

(Mailed 3/24/88)

Decision SS C3 048 MAR 23 1988**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Dalton Trucking, Inc., a)  
California Corporation for authority to)  
deviate from the otherwise applicable )  
minimum rates in the transportation of )  
crushed bauxite. )

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Application 87-10-038  
(Filed October 29, 1987)

### OPINION

Dalton Trucking, Inc. (applicant) seeks authority to deviate from the applicable rates in Minimum Rate Tariff 7-A (MRT 7-A) for the transportation of imported crushed bauxite with approximately 10% moisture from the Los Angeles Harbor (Long Beach, San Pedro or Wilmington) to either Kaiser Cement's facility located at Cushenbury in the Lucerne Valley, or, Southwestern Portland Cement's facility located near Victorville at Black Mountain. Applicant proposes a rate of \$10.185 per ton.

The bauxite is to be transported via sea vessel by Gove Aluminium, Ltd., of Sydney, Australia, or others as price and availability dictate, to the Los Angeles Harbor and unloaded by Kaiser International, Inc., Metropolitan Stevedore Company, Inc. or Stevedoring Services of America, Inc.

Applicant expects that the transportation will involve a minimum of 25,000 tons per year to be divided between the Cushenbury and Black Mountain delivery sites in roughly equal portions.

Loading is to be performed by the stevedoring firm utilizing front-end loaders at no cost to applicant. In the event applicant is also required to load, applicant has stated in its letter dated November 19, 1987 that a loading charge of 46-1/2 cents per ton will be added to the deviated rate. Loading facilities are available at

least 5 days per week, 12 hours per day. Unloading is performed primarily by direct rolling discharge or by driving over a grizzly hopper which then stacks the material in stockpiles. Unloading facilities are available at least 5 days per week, 24 hours per day.

When this transportation is performed by subhaulers, they will be compensated at 100% of the authorized rate.

Applicant claims that a profit can be generated at the proposed rate. The 24-ton minimum will allow the applicant to improve utilization of its equipment on this operation.

Applicant's existing bottom dump fleet is allegedly adequate to perform the services needed. Applicant is currently operating 28 tractors and 25 sets of bottom dump trailers almost exclusively for the major cement producers. The extra three tractors are used as spares and thereby minimize downtime for both the customer and applicant's drivers. The bottom dump units can transport a 28-ton payload.

No other carrier is currently providing these services or will be adversely affected by the proposed deviated rate.

In response to Staff inquiries, applicant asserted by letter that title to the commodity passes to a local firm upon discharge from the ship. The local firm, it asserts, functions as a "broker".

The commodity, it contends, is similar to laterite which is not a regulated commodity. However, to avoid controversy, applicant elected not to raise that issue, but to treat this transportation as subject to MRT 7-A.

It asserts that if MRT 7-A is applicable, the minimum lawful rate would be \$11.96/ton in the 120-130 mile range.

Our Transportation Staff on December 9, 1987 issued a recommendation that the deviation be granted. The matter was noticed in the Commission's Daily Calendar on November 4, 1987. No protests have been received.

Findings of Fact

1. Applicant's transportation involves unique circumstances.
2. Applicant's costs for this transportation are less than those used to set the rates in MRT 7-A.
3. The proposed rate is reasonable.
4. Under PU Code § 3666, the Commission may authorize a lesser rate than the minimum established rate for not more than one year.
5. Because this order reduces rates it should be effective today.

Conclusions of Law

1. The requested deviation should be authorized.
2. Under PU Code § 3666, the authority granted in the following order should expire in one year.

ORDER

IT IS ORDERED that:

1. Dalton Trucking, Inc., may depart from the rates in MRT 7-A by charging not less than the rates in Appendix A.
2. This authority shall expire one year after the effective date.

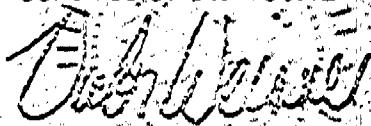
This order is effective today.

Dated MAR 23 1989, at San Francisco, California.

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
Victor Weiss, Executive Director

APPENDIX A

T-98782

Carrier: Dalton Trucking, Inc.

Commodity: Bauxite.

Origin: Los Angeles Harbor.

Destination: Kaiser Cement Company Cement Plant, Cushenbury, or  
Southwestern Portland Cement Plant, Black Mountain.

Rate: \$10.185 per ton.

Minimum Weight: 24 tons.

Conditions:

1. Should this transportation be performed by subhaulers, such subhaulers shall be compensated at not less than that named in this Appendix, without any deduction for use of carrier's trailing equipment.
2. Loading will be by a stevedoring firm. If Dalton is required to load, the loading charge of 46-1/2 cents per ton shall be added to the deviated rate.
3. A maximum of 25 minutes for loading and 15 minutes for unloading will be allowed. When the combination of these two times has been exceeded on any trip, carrier shall be paid \$17.50 per hour or portion hereof.

(END OF APPENDIX A)