

Decision 89 11 067 NOV 22 1989

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 expanded)
slag and sand and aggregate)
materials on behalf of CalMat Co.)

Application 89-08-012
(Filed August 8, 1989)

OPINION

Dalton Trucking, Inc. (applicant) is a California corporation operating out of Fontana, California. A certified copy of its Articles of Incorporation is retained in Commission File T-98782.

Applicant operates as a dump truck carrier, highway contract carrier, highway common carrier, certificated cement common carrier, specialized heavy duty carrier, and agricultural carrier. This application is concerned with applicant's dump truck operation. More than 100 dump trucks are used by applicant in hauling throughout southern California.

This application involves the transportation of sand and aggregate materials from any one of six points of origin to the Industrial Asphalt (IA) plants in either Wilmington or Los Angeles. The trucks will then be used to backhaul expanded slag from the Greater Los Angeles metropolitan harbor area to Colton. The rates charged for each movement will be combined as described more fully in succeeding paragraphs.

Applicant has entered negotiations with CalMat Co. and has developed a cooperative rate schedule between two wholly-owned CalMat subsidiaries, California Portland Cement Co. (CPC) and IA.

Upon approval of this application by the Commission, applicant plans to transport sand and aggregate materials on behalf

of IA from the Inland Empire and Irwindale areas to their plants in Los Angeles and Wilmington at the various rates described below in Table A. A reciprocal rate, dependent upon the "fronthaul" rate, would then be charged to CPC for "backhaul" movements of expanded slag from the Greater Los Angeles metropolitan harbor area to the CPC plant in Colton.

TABLE A

Rate Line	Origination	Destination	PUC	(A) IA Rate	(B) CPC Rate
1	CalMat Durbin Plant	IA Los Angeles	\$2.63	\$2.44	\$5.81
2	Livingston Graham, El Monte	IA Los Angeles	2.63	2.44	5.81
3	Owl Rock, Lytle Creek	IA Los Angeles	6.07	4.00	4.25
4	CalMat, San Bernardino	IA Los Angeles	6.53	4.00	4.25
5	CalMat Reliance Plant	IA Los Angeles	2.81	2.53	5.72
6	CalMat, Upland	IA Los Angeles	4.42	4.00	4.25
7	CalMat Durbin Plant	IA Wilmington	\$3.87	\$3.06	\$5.19
8	Livingston Graham, El Monte	IA Wilmington	3.87	3.06	5.19
9	Owl Rock, Lytle Creek	IA Wilmington	7.44	4.00	4.25
10	CalMat, San Bernardino	IA Wilmington	7.51	4.00	4.25
11	CalMat Reliance Plant	IA Wilmington	4.06	3.15	5.10
12	CalMat, Upland	IA Wilmington	6.35	4.00	4.25
13	Harbor Area to CalMat Colton ONLY, No Fronthaul		8.32	N/A	6.00

Table Note: All rates are expressed in dollars per ton. The PUC column is the current MRT-17A, Item 60 rate for the fronthaul movement (Column A). Rate line #13 shows the MRT-7A, Item 325 rate for the return movement. The following example demonstrates how to read Table A. The Industrial Asphalt rate for movement of sand and aggregate from CalMat Durbin to IA Los Angeles is rate #1A or \$2.44 per ton. The reciprocal rate for the movement of expanded slag from the harbor area to California Portland Cement, Colton is rate #1B or \$5.81 per ton and is dependent and conditional upon rate #1A. Rates are only applicable when transported as part of a contiguous round-trip movement in the same equipment for the same rate line.

The combination of each IA fronthaul rate with its respective CPC backhaul rate will equal eight dollars (\$8.25) for the combined movement with the exception of rate line 13 which is a one-way movement of expanded slag from the harbor area to CPC.

Each CalMat subsidiary is to be billed independently for its movements. CalMat Co. requires this procedure as a method of maintaining separate cost centers.

Applicant expects that the transportation will involve a minimum amount of approximately 50,000 tons per year for IA movements and another 50,000 tons per year for CPC for a total of 100,000 tons over 10 roughly equal monthly periods.

The shipper will load by overhead hopper or front-end loader at no cost to the applicant. Scaling facilities are located at the loading site and will be provided without cost to applicant. Loading facilities are available at least 5 days per week, generally 12 hours per day from 6:00 a.m. to 6:00 p.m. Unloading is performed primarily by discharge over a drive-on grizzly hopper. Unloading facilities at Colton are available at least 5 days per week, 24 hours per day. Unloading is also handled by the shipper without cost to applicant.

In the event of loading or unloading delays beyond a combined total of 40 minutes for any leg of these movements, applicant will charge IA or CPC at a rate of \$20.00 per hour or portion thereof. Charges will be assessed to whichever of the shippers caused the delay(s).

Applicant will not use subhaulers to perform this transportation.

Applicant's current fleet is adequate to perform the services required.

It is alleged that initiating the proposed service will benefit the applicant and both shippers. Cost justification is summarized in an appendix attached to the application. The cost study indicates that transportation at the proposed rate will be compensatory.

Copies of the application were mailed to the California Carriers Association, the Associated Independent Owner Operators, the California Dump Truck Owners Association, and the California

Trucking Association. The filing of the application was noted in the Commission's Transportation Calendar on August 15, 1989. There have been no protests or requests for hearing.

The Transportation Division has advised that it has reviewed the application and recommends that it be granted by ex parte order.

Findings of Fact

1. Applicant seeks to assess rates less than the minimum rates set forth in the MRT 7-A for the transportation of sand and aggregate materials from any one of six points of origin to the IA plants in either Wilmington or Los Angeles, and the transportation of expanded slag as a backhaul from the Greater Los Angeles metropolitan harbor area to the CPC plant at Colton.

2. Applicant will be transporting 50,000 tons per year on the IA movements and 50,000 tons per year for CPC.

3. Loads will be weighed and loaded without cost to applicant. Loading can be completed on 5 days of the week, over a 12-hour period.

4. Unloading is performed by gravity and facilities are available at least 5 days per week and 24 hours per day.

5. If there are loading or unloading delays beyond a combined total of 40 minutes, applicant will charge IA or CPC at a rate of \$20 per hour or portion thereof. Charges will be assessed to whichever of the shippers caused the delay.

6. Cost data submitted with the application indicate that transportation at the proposed rate will be compensatory.

7. Applicant has stated that subhaulers will not be engaged.

8. No protests have been received.

9. A public hearing is not necessary.

10. The proposed rate is reasonable.

Conclusions of Law

1. The application should be granted to the extent set forth in the following order.

2. Since there is an immediate need for the relief, the effective date of the order should be today.

3. Since transportation conditions may change, this authority should expire in one year.

ORDER

IT IS ORDERED that:

1. Dalton Trucking, Inc. is authorized to depart from the provisions of MRT 7-A to the extent set forth in Appendix A attached.

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

3. In all other respects, the provisions of MRT 7-A shall apply.

This order is effective today.

Dated NOV 22 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

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Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director
PB

APPENDIX A
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Carrier: Dalton Trucking, Inc.

Commodity: Sand and aggregate materials.

Transportation:

Group A These movements have a destination of Industrial Asphalt's plant at 2715 East Washington Blvd., Los Angeles, CA.

Movement A1	Origin:	CalMat-Durbin
	Proposed Rate:	\$2.44/ton
Movement A2	Origin:	Livingston Graham/El Monte
	Proposed Rate:	\$2.44/ton
Movement A3	Origin:	Owl Rock/Lytle Creek
	Proposed Rate:	\$4.00/ton
Movement A4	Origin:	CalMat/San Bernardino
	Proposed Rate:	\$4.00/ton
Movement A5	Origin:	CalMat/Reliance
	Proposed Rate:	\$2.53/ton
Movement A6	Origin:	CalMat/Upland
	Proposed Rate:	\$4.00/ton

Group B These movements have a destination of Industrial Asphalt's plant at 1601 N. Alameda Street, Wilmington, CA.

Movement B1	Origin:	CalMat-Durbin
	Proposed Rate:	\$3.06/ton
Movement B2	Origin:	Livingston Graham/El Monte
	Proposed Rate:	\$3.06/ton
Movement B3	Origin:	Owl Rock/Lytle Creek
	Proposed Rate:	\$4.00/ton
Movement B4	Origin:	CalMat/San Bernardino
	Proposed Rate:	\$4.00/ton

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Movement B5	Origin:	CalMat/Reliance
	Proposed Rate:	\$3.15/ton
Movement B6	Origin:	CalMat/Upland
	Proposed Rate:	\$4.00/ton

Minimum Weight: 24 tons

Conditions:

1. These rates are effective only when applied as part of a contiguous round-trip movement of expanded slag from the Greater Los Angeles harbor area.

2. Should this transportation be performed by subhaulers, such subhaulers shall be compensated at rates not less than those named in this Appendix.

3. A maximum of 40 minutes will be allowed for loading and unloading combined. If it requires more than 40 minutes, applicant will charge either IA or CPC at a rate of \$20.00 per hour or portion thereof. Charges will be assessed to whoever caused the delay.

The backhaul movements are as follows:

Commodity: Expanded slag.

Movement: Greater Los Angeles metropolitan harbor area to California Portland Cement Co., Colton.

Rate #1: \$6.00/ton
Condition: None

Rate #2: \$4.25/ton
Condition: Rate is effective only when performed as part of a contiguous round-trip movement of sand and aggregate materials for Industrial Asphalt as follows:

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Owl Rock, Lytle Creek to Los Angeles
Owl Rock, Lytle Creek to Wilmington
CalMat, San Bernardino to Los Angeles
CalMat, San Bernardino to Wilmington
CalMat, Upland to Los Angeles
CalMat, Upland to Wilmington

Rate #3: \$5.81/ton
Condition: Rate is effective only when performed as part of a contiguous round-trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Durbin to Los Angeles
Livingston Graham, El Monte to Los Angeles

Rate #4: \$5.19/ton
Condition: Rate is effective only when performed as part of a contiguous round-trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Durbin to Wilmington
Livingston Graham, El Monte to Wilmington

Rate #5: \$5.72/ton
Condition: Rate is effective only when performed as part of a contiguous round-trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Reliance to Los Angeles

Rate #6: \$5.10/ton
Condition: Rate is effective only when performed as part of a contiguous round-trip movement of sand and aggregate materials for Industrial Asphalt as follows:

CalMat, Reliance to Wilmington

(END OF APPENDIX A)