

ORIGINAL

Decision No. 56372

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of OSTERKAMP TRUCKING, INC., a)
 corporation, for authority to)
 deviate from the provisions of)
 Minimum Rate Tariff 2 in connec-)
 tion with the transportation of)
 palletized glass bottles, demi-)
 Johns, and jars in truckload lots,)
 for the Kerr Glass Manufacturing)
 Corporation, pursuant to the pro-)
 visions of Section 3666 of the)
 California Public Utilities Code.)

Application No. 56569
 (Filed June 17, 1976)

OPINION AND ORDER

By this application, Osterkamp Trucking, Inc., a corporation, requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of palletized shipments of glass bottles, demijohns and jars for Kerr Glass Manufacturing Corporation between Santa Ana (MZ 256) and points in or north of the counties of Inyo, Kings, Monterey and Tulare, and points in or south of the counties of Butte, Glenn, Mendocino, Sierra and Yuba.¹

The application is based on special circumstances and conditions detailed therein.

¹ The present rates, excluding the applicable surcharges, and the proposed rates in cents per 100 pounds, based on a minimum weight of 40,000 pounds, for representative palletized shipments of glass bottles, demijohns and jars are:

<u>Miles</u>		<u>Current Rate</u>	<u>Proposed Rate</u>
<u>Over</u>	<u>But Not Over</u>		
200	220	100	95
300	325	122	95
425	450	144	100
475	500	152	120
525	550	160	120

The application was listed on the Commission's Daily Calendar of June 21, 1976. California Trucking Association objected to the ex parte handling of this matter stating that the proposed rates will result in long- and short-haul violations and that applicant will incur a net loss if these rates were to be assessed.

Applicant has responded to the aforementioned allegations claiming (1) that the proposed rates are based on a graduated mileage scale of rates, with the rate ascending accordingly which eliminates the possibility of long- and short-haul violations (2) that the shipments derived from Kerr Glass Manufacturing Corporation constitute less than 15% of its gross revenue and that the gross revenue shown in Exhibit A is predicated on rail alternative rates which are similar to the proposed rates. Revenue and expense data submitted by applicant are sufficient to determine that the transportation involved may reasonably be expected to be profitable under the proposed rates. To avoid the possibility of any long- and short-haul violations, the sought 95-cent rate for distances "over 200 but not over 425 miles" will also be authorized to apply to distances "over 170 miles but not over 200 miles."

In the circumstances, the Commission finds that applicant's proposal is reasonable to the extent hereinafter indicated. Applicant contemplates the use of subhaulers with remuneration at 46 cents per mile operated. While applicant has provided an analysis of a representative subhauler's cost, there is no indication that any one subhauler will actually experience such a cost. The provision for the payment to subhaulers has not been justified and will not be authorized. A public hearing is not necessary. The Commission concludes that the application should be granted as set forth in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. Osterkamp Trucking, Inc., a corporation, is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the rates set forth therein.

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

The effective date of this order is the date hereof.

wxg *September* *August* Dated at San Francisco, California, this 14th day of 1976.

*I dissent because
of the effective date
hereof.*

William S. Grouse Jr.

*I dissent because
of the effective date
hereof*

Gerron L. Sturgeon

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

A. 56569 *

APPENDIX A

Carrier: Osterkamp Trucking, Inc.
Commodity: Palletized shipments of glass bottles, demijohns and jars (National Motor Freight Classification NMF 100-C, Item 87700).
Shipper: Kerr Glass Manufacturing Corporation.
Between: Santa Ana (MZ 256)
And: Points in or north of the counties of Inyo, Kings, Monterey and Tulare and points in or south of the counties of Butte, Glenn, Mendocino, Sierra and Yuba.

<u>Over</u>	<u>Miles</u> <u>But Not</u> <u>Over</u>	<u>Rates in cents</u> <u>per 100 pounds</u>
170	425	95
425	475	100
475	550	120

Minimum Weight: 40,000 pounds.

Conditions:

1. Shipments shall be power loaded by shipper and power unloaded by consignee without assistance of, or expense to, the carrier.
2. Applicant has indicated that subhaulers will be engaged. If subhaulers are employed they shall be paid no less than the rates authorized herein without any deduction for use of applicant's trailing equipment.
3. To the extent not otherwise specifically provided herein the provisions of Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)