

ALJ/km/md

Decision 83 04 050

APR 6 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
 for the purpose of considering and)
 determining minimum rates for)
 transportation of sand, rock,)
 gravel and related items in bulk,)
 in dump truck equipment between)
 points in California as provided)
 in Minimum Rate Tariff 7-A and the)
 revisions or reissues thereof.)

Case 5437
 Petition for Modification 318
 (Filed January 28, 1983)

O P I N I O N

Minimum Rate Tariff (MRT) 7-A names rates and rules for certain transportation performed in dump truck equipment. The tariff sets forth rates on both distance and hourly bases; however, rates apply on a distance (ton-mile) basis unless shippers and carriers agree, in writing, to the use of hourly rates.

The tariff contains distance rates for different categories of commodities. Item 290 contains rates for the transportation of rock, sand, and gravel, as described in Item 30. Item 320 names rates for various specifically named commodities, as described in Item 40.

Except for very short distances, the rates in Item 290 are higher than those named in Item 320; and the percentage difference in rates increases as mileages increase.

By this petition California Carriers Association (CCA) requests that MRT 7-A be modified so that the transportation of silica sand and limestone may be rated under the provisions of Item 320, rather than Item 290. The petitioner believes that present

rate levels shown in Item 290 are excessive when applied to the transportation of these two commodities. In support of its request CCA alleges generally as follows:

1. Silica sand and limestone are the two principal mineral materials used in the manufacture of glass. In excess of 60% of the dump truck transportation of these commodities moves to glass plants; the remainder moves principally to insulation and roofing filler plants, sodium silicate plants, feed plants, foundaries and other industrial facilities.
2. Prior to 1969 most of the shipments of silica sand and limestone moved via rail carriers. Dump truckers became heavily involved in this transportation in 1969 and 1970 due to interruption of rail service because of a strike. Today, dump truckers transport almost all of this traffic.
3. Dump truck transportation of these commodities traditionally has been at rates significantly lower than those named in Item 290, principally because of the assessment of alternatively applied rail rates. But rail rates, in most cases, are now higher than Item 290 rates.
4. Glassmakers have been severely impacted by adverse economic conditions. Increases in costs underlying glass production have been substantial.
5. Glass producers have been exploring the possibility of meeting their transportation needs through proprietary carriage in order to lower transportation expenses. These producers/shippers have persuaded dump truck carriers to request individual rate deviations, and several of these have been authorized by the Commission.
6. The generally lower level of rates in Item 320 is attributable to the favorable transportation characteristics of those commodities listed in Item 40.

7. Item 40 names many commodities used in manufacturing and chemical processes. Among these is dolomite, also used in the production of glass.
8. Unlike commodities named in Item 40, those named in Item 30 are used mainly in connection with construction and road building work; silica sand and limestone are not used in that activity. On the basis of end use, therefore, silica sand and limestone ought to be included among the Item 40 commodities.
9. Item 30 commodities generally move directly from excavation sites to construction sites. Such construction work is seasonal in nature, and carriers involved in that activity do not generally work year round on those projects. Annual equipment use is low and road conditions are poor, resulting in shortened equipment life and increased maintenance and repair costs.
10. Silica sand and limestone are transported from processing plants to plants where glass is manufactured. Little or no offroad driving is involved. Equipment life is lengthened. Glass producers require deliveries of silica sand and limestone almost daily throughout the year. Equipment use is significantly higher than that experienced in connection with Item 30 commodities.
11. The motor vehicle equipment transporting silica sand and limestone is significantly lighter than the equipment used in construction hauling, resulting in larger payloads.
12. Many of the commodities presently included in Item 40 are transported in the same type equipment used in hauling silica sand and limestone. For example, bulk dolomite hauling is identical in nature to silica sand and limestone transportation.
13. There is precedent for CCA's request. By Decision (D.) 89561 dated October 17, 1978,

trona was included in Item 40 of MRT 7-A. Trona had previously been rated under the provisions of Items 30 and 290. Part of the Commission's justification for including trona in Item 40 was that it bears the same transportation characteristics, when transported in dump truck equipment, as other commodities shown in Item 40.

14. If the request is granted, shippers, carriers, the Commission and its staff will benefit because of reduced time spent processing deviation applications.

The points presented by CCA concerning the transportation characteristics of silica sand and limestone compared with other commodities named in Item 40, the favorable equipment use factor experienced by carriers transporting these commodities, and the interplant nature of the transportation argue strongly in favor of granting the petition.

The application includes statements supporting CCA's request from several manufacturers and producers of silica sand and limestone.

Granting this petition should effectively minimize our administrative burden by reducing the number of filings for deviation requests in connection with these commodities.

If granted, CCA's request will result in rate reductions ranging from about 3.5% at 25 miles to 12.0% at 300 miles in northern territory, and from 10.9% at 25 miles to 14.1% at 300 miles in southern territory. Slight increases will result in hauls up to nine miles in northern territory and up to four miles in southern territory.

The petition was duly noticed on the Commission's Daily Transportation Calendar. Copies of the petition were sent to four carrier associations or truckers and six shipper associations. No protest has been received.

Findings of Fact

1. MRT 7-A contains rates and rules for transportation performed in dump truck equipment.
2. Silica sand and limestone are generically described in Item 30; distance rates for these commodities are currently set forth in Item 290 of MRT 7-A.
3. Silica sand and limestone bear the same transportation characteristics as certain commodities described in Item 40 of MRT 7-A. Rates for commodities described in Item 40 are named in Item 320 of MRT 7-A, and are generally lower than rates named in Item 290.
4. Rates shown in Item 320 will be reasonable when applied to the transportation of silica sand and limestone.

Conclusion of Law

The petition should be granted. The order should be effective today because an immediate financial benefit will be available to the shipping public and the petition is unopposed.

O R D E R

IT IS ORDERED that:

1. MRT 7-A (Appendix B to D.82061, as amended) is further amended by incorporating Seventh Revised Page 3, Tenth Revised Page 8, and Tenth Revised Page 9, attached, to become effective April 16, 1983.
2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to D.82061, as amended, are directed to establish in their tariffs the increases and reductions necessary to conform with the further adjustments ordered by this decision.

3. Tariff publications required to be made by common carriers as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than the effective date of the tariff pages attached.

4. Common carriers, in establishing and maintaining the rates authorized by this order, are authorized to depart from the provisions of PU Code § 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

5. In all other respects, D.82061, as amended, shall remain in full force and effect.

6. The Executive Director shall serve a copy of this decision on every common carrier, or such carrier's authorized tariff publishing agent, performing transportation services subject to MRT 7-A.

7. The Executive Director shall serve a copy of the tariff amendments on each subscriber to MRT 7-A.

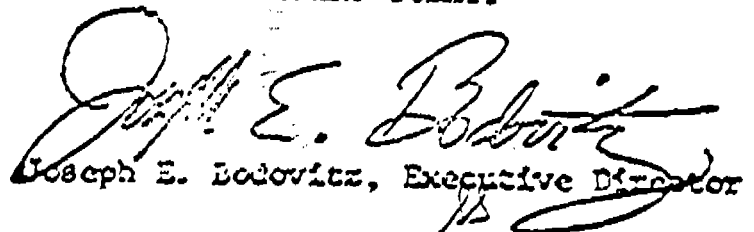
This order is effective today.

Dated APR 6 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director

INDEX OF COMMODITIES

COMMODITY	ITEM	COMMODITY	ITEM
Aggregates, Lightweight	50, 330, 340	Mill Scale	40, 320, 390
Ash	50, 330, 340	Mixture, Cold Road Oil	30, 300, 390, 430, 480, 490, 530, 540, 550, 560
Asphalt (M)	30, 300, 390	Mortar	30, 290, 390
Base, Cement Treated	30, 290, 390	Mud	40, 320, 390
Cake, Salt	60, 390	Ore	30, 290, 390
Cement (M)	30, 300, 390	Perlite	40, 50, 320, 330, 340, 390
Cement Clinker	40, 320, 390	Plaster	30, 290, 390
Cinders	50, 330, 340	Pumice	50, 330, 340
Clay	40, 50, 320, 330, 340, 390	Pyrite	40, 320, 390
Coke, petroleum	60, 325, 390	Pyrophyllite	40, 320, 390
Compounds, Barium, Clay or Silicate Mud	40, 320, 390	Rock	30, 290, 390
Concrete	30, 60, 290, 300, 390, 480, 490	Sand	30, 50, 290, 330, 340, 390, 430, 510, 560
Containers	30, 290, 390	Scoria	50, 330, 340
Debris	60, 390, 400	Shale	40, 50, 320, 330, 340, 390
Dolomite	40, 320, 390	Silica Sand	40, 320
Earth	30, 290, 310, 390	Slag	30, 40, 50, 290, 320, 330, 340, 390
Fodder	60, 350, 390	Slurry	60, 390
Granite	30, 40, 290, 320, 390, 510	Soapstone	40, 320, 390
Gravel	30, 290, 390, 430, 510, 560	Stone	30, 290, 390, 430, 510, 560
Gypsum	40, 320, 390	Talc	40, 320, 390
Limestone	40, 320	Trona, Crude	40
Loam	30, 290, 310, 390		

(M) Denotes articles on which application of rates is limited to mixed shipments.

Change) Decision No. 83 04 050
 Addition)

EFFECTIVE 4/16/83

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
 SAN FRANCISCO, CALIFORNIA

MINIMUM RATE TARIFF 7-A

SECTION 1--RULES (Continued)	ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--CARRIERS</p> <p>Rates provided in this tariff are minimum rates, established pursuant to the Highway Carriers' Act. They apply for transportation of property and other accessorial or incidental services performed prior to, during, or subsequent to said transportation by carriers, as defined in Item 10, in bulk in dump truck equipment.</p> <p>The rates and rules contained in this tariff shall apply to transportation by underlying carriers (independent-contractor subhaulers) when such transportation is performed for other carriers, as provided in Item 210.</p>	20
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES</p> <p>When reference is made to this item, rates apply to the transportation of the following commodities:</p> <p>LIST A</p> <p>Asphaltic or cement concrete, crushed or re-crushed; Base, cement treated (Moist mixture of sand, crushed rock and/or gravel and cement); Concrete, mortar or plaster: ingredients of, in batches, in nylon-corded rubberized bags; Containers, empty, used, viz.: empty, used nylon-corded rubberized bags being returned from an outbound trip in which they moved containing batches of the ingredients of concrete, mortar or plaster;</p> <p>(1) Earth, including dirt, loam, silt or soil individually or in any combination. It also includes miscellaneous material such as stone, rock, tree stumps and broken concrete in combination with earth when such material does not exceed 50 percent of the total volume of the shipment. Granite, decomposed; Gravel; Ore; Rock (commonly called "cobblestone" or "rip rap"); Sand, crushed stone and gravel, mixed dry, with or without cement added; Sand, other than burnt shale; Slag, other than expanded; Stone, crushed, chips or waste; Stone, natural, blocks, pieces or slabs, rough quarried; Stone, natural, sawed, not further finished.</p> <p>(2) See Item 290 for shipments subject to Distance Rates of more than 30 miles. See Item 310 for shipments subject to Distance Rates of 30 miles or less.</p> <p>LIST B</p> <p>Asphaltic concrete (commonly called "Hot Stuff"); Cold road oil mixture (commonly called "Plant Mix"); Asphalt, cold liquid, in containers not exceeding 5 gallons capacity per container (Subject to Note 1).</p> <p>NOTE 1.--Cold liquid asphalt will be transported under the provisions of this tariff, at rates which apply for the transportation of asphaltic concrete, when tendered for transportation with, and as a part of, a shipment of asphaltic concrete and when the quantity so tendered does not exceed 15 gallons per shipment.</p>	30
<p>No Change on this page, Decision No. 83 04 050</p>	
<p>EFFECTIVE 4/16/83</p>	
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p>	
<p>Correction 387</p>	

ITEM	SECTION: 1--RULES (Continued)					
640	<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES</p> <p>When reference is made to this item, rates apply to the transportation of the following commodities:</p> <table border="0"> <tr> <td style="vertical-align: top;"> Barium, clay or silicate mud compounds, dry, oilwell drilling; Cement clinker; Clay, other than burnt or calcined; Dolomite, dead-burned; Dolomite rock, crushed; Gypsum rock, crude, not further processed than broken or crushed; *Limestone </td> <td style="vertical-align: top;"> Mill scale; Mud, dry, oilwell drilling; Perlite rock, crude, not expanded, not further processed than broken, crushed or ground; Pyrite cinders; Pyrophyllite, crude, in blocks, pieces or slabs, rough quarried; Shale, other than burnt, calcined or expanded; </td> <td style="vertical-align: top;"> *Silica Sand Soapstone, crude, in blocks, pieces or slabs, rough quarried or not further finished than sawed or chipped on four sides; Talc, crude, in blocks, pieces or slabs, rough quarried or not further finished than sawed or chipped on four sides; Trona, Crude. </td> </tr> </table>			Barium, clay or silicate mud compounds, dry, oilwell drilling; Cement clinker; Clay, other than burnt or calcined; Dolomite, dead-burned; Dolomite rock, crushed; Gypsum rock, crude, not further processed than broken or crushed; *Limestone	Mill scale; Mud, dry, oilwell drilling; Perlite rock, crude, not expanded, not further processed than broken, crushed or ground; Pyrite cinders; Pyrophyllite, crude, in blocks, pieces or slabs, rough quarried; Shale, other than burnt, calcined or expanded;	*Silica Sand Soapstone, crude, in blocks, pieces or slabs, rough quarried or not further finished than sawed or chipped on four sides; Talc, crude, in blocks, pieces or slabs, rough quarried or not further finished than sawed or chipped on four sides; Trona, Crude.
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50	<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES</p> <p>When reference is made to this item, rates apply to the transportation of the following commodities:</p> <p>Lightweight Aggregates, viz.:</p> <table border="0"> <tr> <td style="vertical-align: top;"> Ash, volcanic ; Cinders; Clay, burnt or calcined; Perlite, expanded; </td> <td style="vertical-align: top;"> Pumice; Sand, burnt shale; Scoria, volcanic; </td> <td style="vertical-align: top;"> Shale, burnt or calcined; Shale, expanded; Slag, expanded. </td> </tr> </table>			Ash, volcanic ; Cinders; Clay, burnt or calcined; Perlite, expanded;	Pumice; Sand, burnt shale; Scoria, volcanic;	Shale, burnt or calcined; Shale, expanded; Slag, expanded.
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<p> ◊ Change) = Addition) Decision No. 83 04 050 </p>						
<p>EFFECTIVE 4/16/83</p>						
<p>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.</p> <p>Correction 389</p>						



Findings of Fact

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4. Rates shown in Item 320 will be reasonable when applied to the transportation of silica sand and limestone.

Conclusion of Law

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O R D E R

IT IS ORDERED that:

1. MRT 7-A (Appendix B to D.82061, as amended) is further amended by incorporating Seventh Revised Page 3, Tenth Revised Page 8, and Tenth Revised Page 9, attached, to become effective ~~May 7~~ *April 16,* 1983.
2. Common carriers subject to the Public Utilities Act, to the extent that they are subject also to D.82061, as amended, are directed to establish in their tariffs the increases and reductions necessary to conform with the further adjustments ordered by this decision.

7. The Executive Director shall serve a copy of the tariff amendments on each subscriber to MRT 7-A.

SS This order ~~becomes~~ effective ~~30 days from~~ today.

Dated APR 6 1985, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CAEVO
PRISCILLA C. CREW
DONALD VIAL
Commissioners