

ORIGINAL

Decision No. 85026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Service Transport  
Lines, Inc., for authority to charge  
less than minimum rates in Minimum  
Rate Tariff No. 2 for Kaiser Aluminum  
and Chemical Corporation, as provided  
in Section 3666 of the Public Utilities  
Code.

Application No. 55798  
(Filed July 8, 1975)

O P I N I O N

Applicant operates as a radial highway common and highway contract carrier. Pursuant to the provisions of Section 3666 of the Public Utilities Code, it seeks authority to assess the Class 60 rate for the transportation of aluminum corrugated culverts or pipe as described in Item 51020 of National Motor Freight Classification 100-B and the necessary hardware and fittings for the assembly of culvert or pipe from Kaiser Aluminum and Chemical Corporation (Kaiser), North Sacramento, subject to a minimum weight of 20,000 pounds per unit of equipment utilized in transporting a shipment.

The minimum rates for the commodities for which applicant here seeks a deviation are Class 150 LTL and Class 100 minimum weight of 12,000 pounds.

Applicant alleges that:

1. Kaiser has for many years operated a manufacturing plant at 50 Grace Avenue, North Sacramento. This plant produces aluminum pipe and culvert.

2. Applicant was the contract carrier for Kaiser up to about June 22, 1973. On, or about, that date, the A-13 classification, Supplement 14, in effect, increased the rating on aluminum pipe and culvert from the iron-and-steel product rating to its present level, an increase of substantial cost to Kaiser.

3. On, or about, that time, Kaiser decided to handle the transportation and distribution on its own equipment and, in effect, became a proprietary carrier. This was necessary to remain competitive in delivery costs of its aluminum product to that manufactured with iron and steel at nearby Davis, California. Kaiser continues, to this date, operating its own trucks and semitrailers from this plant.

4. Kaiser desires to terminate its proprietary trucking operation and to engage the services of applicant as its contract carrier at this plant location.

5. Applicant operates a large fleet of equipment and is experienced in the transportation and delivery of pipe and culvert, both iron and steel, and aluminum. The delivery requirements to construction job sites call for on-time appointments, unusual driving and equipment handling skills, and protection of the product in transit.

6. Kaiser furnishes men, equipment, and dunnage materials without expense to applicant, to load all shipments. Applicant furnishes tie down gear necessary to secure the cargo.

7. Kaiser expects its shipping volume to increase over the amount shipped in 1974.

8. Pipe and culvert, iron and steel, in Item 52094, National Motor Freight Classification 100-B, generally load to less than 20,000 pounds on one unit of carrier's equipment. Applicant's request to apply a minimum charge per unit of equipment at Class 60, 20,000 pounds, would in most instances equalize the transportation revenues of aluminum to those of iron and steel.

Attached to the application, as Exhibit A, is a compilation of numerous shipments from Kaiser's North Sacramento plant which compares the rate applicant here seeks with the applicable minimum rate. Ninety-two shipments are included in the compilation; in 33

instances the sought rate would have produced more revenue than the minimum rates. The compilation further discloses that the total revenue derived from all 92 shipments would be more under the sought rate than the applicable minimum rate.

The application was served upon the California Trucking Association and was listed on the Commission's Daily Calendar of July 10, 1975. No objections to the granting of the application have been received.

Findings

1. The transportation for which applicant here seeks a deviation from the minimum rates is presently being performed by proprietary transportation.
2. The proposed rate is compensatory, reasonable, and justified.
3. A public hearing is not necessary.

The Commission concludes that the application should be granted.

Since conditions under which the service is performed may change at any time, the authority granted in the ensuing order will expire at the end of one year unless sooner canceled, modified, or extended by order of the Commission.

O R D E R


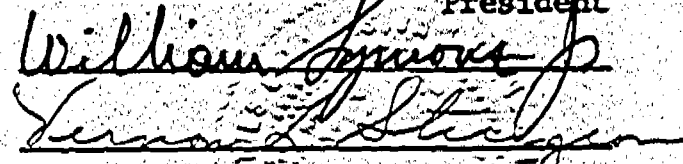
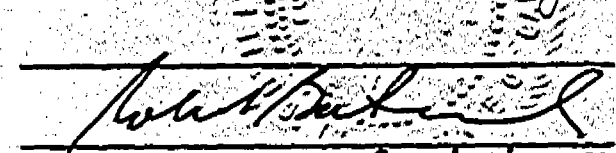
IT IS ORDERED that:

1. Service Transport Lines, 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 is the date hereof.

Dated at San Francisco, California, this 21st  
day of OCTOBER, 1975.

  
William J. Lyons President  
  
Leonard Ross  
  
Robert F. Kennedy Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Carrier: Service Transport Lines, Inc.

Shipper: Kaiser Aluminum and Chemical Corporation.

Origin: Kaiser Aluminum and Chemical Corporation, North Sacramento.

Commodities: 1. Culvert or pipe, aluminum, corrugated, as described in Item 51020 through 51025 of the National Motor Freight Classification.

2. Hardware and fittings necessary for the assembly and use of culvert or pipe in paragraph 1, in mixed shipments with aluminum culvert or pipe.

Rate: Class 60, 20,000 pounds minimum charge per unit of carrier's equipment.

Rules and Regulations:

1. Shipments must be prepaid.
2. Shipments must be loaded by shipper consignor and the physical assistance of the carrier's driver is restricted to work on the carrier's equipment.
3. Dummage necessary for the loading and protection of cargo shall be furnished by shipper consignor.
4. All rules and regulations of Minimum Rate Tariff No. 2 will apply except as noted in 1, 2, and 3 above.