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Decision No. 85027

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VINCENT GANDUGLIA
 TRUCKING, a corporation, pursuant to
 the provisions of §3666 of the
 Public Utilities Code, for an order
 authorizing departure from the rates,
 rules and regulations of Minimum Rate
 Tariff No. 2, in connection with
 certain transportation performed for
 FRESNO IRON AND METAL CO., INC.

Application No. 55897
(Filed August 18, 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 to deviate from the minimum rates for the transportation of junk, viz.: automobile bodies, scrap having value for resmelting purposes only, from Fresno to Terminal Island for the account of Fresno Iron and Metal Co., Inc. (Fresno Iron and Metal).

The minimum rate for the commodity for which applicant here seeks a deviation is a rail rate of 62 cents per 100 pounds, minimum weight 40,000 pounds.

Applicant alleges that until recently, applicant transported the involved traffic for Fresno Iron and Metal at the applicable rail rate. On or about December 31, 1974, Fresno Iron and Metal informed applicant that it considered the then applicable minimum rate of 58 cents per cwt to be excessive, and that arrangements had been made for the traffic to move on equipment owned by the consignee. Since that time, this shipper's use of applicant has been discontinued.

Fresno Iron and Metal has informed applicant that it will return this traffic to it if applicant can provide a rate of 48 cents per cwt.

The loss of this traffic has had a substantially detrimental effect on the balance of the applicant's operations. The majority of shippers for whom applicant provides service on a regular basis are located at points within the Los Angeles Basin Territory, and their products move from the Los Angeles area north to points in the San Joaquin Valley and northern California.

Applicant's headquarters, terminal, and equipment are located in Fresno, California. The primary industry in the Fresno area is agriculture so truck traffic consists mainly of manufactured products coming north into this area from the heavily industrialized area around Los Angeles with little southbound traffic available to get equipment back into the Los Angeles area to service the northbound freight. The traffic involved in this application was particularly important to the economics of applicant's overall operations because it provided a revenue-producing means of sending equipment south from applicant's base of operations in Fresno. This traffic is particularly suited to the southbound operation because the shipper allows applicant, at its option, two weeks from the time of its request for service to make delivery. This latitude in delivery time permits applicant to optimize the efficiency of its operation by moving southbound Fresno traffic to coordinate with the availability of northbound traffic originating in the Los Angeles Basin Territory.

Since the involved traffic has been lost by applicant, applicant has been required to adopt a costly procedure for moving equipment from its headquarters to the Los Angeles area. This involves the transportation of fertilizer, a commodity which is not subject to rate regulation, from Lathrop to the Los Angeles area at the competitive rate of 51 cents per cwt. In order to get the Lathrop traffic, applicant moves three to four trucks per week empty from Fresno north to Lathrop, a distance of 121 miles. The trucks load at Lathrop then backtrack through Fresno into the Los Angeles area.

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This operation generates revenue of \$224 per truckload and involves more than 500 miles of total truck operation per load, producing a revenue factor of 45 cents per mile. Provided the proposed deviation is authorized, this practice would be discontinued and the freight here involved would be hauled southbound.

Under the proposed deviation, the shipper would be required to allow two weeks from the date of his request for service for applicant to effect delivery. The applicant would be able to move this traffic at any time it wished over the two-week period, and would synchronize its movement to coincide with movement of northbound freight.

The carrier would spot trailers at shipper's place of business, and the shipper would load the trailers. The cargo would be unloaded by the consignee at the consignee's place of business by use of forklifts. Unloading time would generally not exceed 15 minutes. For these reasons the applicant would incur a minimal cost in connection with drivers' standby time related to loading and unloading operations.

Fresno Iron and Metal would tender applicant from four to five truckloads of the involved freight per week should this application be granted.

Revenue and cost data set forth in Exhibit 3 attached to the application disclose that the transportation at the proposed rates will be compensatory.

The application was served upon the California Trucking Association and appeared on the Commission's Daily Calendar of September 4, 1975. No objections to granting 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 transportation under the proposed deviation will be coordinated with northbound freight to provide applicant with a balanced load factor.

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

4. The proposed rate is compensatory, reasonable, and justified.

5. 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. Vincent Ganduglia Trucking 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.

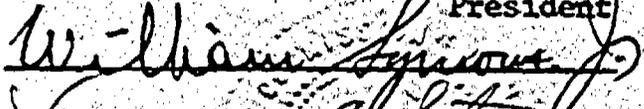
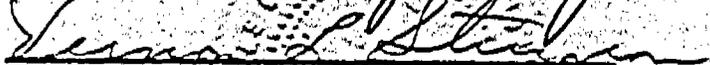
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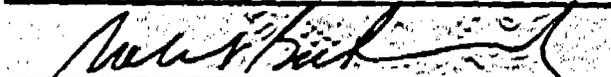
2. The authority granted shall expire one year after the effective date of this order unless sooner canceled, modified, or extended by order of the Commission.

The effective date of this order is the date hereof.

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



President





Commissioners

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

APPENDIX A

Carrier: Vincent Ganduglia Trucking.

Shipper: Fresno Iron and Metal Co., Inc.

Commodity: Junk, viz.: automobile bodies, scrap, having value for resmelting purposes only.

Origin: Fresno Iron and Metal Co., Inc.
3270 Goldenstate Boulevard
Fresno, California

Destination: Hugo Neu-Proler Company
901 New Dock Street
Terminal Island, California

Rate in Cents
Per 100 Pounds: 48

Minimum Weight: 50,000 pounds per unit of carrier's equipment.

Applicability of Rates:

1. Rates shall apply only:

- (a) To shipments loaded by the consignee when the carrier's equipment, consisting of a trailer or semitrailer is left for loading without the presence of the carrier's employees.
- (b) To shipments unloaded by the consignee with power equipment, furnished and used without expense to the carrier.
- (c) When the bill of lading contains the following statement:

"Shipper requested carrier's service for transportation of the shipment covered by this bill of lading on _____ (date of service request shall be entered in this space).

"Carrier can transport this traffic, at its option, at any time, but shall effect delivery within 14 days from the aforesaid date of request for service."

and where the date of request for service is entered in the space provided.

- (d) To straight shipments of the commodity named in this authority.
2. The surcharge provisions of Minimum Rate Tariff 2 shall not apply.