

ORIGINAL

Decision No. 86774

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the applica-)
 tion of Michael Maddock, Gary)
 Gileno and Thomas D. Alexander,)
 Jr., dba M G M TRANSPORTATION)
 CO. a partnership for authority)
 to deviate from the provisions)
 of Minimum Rate Tariff No. 2 in)
 connection with the transporta-)
 tion of glass bottles for OWENS-)
 ILLINOIS GLASS CONTAINER)
 DIVISION, INC., pursuant to the)
 provisions of Section 3666 of)
 the California Public Utilities)
 Code.)

Application No. 56671
 (Filed August 3, 1976)

OPINION AND ORDER

By this application, Michael Maddock, Garry Gileno and Thomas D. Alexander, Jr., doing business as M G M Transportation Co., request authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of glass bottles for Owens-Illinois, Inc., from Oakland and Tracy to Buena Park and Torrance.¹

The application is based on special circumstances and conditions detailed therein.

¹The minimum rates, exclusive of applicable surcharges, and the proposed rates in cents per 100 pounds for palletized shipments of glass bottles are:

To	Present Rates	Proposed Rates	Proposed Rates	Proposed Rates
Buena Park	Minimum Weight	Minimum Weight	Minimum Weight	Minimum Weight
and	30,000 Pounds	35,000 Pounds	40,000 Pounds	45,000 Pounds
Torrance				
From				
Tracy	130	98	93	88
Oakland	141	98	93	88

The application was listed on the Commission's Daily Calendar of August 5, 1976. California Trucking Association objected to the ex parte handling of the matter inferring that the reasonableness of the proposed rates cannot be measured by the average cost data submitted by applicant for a one-way haul. Applicants aver that they presently transport an average of ten truckloads of glass bottles per week from the Los Angeles area to the San Francisco Bay area for other accounts and many times they are forced to return to the Los Angeles area empty. They contend that the granting of the sought application would result in an increased use factor of their equipment, better use of fuel, lower operating costs and a larger profit.

Revenue and expense data submitted by applicants are sufficient to determine that the transportation involved may reasonably be expected to be profitable under the proposed rates.

In the circumstances, the Commission finds that applicants' proposal is reasonable to the extent hereinafter indicated. Applicants contemplate the use of subhaulers with remuneration at 70 percent of the deviation rates sought. While applicant has provided an analysis of a representative subhauler's cost, there is no indication that any one subhauler will actually experience such a cost. The provision for the payment to subhaulers has not been justified and will not be authorized. The Commission will consider actual costs of subhaulers when they join in the application and submit same. A public hearing is not necessary.

The Commission concludes that the application should be granted as set forth in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this relief. The Commission further concludes that the authority should be granted to M G M Transportation Co., Inc., a corporation, since applicants' permits have recently been transferred from them to said corporation.

IT IS ORDERED that:

1. M G M Transportation Co., Inc., a corporation, is authorized to perform the transportation shown in Appendix A attached hereto and by this reference made a part hereof at not less than the rates set forth therein.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner cancelled, modified or extended by further order of the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 25 day of December, 1976.

I dissent.
William Swans, Jr.

Commissioner

[Signature]
President

[Signature]

[Signature]

Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

Appendix A

M G M Transportation Co., Inc., a corporation, is authorized to transport palletized shipments of glass bottles for Owens-Illinois, Inc., at not less than the following rates:

To Buena Park and Torrance From	Rates in Cents Per 100 Pounds		
	Minimum Weight in Pounds		
	<u>35,000</u>	<u>40,000</u>	<u>45,000</u>
Tracy	98	93	88
Oakland	98	93	88

Conditions:

- (a) No Central Coast Surcharge (Supplement 75 to Minimum Rate Tariff 2) shall be applicable to these rates.
- (b) Rates above shall apply to single truckload shipments only.
- (c) Shipments shall be loaded by shipper and unloaded by consignee without assistance of, or expense to, the carrier.
- (d) Though applicants have indicated that sub-haulers will be engaged, no adequate costs of subhaulers have been submitted. Therefore, if subhaulers are employed, they shall be paid no less than the rates authorized herein without any deduction for use of applicant's trailing equipment.
- (e) In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)