

Decision No. 86969

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RABBIT TRANSIT for
authority to deviate from certain
minimum rates pursuant to Section
3666 of the California Public
Utilities Code for the transporta-
tion performed for Potlatch
Corporation.

Application No. 56506
(Filed May 26, 1976)

Silver, Rosen, Fischer & Stecher, by
Martin J. Rosen, Attorney at Law, for
applicant.

C. D. Gilbert and H. Hughes, for California
Trucking Association, interested party.

Joel Anderson and J. M. Jenkins, for the
Commission staff.

O P I N I O N

Applicant holds radial highway common carrier and highway contract carrier permits. By this application it seeks authority to assess less than the minimum rates set forth in Minimum Rate Tariff 2 for the transportation of printing paper other than newsprint or carbonized print from Pomona to all points in California for Potlatch Corporation (Potlatch).

Public hearing was held before Examiner O'Leary at Los Angeles on December 2, 1976, at which time the matter was submitted subject to the filing of a proposed decision by applicant and exceptions thereto by the California Trucking Association and the staff which filings have been made.

The application was amended at the hearing to increase the minimum weights applicable to the shipments.

Potlatch has for several years been using the services of applicant for this traffic. In the first nine months of 1976, applicant transported 211 truckloads, five to six truckloads per week. These shipments averaged 42,243 pounds per shipment. Most of them involved multiple drops, with the intermediate points in central California and the final destinations in the Bay Area and northern California. Potlatch expects to tender to applicant the same tonnage or possibly even more tonnage in the future if this application is granted. All loads will be power loaded by consignor and power unloaded by consignee. Applicant maintains a trailer pool at its terminal in Pomona approximately one block from shipper's loading dock. Applicant spots its trailers at this dock for loading by Potlatch. Applicant's personnel hostles empty and loaded trailers between the shipper's dock and its terminal; thus, applicant's loading and/or waiting time is minimal. Securing the load after loading and unsecuring the load prior to unloading is the responsibility of applicant's personnel. This consumes an additional 30 minutes for each function. Applicant's operation is well balanced in that a return load is almost always available.

The transportation performed by applicant is performed in applicant-owned trailers and owner-operator tractors. The owner-operators receive 60 percent of the gross revenue applicant receives. A summary of applicant's and owner-operators' responsibilities was provided by applicant's operating witness testimony and exhibits which were received without objection.

Additional evidence was introduced covering the costs of two representative owner-operators and applicant of their respective operations. The evidence establishes that the transportation at the proposed rates will be compensatory to applicant and the owner-operators.

The proposed rates for the service compared to the existing MRT 2 rates result in a reduction of approximately 12 percent.

Findings

1. The circumstances that exist for applicant's transportation of the commodities involved in this proceeding which are not present in the ordinary transportation of this commodity are substantial balanced movements and include five to six loads per week between origin and northern California points with intermediate stops in central California.

2. There is a cost saving directly attributable to applicant's particular transportation of the commodity involved.

3. The proposed rates are compensatory and reasonable.

4. A payment of not less than 60 percent of the gross revenue to the subhaulers is adequate to cover the reasonable expenses of subhaulers employed by applicant in connection with the transportation service in issue.

The Commission concludes that the application should be granted and the effective date of this order should be the date hereof as there is an immediate need for the relief granted herein.

Since conditions under which the service is performed may change at any time, the authority granted in the ensuing order will expire at the end of one year unless sooner canceled, modified, or extended by order of the Commission.

APPENDIX A

Carrier: Rabbit Transit.

Shipper: Potlatch Corporation.

Commodity: Paper; printing, other than newsprint or carbonized print.

Origin: Potlatch Corporation, Pomona.

Destinations: To all points in California north of an imaginary line connecting San Fernando and Barstow extending in a westerly direction to the Pacific Ocean and in an easterly direction to the Nevada border.

Rates: Class 35.2 on minimum weight of 40,000 pounds or higher minimum weight where applicable, per unit of equipment, regarding the following named items in Minimum Rate
Tariff 2: 507, 508, 508.1, 508.2, 508.3, and 508.4.

Conditions:

1. All loads to be power loaded by consignor and power unloaded by consignee.
2. When subhaulers are used to perform this transportation service, subhaulers shall be paid not less than 60 percent of the gross revenue.

O R D E R

IT IS ORDERED that:

1. Rabbit Transit is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging those rates set forth in Appendix A of this decision. This authority does not include any deviation from any rates, rules, or regulations except as specifically set forth in Appendix A.

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

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th
day of FEBRUARY, 1977.

I dissent.
William S. Lyons Jr.
Commissioner

Robert Botwinick
President
Glenn
Michael W. Saville
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.