

Decision No. 84774**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIASSA TRUCKING, INC.,)
 a corporation, pursuant to the provi-)
 sions of Section 3666 of the Public)
 Utilities Code, for an order autho-)
 rizing departure from the rates,)
 rules and regulations of Minimum Rate)
 Tariff No. 2, for the transportation)
 of rubber composition, tire tread,)
 carpets and carpeting for Burke)
 Industries, Inc.)

Application No. 55662
 (Filed May 1, 1975;
 amended June 9, 1975
 and June 30, 1975)

O P I N I O N

Alassa Trucking, Inc. holds a radial highway common carrier permit authorizing the transportation of general commodities between all points within California. It here seeks authority under Section 3666 of the Public Utilities Code to deviate from minimum rates in the transportation of tire tread, rubber composition, and carpets from San Jose, California, to City of Industry and Compton, California, for Burke Industries, Inc. (Burke).

The application states that: For the past 24 years applicant has transported nearly all of the freight shipped by Burke between its manufacturing plants in San Jose and points within the Los Angeles Basin Territory. Burke produces carpet as well as various rubber composition products such as cove, tile, molding, and tire tread at its San Jose plants, and, through the use of applicant's services, ships these products in truckload quantities to two locations in the Los Angeles area. Finished products such as the rubber products described above and dyed, rubberized carpet are transported to Burke's facility in City of Industry, and undyed, partially manufactured

carpet is transported to Western Dying Co. in Compton, where it is dyed. The rubber products are transported in mixed shipments with carpet.

In connection with each such southbound move, Burke tenders applicant a return northbound shipment to be transported at the prescribed minimum rates. These return loads consist partially of dyed carpet which applicant picks up at Western Dying Co. in Compton and transports to San Jose where Burke completes the manufacturing process by rubberizing the back of the carpet. Return freight also includes various raw materials such as carbon black, adhesives, and chemicals used by Burke in its San Jose manufacturing operations. Applicant picks up these materials from various suppliers located at points throughout the Los Angeles Basin Territory immediately after delivery of each southbound load. While the amount of return traffic varies from shipment to shipment, revenue from this return traffic averages \$318.00 per load.

Applicant alleges that until recently, the rubber products portion of each of the involved southbound shipments moved at the rail rate of 74 cents per cwt which rate was published in Pacific South Coast Tariff No. 300-A, Item 9123 applicable to 70,000 pound minimum shipments. However, on August 29, 1974, the Commission canceled this rail rate, and, as a consequence, applicant is now required to charge Burke the substantially higher rate of 124 cents per cwt found in Minimum Rate Tariff 2 for transportation of rubber products.

The majority of the subject southbound freight consists of rubber products, and Burke has informed applicant that due to the favorable cost related conditions described above, it considers existing rates to be unreasonable for application to southbound traffic. Burke has advised applicant that unless it can arrange to

perform this transportation at a rate consistent with the cost of performance and a reasonable return to applicant, Burke will procure trucking equipment of its own and will haul this traffic itself. Applicant has seen the cost figures relied upon by Burke in reaching its decision, and applicant believes that Burke will be able to acquire such equipment and to perform such service on a cost basis advantage to Burke.

Applicant proposes to assess a rate of 74 cents per hundred pounds on shipments destined to City of Industry and a rate of 82 cents per hundred pounds on shipments destined to Compton and split delivery shipments to both destinations. Both rates will be subject to a minimum weight of 35,000 pounds per unit of carrier's equipment. Applicant also requests that the proposed rates not be subject to the surcharge provisions on the split pickup and delivery provisions of Minimum Rate Tariff 2.

Revenue and expense data submitted by applicant (Exhibit 3 attached to the application) disclose that the transportation at the proposed rates will be compensatory, provided applicant transports a shipment northbound in conjunction with the southbound traffic.

A copy of the application and amendments thereto were mailed to the California Trucking Association. The application and amendments thereto were listed on the Commission's Daily Calendars of May 5, June 11, and July 1, 1975, respectively. No objection to the granting of the application has been received.

Findings

1. Applicant has been performing transportation for Burke Industries, Inc. for approximately twenty-four years.
2. Burke Industries, Inc. will provide applicant with a return northbound load for each southbound load transported at the proposed rates.
3. Charges for the northbound loads will be based on the applicable minimum rates.

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

5. The proposed rates are compensatory, reasonable, and justified.

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 at the end of one year unless sooner canceled, modified, or extended by order of the Commission

O R D E R

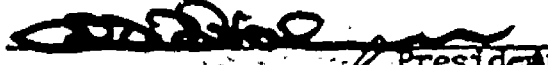


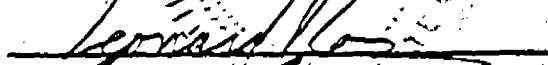

IT IS ORDERED that:

1. Alassa Trucking, Inc. is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging those rates set forth in Appendix A of this decision. This authority does not include any deviation from any rates, rules, or regulations except as specifically set forth in Appendix A.

2. The authority 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 twenty days after the date hereof.

Dated at San Francisco, California, this 12th
day of AUGUST, 1975.


President




Commissioners

APPENDIX A
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Carrier: Alassa Trucking, Inc.

Shipper: Burke Industries, Inc.

Commodities: Rubber composition, tile, cove, corners
molding, in boxes
Tire Tread, in boxes
Carpets, in rolls, wrapped

Origins: Burke Industries, Inc.
Plants in San Jose, California

<u>Destinations:</u>	<u>Rates in Cents per 100 pounds</u>
Burke Industries, Inc. 2736 Malt Avenue City of Industry, California	74
Western Dying Co. 3104 East Ana Compton, California	82
Burke Industries, Inc. 2736 Malt Avenue City of Industry, California	
and Western Dying Co. 3104 East Ana Compton, California	82 (Split Delivery)

Minimum Weight: 35,000 pounds per unit of carrier's equipment. A unit of equipment consists of one or more trailers propelled by a single power unit.

Condition: Applies only when carrier is tendered a return northbound haul by Burke Industries, Inc. or Western Dying Co.

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Applicability of Rates:

1. Rates apply to straight shipments of any of the subject commodities and to shipments of any of the subject commodities in mixed loads with any of the other subject commodities.
2. Rates apply only to shipments when power loaded and unloaded.
3. The surcharge provisions of Minimum Rate Tariff No. 2 shall not apply.
4. The split pickup and delivery provisions of Minimum Rate Tariff No. 2 shall not apply.
5. Except as otherwise provided herein, the rules and regulations of Minimum Rate Tariff No. 2 shall govern.