

ORIGINALDecision 83 11 099 NOV 30 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of T & T Trucking, Inc.,)
 for authority to deviate from rates)
 in Tariff 7-A to transport bulk)
 silica sand for Owens-Illinois, Inc.,)
 under Section 3999 of the PUC Code.)

Application 83-09-51
 (Filed September 20, 1983)

O P I N I O N

By this application, T & T Trucking, Inc. (T&T) seeks authority to charge less than the minimum rates in Minimum Rate Tariff (MRT) 7-A for the transportation of silica sand in dump truck equipment for Owens-Illinois, Inc. (O-I) from the shipper's facility 4.5 miles east of San Juan Capistrano (Capistrano) to its glass manufacturing plants at Tracy and Oakland.

The proposed rate and MRT 7-A rate, including surcharge, for the Tracy haul are \$20.00 and \$34.32, respectively, per ton and for the Oakland haul are \$21.00 and \$38.73, respectively, per ton. The minimum weight per shipment for the proposed rates is 27 tons and for the minimum rates is 24 tons.

T&T holds a highway common carrier certificate and dump truck and heavy-specialized carrier permits. It also has regular route common carrier authority issued by the Interstate Commerce Commission. As of March 31, 1983, it had assets of \$1,889,518, liabilities of \$1,014,136, and stockholders' equity of \$875,382. For the year ended March 31, 1983, T&T had a net income of \$117,001 after provision for federal and state income taxes. Its terminal is in Lodi, and over 100 units of its equipment are engaged exclusively in serving the transportation needs of the glass manufacturing industry.

Following is a summary of the justification set forth in the application for the proposed deviations:

1. T&T has had considerable experience in transporting bulk raw materials used in the manufacture of glass articles for O-I. A large segment of its fleet is devoted to this transportation. It provides such transportation on a daily basis from Ione, Byron, Trona, West End, and other origins under contracts and rate deviations authorized by the Commission in prior proceedings.
2. 99% of the proposed hauls are on the interstate highway system. The equipment to be used is lightweight two axle diesel tractors each with two bulk hopper-type trailers. Loading will be from an overhead stationary hopper and can be accomplished in 15 minutes, and unloading will be by gravity flow into a pit under the trailers and will not take over 20 minutes.
3. O-I plans its glass production and materials needed on a weekly basis. T&T is notified of the schedule and is able to assign hauls so as to minimize deadhead miles in its overall operations for O-I.
4. T&T hauls silica sand from Ione, which is approximately 35 miles south-easterly of Sacramento, to O-I's Libby Glass Division Plant at the City of Industry under a rate deviation authorized by Decision (D.) 83-08-018 dated August 3, 1983 in Application 83-01-60. Equipment handling this southbound movement would be redispached to the Capistrano plant to haul the silica sand to Tracy and Oakland. By combining the two hauls, the northbound transportation at the proposed rates would be profitable.

5. A letter supporting the proposed rate deviations from O-I is attached to the application.
6. Since T&T is presently performing the transportation in issue for O-I at the applicable MRT 7-A rates, no other for-hire motor carrier would be affected by the sought deviations.
7. T&T has sufficient company owned and operated equipment to service the needs of O-I from Capistrano. It does not seek authority to employ subhaulers at the proposed rates.
8. Because of increased costs and adverse economic conditions in the glass manufacturing industry, glass makers have been exploring the possibility of proprietary transportation. The granting of the sought authority would remove this threat to the two hauls.
9. Under the proposal, delays to equipment exceeding one hour for loading and unloading would be subject to an additional charge of \$15.00 for the first 30 minutes and \$7.50 for each additional fifteen minutes or fractions of those times.

The revenue and cost data included with the application are based on round-trip movements, loaded from the Capistrano plant to either Tracy or Oakland at the applicable proposed rate, then empty to Ione, then loaded from Ione to the City of Industry at the \$17.75 per ton rate authorized by D.83-08-018, and then empty return to Capistrano plant. For the round trip, including the haul to Tracy, the total distance would be 860.5 miles, the total revenue and cost would be \$1,005.50 and \$716.69, respectively, and the resulting profit and operating ratio would be \$284.81 and 71.6% respectively. For the round trip, including the Oakland haul, the total distance would be 887.5 miles,

the total revenue and cost would be \$1,028.50 and \$739.18, respectively, and the profit and operating ratio would be \$289.32 and 71.9%, respectively.

The application was listed on the Commission's Daily Calendar of September 22, 1983 and on its Transportation Calendar of September 23, 1983. Copies were served on the California Trucking, the California Carriers, and the California Dump Truck Owners Associations. No protest has been received. The Commission staff has advised that it has no objection to the proposed authority.

We believe that the proposed rate deviations should be granted. However, since the cost justification for each deviation is based on a round-trip cycle, we will require a southbound silica sand shipment for each northbound shipment at the applicable rate sought.

Findings of Fact

1. The transportation in issue involves unique circumstances.
2. Revenue and cost data of record for T&T indicate that the proposed transportation from the Capistrano plant to either Tracy or Oakland at the applicable sought rate would be compensatory provided each northbound shipment is handled as part of a continuous round-trip movement with a southbound shipment of silica sand from Ione to the City of Industry in the same unit of equipment.
3. Applied as described in Finding 2, the sought rates are reasonable.
4. T&T does not intend to use subhaulers for the proposed transportation.
5. A public hearing is not necessary.

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 Appendix A.
2. This authority shall expire one year after the effective date.

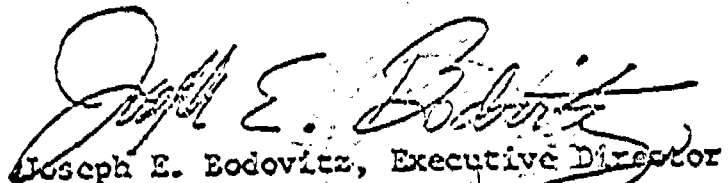
This order becomes effective 30 days from today.

Dated NOV 30 1985, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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


Joseph E. Bodovitz, Executive Director

APPENDIX A

T-84-759

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

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

Origins: Owens-Illinois, Inc. plant site approximately 4½ miles east of San Juan Capistrano.

Destinations: Owens-Illinois, Inc., Tracy and Oakland.

Minimum Weight: 54,000 pounds (27 tons) per unit of equipment.

Rates: Tracy: \$20.00 per ton

Oakland: \$21.00 per ton

Conditions:

1. Rates apply only when:
 - a. Shipment is loaded and unloaded by gravity.
 - b. There is a truckload shipment of silica sand from Ione, or a point 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 \$7.50 for each additional 15 minutes or fraction of that time.
3. Any subhauler employed shall also receive a round-trip movement as described in Condition 1.b and shall be paid no less than the rates 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)