

**ORIGINAL**Decision 83 08 018 AUG 3 1983

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of an application for  
T & T Trucking, Inc., to deviate from  
rates in MRT 7-A for the account of  
Owens-Illinois, Inc., under Section  
3666 of the Public Utilities Code.

Application 82-10-63  
(Filed October 29, 1982;  
amended March 15, 1983)

In the matter of an application for  
T & T Trucking, Inc., to deviate from  
rates in MRT 7-A for the account of  
Libby Glass Division of Owens-  
Illinois, Inc., under Section 3666 of  
the Public Utilities Code.

Application 83-01-60  
(Filed January 31, 1983)

O P I N I O N

By these two applications, T & T Trucking, Inc. (T & T) seeks authority to charge less than the minimum rates in Minimum Rate Tariff (MRT) 7-A for the following transportation in dump truck equipment for Owens-Illinois, Inc. (O-I):

1. In Application (A.) 82-10-63, as amended, salt cake (crude sulphate of soda) from Trona, Argus, and West End to the plants of O-I at Tracy and Oakland, an average distance of 421 miles.
2. In A.83-01-60, silica sand, ground or pulverized, from Ione and the vicinity within five miles of it to the Libby Glass Division of O-I, an average distance of 403 miles.

The proposed rate for the salt cake haul is 101 cents per 100 pounds, \$20.20 per ton. MRT 7-A provides hourly rates only for salt cake. The proposed rate for the silica sand haul is 88.75 cents per 100 pounds, \$17.75 per ton. The MRT 7-A rate, including the applicable surcharge, for this haul is \$32.67 per ton. Both proposed rates are subject to a minimum weight of 52,000 pounds, 26 tons.

By letter dated July 7, 1983, T & T advised that if subhaulers are used for the proposed transportation, they would be paid 100% of the sought rates. The letter also states that there is an immediate need for the sought relief and requests that it be granted as soon as possible.

Because similar round-trip cost justification has been used in both applications, they have been consolidated for decision.

T & T holds a highway common carrier certificate and dump truck carrier and highway contract carrier permits. As of November 30, 1982, it had assets of \$2,110,869, liabilities of \$1,124,217, and a stockholders' equity of \$986,652. For the eight months ending November 30, 1982, T & T had a net income of \$228,272 after provision for federal and state income taxes. It is one of the principal carriers that furnishes transportation services for the major glass manufacturers in California. Its terminal is in Lodi, and it operates over 200 units of equipment and has long-term agreements with many owner-operators.

As justification for the proposed northbound salt cake deviation, A.82-10-63, as amended, states as follows:

1. T & T is authorized by Rate Reduction (RR) 524 to transport soda ash, which is subject to Transition Tariff 2, at the same rate from and to the same points sought here for salt cake. The transportation of the soda ash at the RR 524 \$1.01 rate for O-I is a profitable operation.
2. Soda ash is manufactured from salt cake. Both are used for the manufacture of glass and glass products. O-I requires approximately one shipment of salt cake for every 10 shipments of soda ash it receives. With the exceptions that soda ash must be protected against contamination and salt cake has a lower value, they both have the same transportation characteristics.

3. Charges based on the hourly rates in MRT 7-A for the salt cake transportation are exceedingly high and result in an economic embargo on this movement.
4. The sought rate for the salt cake is reasonable and will be profitable.

Following is a summary of the justification set forth in A.83-01-60 for the proposed southbound silica sand deviation:

1. Silica sand is also used in the manufacture of glass and glass products. It is washed, cleaned, and dried prior to being transported to a glass manufacturing plant. The silica sand must be protected from contamination while in storage and during transportation.
2. Silica sand is transported in both pneumatic equipment which is loaded and unloaded in defiance of gravity and in gravity loading and unloading dump truck equipment. T & T has both types of equipment. Only the gravity flow service is subject to MRT 7-A, and it is this service for which the deviation authority is sought.
3. T & T now transports over 100,000 pounds of silica sand daily from the Ione area to the Libby Glass Division of O-I at the City of Industry. The granting of the application will not divert traffic from any other carrier. Loading and unloading is by the consignor and consignee, and the time required is 15 minutes for each. There are sufficient stock piles at origin and storage facilities at destination to allow T & T to schedule its equipment for maximum efficiency.
4. This is a cost efficient operation and the proposed rate would be profitable.

The cost and revenue data per trip for T & T included with each application are based on the same 998-mile round-trip cycle. For the salt cake proposal in A.82-10-63, as amended, the revenue is based on a southbound haul of silica sand from Ione to the City of Industry at the sought 88.75 cents rate and a northbound shipment of salt cake from Trona to Oakland at the sought \$1.01 rate. For the silica sand proposal in A.83-01-60, the revenue is also based on a southbound haul of silica sand from Ione to the City of Industry at the sought 88.75 cents rate and northbound shipment from Trona to Oakland of either salt cake at the proposed \$1.01 rate or soda ash at the same \$1.01 rate authorized by RR 524. According to this data for the round-trip cycle, the revenue would be \$986.70, the cost would be \$707.52, the profit would be \$279.18, and the operating ratio would be 71.7%. From this, it is apparent that the northbound transportation of the salt cake and the southbound transportation of the silica sand at the sought rates will be compensatory only if they are a part of a round-trip cycle in the same unit of equipment.

A.82-10-63 and the amendment to it were listed on the Commission's Daily Calendars of November 3, 1982 and March 17, 1983, respectively, and its Daily Transportation Calendars of November 3, 1982 and March 18, 1983, respectively. A.83-01-60 was listed on the Commission's Daily Calendar of February 2, 1983 and its Daily Transportation Calendar of February 3, 1983. Copies of the application and amendment were served on the California Trucking Association, the California Carriers Association, and the California Dump Truck Owners Association. No protest to either application has been received. The Commission's Transportation Division staff has advised that it has no objection to the granting of the sought deviations provided there is a return movement from the Trona area for each southbound shipment of silica sand at the proposed rate.

We agree with the staff that the proposed rate deviations should be granted. However, in addition to the staff recommended requirement of a northbound haul for each southbound silica sand shipment at the deviated rate, we will also require a southbound silica sand shipment for each northbound shipment of salt cake at the rate sought. As pointed out above, the cost justification for each deviation is based on a round-trip cycle.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. Cost data of record for T & T indicate that the proposed north and south transportation at the sought rates will be compensatory for it provided each shipment is handled as part of a round-trip cycle in the same unit of its equipment, a proposed southbound silica sand haul for each proposed northbound salt cake haul and a proposed northbound salt cake haul or an RR 524 soda ash haul for each proposed southbound silica sand haul.
3. If subhaulers are used, T & T will pay them 100% of the sought rates.
4. The sought rates are reasonable.
5. A public hearing is not necessary.
6. As there is no known opposition to the application and as the proposed rates will be compensatory, the order should be effective on date of issuance.

Conclusions of Law

1. The application should be granted as set forth in the following order.
2. Since transportation conditions may change, this authority should expire in one year.

O R D E R

IT IS ORDERED that:

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

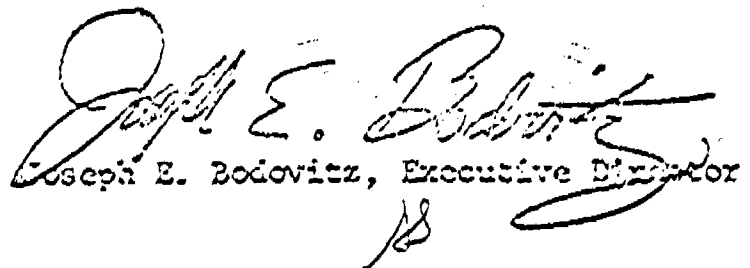
This order is effective today.

Dated AUG 3 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

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

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

  
Joseph E. Bodovitz, Executive Director

APPENDIX A

Carrier: T & T Trucking, Inc. (T & T).

Commodity: Salt cake (crude sulphate of soda).

Origin: Trona, Argus, or West End.

Destination: Owens-Illinois, Inc., Tracy or Oakland.

Minimum Weight: 52,000 pounds (26 tons) per unit of equipment.

Rate: \$1.01 per 100 pounds (\$20.20 per ton).

Conditions :

1. Rate applies only when:
  - a. Consignor loads and consignee unloads without expense to T & T.
  - b. Shipment is loaded and unloaded by gravity.
  - c. There is a truckload shipment of silica sand from Ione and the vicinity within five miles of it to the City of Industry in the same unit of equipment as part of the same round-trip cycle.
2. Rate includes one hour for loading and one hour for unloading computed from the time T & T's equipment is tendered to consignor or consignee. Excess time will be assessed \$15.00 for the first 30 minutes or fraction of that time and \$5.00 for each additional 15 minutes or fraction of that time.
3. Any subhauler employed shall be paid no less than the rate authorized without any deduction for the use of T & T's trailing equipment.
4. In all other respects, the rates and rules in Minimum Rate Tariff 7-A shall apply.

(END OF APPENDIX A)

APPENDIX B

Carrier: T & T Trucking, Inc. (T & T).

Commodity: Silica sand, ground or pulverized, in bulk.

Origin: Ione and vicinity within five miles of it.

Destination: Libby Glass Division of Owens-Illinois, Inc., City of Industry.

Minimum Weight: 52,000 pounds (26 tons) per unit of equipment.

Rate: 88.75 cents per 100 pounds (\$17.75 per ton).

Conditions:

1. Rate applies only when:
  - a. Consignor loads and consignee unloads without expense to T & T.
  - b. Shipment is loaded and unloaded by gravity flow.
  - c. There is a truckload shipment of salt cake or soda ash from Trona, Argus, or West Bend to Tracy or Oakland in the same unit of equipment as part of the same round-trip cycle.
2. Rates include one hour for loading and one hour for unloading computed from the time T & T's equipment is tendered to consignor or consignee. Excess time will be assessed \$15.00 for the first 30 minutes or fraction of that time and \$5.00 for each additional 15 minutes or fraction of that time.
3. Any subhauler employed shall be paid no less than the authorized rate without any deduction for the use of T & T's trailing equipment.
4. In all other respects, the rates and rules in Minimum Rate Tariff 7-A shall apply.

(END OF APPENDIX B)