

Decision 83 04 033 APR 6 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PAR Trucking, Inc., for authority)
to deviate from the otherwise)
applicable minimum rates for the)
transportation of silica sand)
for the account of La Habra)
Products pursuant to Section)
3666 of the California Public)
Utilities Code.)

Application 83-01-53
(Filed January 27, 1983;
amended February 7, 1983
and February 10, 1983)

In the Matter of the Application)
of PAR Trucking, Inc., for)
authority to deviate from the)
otherwise applicable minimum rates)
for the transportation of silica)
sand for the account of Hordis)
Brothers pursuant to Sec. 3666)
of the California Public Utilities)
Code.)

Application 83-01-57
(Filed January 28, 1983;
amended February 7, 1983)

O P I N I O N

By these applications PAR Trucking, Inc. (PAR) requests authority to assess rates less than those named in Minimum Rate Tariff (MRT) 7-A for the transportation of silica sand from Crystal Silica, Inc., Oceanside, to La Habra Products, Anaheim, and Hordis Brothers, Inc., Fullerton. The current rate shown in MRT 7-A for both movements is \$5.40 per ton, minimum weight 24 tons. The rate is subject to a surcharge of 22-1/2%.

In lieu of the applicable minimum rate, PAR proposes to assess a rate of \$5 per ton, minimum weight 26 tons on transportation from Oceanside to Anaheim and \$6 per ton, minimum weight 26 tons from Oceanside to Fullerton. The distances for the two moves are almost identical. The difference in proposed rates is not explained. PAR

would assess a rate of \$6 for each 15 minutes, or fraction of it, spent in excess of the first hour for loading and unloading. The carrier asserts each proposal contemplates, on an average, one load per day--or 260 loads per year.

PAR does not intend to engage subhaulers to perform the transportation and states that in the event subhaulers are used, they would be paid "100% of the gross revenue less any charges incurred by applicant for the haul." We assume this means that PAR would pay subhaulers in accordance with the provisions of MRT 7-A.

The equipment used by PAR consists of two-axle tractors pulling pneumatic trailers with bottom dump capability and using air to assist gravity unloading. PAR states that loading and unloading facilities at origins and destinations are open on a 15-hour, five-day per week basis.

PAR believes there are no other highway carriers directly concerned with this movement, and requests ex parte action authorizing the rates. Copies of the applications were furnished the California Dump Truck Owners Association (CDTOA) and the California Trucking Association. CDTOA advises it has no objection to granting the requests by ex parte action provided the authorities are conditioned so that if subhaulers are used, they will be paid in accordance with the provisions of MRT 7-A.

A balance sheet for the year ended December 31, 1981 was included with the applications. It shows total assets of \$1,230,501 and a net worth of \$409,579.

In Application (A.) 83-01-53 PAR intends to transport cement from Oro Grande and Victorville to San Diego, deadhead to Oceanside, and then transport silica sand from Oceanside to Anaheim. PAR advises that the proposed rate of \$5 per ton, combined with a

front haul cement rate of 56¢ per 100 pounds, will produce total revenue of \$421.20 per round-trip. The carrier has calculated total running costs of 30.9¢ per mile and vehicle fixed costs of 7.4¢ per mile. Labor, based upon 11-1/2 hours at a total hourly cost of \$15.16, amounts to \$174.34. PAR has determined that its indirect expense in connection with this transportation is 11-1/2% of direct costs. Total cost per load is calculated at \$353.18, for a net income of \$68.02. This equates to an operating ratio of 83.84%.

In A.83-01-57 PAR proposes to transport cement from Victorville and Oro Grande to San Diego and Otay (in San Diego County), deadhead to Oceanside, and then transport silica sand from Oceanside to Fullerton.

In its application the carrier shows that its proposed rate of \$6 per ton, combined with the applicable front haul cement rates, will produce revenues which equate to operating ratios for the four round trips ranging from 71.1% to 80.2%. Per-mile vehicle fixed and running costs, labor expenses, and indirect ratios are the same as shown in connection with A.83-01-53.

The applications and amendments were duly noticed on the Commission's Daily Transportation Calendar. No protests have been received.

The cost data submitted with the applications and amendments demonstrate that transportation at the proposed rates will be compensatory. The applications will be granted. However, the cost data does not demonstrate that hauls from Oceanside to Anaheim or Fullerton at the proposed rates would be compensatory unless immediately preceded by the front haul transportation set forth in the applications. The authorities granted will bear the condition that the proposed rates will apply only when immediately preceded by a truckload shipment of cement from Victorville or Oro Grande to a destination in San Diego County. If subhaulers are engaged, they must be paid in accordance with the provisions of MRT 7-A.

Because an immediate benefit is available to the debtors involved in this transportation, this decision should be effective today.

Findings of Fact

1. PAR requests authority to assess less than the minimum rates contained in MRT 7-A for the transportation of silica sand from the production plant of Crystal Silica, Inc. located in Oceanside to La Habra Products, Anaheim, and to Hordis Brothers, Inc., Fullerton.
2. Cost data submitted by PAR indicates that transportation at the proposed rates will be compensatory when immediately preceded by a shipment of cement transported to San Diego County.
3. PAR does not intend to engage subhaulers in connection with the proposed transportation.
4. The proposed rates are reasonable.

Conclusions of Law

1. The applications should be granted.
2. There is an immediate need for the sought relief. Therefore, the effective date of the order should be today.
3. Since transportation conditions may change, these authorities should expire in one year.
4. The authorities granted should bear the condition that in the event subhaulers are engaged, they must be compensated in accordance with the provisions of MRT 7-A.
5. The authorities granted should only apply when a shipment at the proposed rates is immediately preceded by a truckload shipment of cement from Victorville or Oro Grande to a destination located in San Diego County.

O R D E R

IT IS ORDERED that:

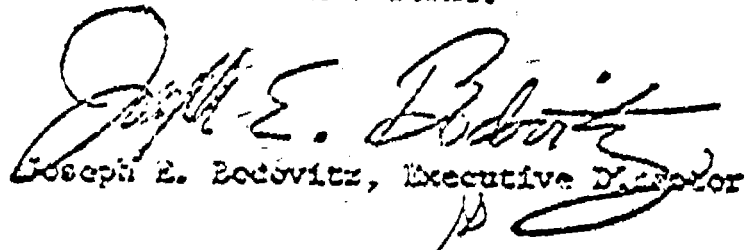
1. PAR Trucking, Inc. may depart from the provisions of MRE 7-A by charging not less than the rates in Appendix A.
2. These authorities shall expire one year after the effective date.

This order is effective today.

Dated APR 6 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREEN
DONALD VIAL
Commissioners

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


Joseph E. Rodovitz, Executive Director

APPENDIX A

Carrier: PAR Trucking, Inc.

Commodity: Silica sand, in bulk, in dump truck equipment

Origin: Crystal Silica, Inc., Oceanside

Destination: La Habra Products, Anaheim

Rate: \$5 per ton

Minimum Weight: 26 tons

Commodity: Silica sand, in bulk, in dump truck equipment

Origin: Crystal Silica, Inc., Oceanside

Destination: Hordis Brothers, Inc., Fullerton

Rate: \$6 per ton

Minimum Weight: 26 tons

Conditions:

1. If independent contractor subhaulers are engaged by PAR to perform this transportation, they shall be compensated in accordance with the provisions of MRT 7-A.
2. Rates authorized will only apply in connection with shipments immediately preceded by truckload shipments of cement transported from Victorville and Oro Grande to points in San Diego County.

(END OF APPENDIX A)