

Decision 83 07 042 JUL 20 1983**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of J. M. Buckley & Son,
 Inc., for authority to deviate from
 Minimum Rate Tariff 14-A in
 connection with certain transportation
 to be performed for Scoular Grain,
 Inc., within the State of California.
 Offered exclusively to Scoular Grain,
 Inc. for hauling commodities under
 MRT 14-A.

Application 83-05-58
 (Filed May 25, 1983;
 amended July 8, 1983
 and July 13, 1983)

O P I N I O N

By this application J. M. Buckley & Son, Inc. (applicant) a California corporation requests authority to assess rates less than those named in Minimum Rate Tariff (MRT) 14-A for the transportation of bulk grain for Scoular Grain, Inc.

Applicant proposes to assess rates ranging between 15% and 30% less than those named in Item 550 of MRT 14-A on loads without backhauls and lesser rates on backhaul shipments.

The shipper has furnished a letter supporting the proposal.

Applicant has not indicated that it intends to use subhaulers in providing service at the proposed rates.

Applicant has served copies of its application on the California Trucking Association. Notice of filing of the application appeared in the Commission's Daily Transportation Calendar of May 31, 1983. No objection to granting the request has been received.

Applicant advises, in support of its request, (1) that the shipper is able to tender a high volume of business even beyond harvest seasons, and (2) a backhaul opportunity exists which

produces revenues per mile greater than current MRT 14-A revenue. The rates requested will apply only from storage facilities. Loading at these facilities is from overhead chutes or augers and is largely automated.

The carrier asserts it has generally existed during the year on revenues generated during a six-month hauling season, and that the additional activity covered by this proposal will improve its cash flow and provide drivers with more work on a year-round basis.

A financial statement contained in the application shows that as of December 31, 1982 applicant had assets of slightly over one million dollars, liabilities of \$691,000 and total stockholders equity of \$313,955. An income statement for 1982 indicates carrier revenue of \$2,574,756 and expenses of \$2,452,417.

Applicant proposes to assess the sought rates on a minimum weight of 52,000 pounds per load. For hauls over 200 miles, a rate of 3 cents will be added to the 200 mile rate for every 10 miles or fraction thereof. Hauling from the field will be performed at rates shown in MRT 14-A.

The cost information furnished with the application has been developed on a round-trip (terminal-to-terminal) basis. Fixed vehicle, running and labor expenses have been supplied. These data show that applicant's operations at its proposed rates will be compensatory. Operating ratios based on these rates are projected at 71% for a 378 mile one-way haul and 95% for a 50-mile one-way haul. Applicant's proposed rates for backhaul shipments are less than its proposed one-way rates by amounts ranging from 66% for low mileage hauls to 21% for a 200-mile haul.

Inasmuch as the carrier's proposed one-way rates are compensatory even on a roundtrip basis, the proposed backhaul rates will obviously be reasonable if restricted in their use as requested in the amended application, i.e. to apply only when immediately preceded by a one-way haul.

Applicant requests that, at Scoular Grain's option charges apply at the rate of \$60.00 per hour on hauls not exceeding 10 miles. Cost data shown within the application indicate that freight charges assessed on this basis will be compensatory.

Applicant also requests that it not be required to assess rates named in Item 180 of MRT 14-A (currently 6-3/4¢ per 100 pounds) on field pickup shipments transported for this shipper for distances not exceeding 35 miles. The cost data furnished indicate that this proposal is reasonable.

The application, as amended, will be granted. Because an immediate financial benefit is available to the debtor involved in this transportation, this decision should be effective today. A public hearing is not necessary.

Findings of Fact

1. Applicant requests authority to assess less than the minimum rates contained in MRT 14-A for the transportation of bulk grain.
2. Cost data submitted by applicant indicate that transportation at the proposed rates will be compensatory.
3. Applicant does not intend to engage subhaulers to perform this transportation.

Conclusions of Law

1. The proposed rates are reasonable.
2. The application should be granted.
3. Since transportation conditions may change, this authority should expire in one year.
4. There is an immediate opportunity for rate relief; therefore, the effective date of this order should be today.
5. The authority granted should provide that if independent contractor-subhaulers are engaged to perform the transportation they must be paid not less than the rates authorized without any deductions.

O R D E R

IT IS ORDERED that:

1. J. M. Buckley & Son, Inc. may depart from the provisions of MRT 14-A by assessing not less than the rates in Appendix A.
2. This authority shall expire one year after the effective date.

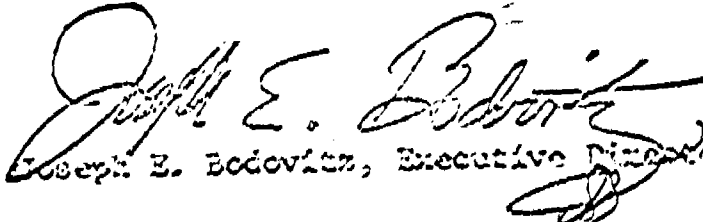
This order is effective today.

Dated JUL 20 1983, at San Francisco, California.

LEONARD M. CRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovick, Executive Director

APPENDIX A
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Carrier : J. M. Buckley & Son, Inc.

Shipper : Scoular Grain, Inc.

Commodity : Bulk grain, etc. as described in Items 515, 520, 525,
and 530, MRT 14-A.

Minimum Weight : 52,000 pounds.

1. Rate in Cents per 100 Pounds

<u>Miles</u>	<u>One-Way</u>	<u>Backhaul</u>
0 - 5	.10	.03
5 - 10	.13	.03
11 - 20	.15	.05
21 - 30	.18	.07
31 - 40	.205	.10
41 - 50	.245	.12
51 - 60	.25	.14
61 - 70	.28	.16
71 - 80	.30	.19
81 - 90	.33	.21
91 - 100	.35	.24
101 - 110	.38	.26
111 - 120	.40	.28
121 - 130	.43	.30
131 - 140	.45	.33
141 - 150	.48	.35
151 - 160	.50	.38
161 - 170	.53	.40
171 - 180	.55	.43
181 - 190	.58	.45
191 - 200	.60	.47

Backhaul rates only apply on hauls immediately preceded by transportation for Scoular Grain, Inc. in the same unit of equipment. The rates only apply from origins located within 30 miles of the destination of the immediately preceding one-way haul, to destinations located within 30 miles of the origin of the immediately preceding one-way haul.

For loads over 200 miles, add 3¢ for every 10 miles or fraction thereof. P.U.C. Distance Table 8 will be used in determining mileages. These rates are for out of storage hauling. Hauling from the field will be rated according to MRT 14-A.

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At Scoular Grain, Inc.'s option, a rate of \$60.00 per hour, minimum charge, one hour will be applied on shipments moving not in excess of 10 miles. In such a case Scoular Grain, Inc. must notify J. M. Buckley & Son, Inc., in writing, prior to tender of the shipment. Charges for fractions of hours shall be prorated.

2. In connection with field pickup shipments transported for Scoular Grain, Inc., carrier is not required to assess field pickup charges on loads transported not more than 35 miles.
3. If independent contractor-subhaulers are engaged to perform this transportation, they shall be paid not less than the rates authorized without any deductions.

(END OF APPENDIX A)

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