D.S., Inc., doing business as Santa Monica Delivery Service, is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 15 by charging base yearly vehicle unit rates not less than 91.2 percent of the otherwise applicable rates when transporting tires, batteries, and accessories for General Tire & Rubber Company within a radius of 250 air miles of

A. 54325 ltc

the shipper's place of business which is presently located in the City of Industry.

2. The authority herein granted shall expire one year after the effective date of this order unless sooner canceled, modified, or extended by order of the Commission.

The effective date of this order shall be May 20, 1975.

Dated at San Francisco, California, this 13th
day of MAY, 1975.

Vernon L. Stinson
President
William Symons Jr.
[Signature]
[Signature]
Commissioners