

Decision No. 87322

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Bert E. Jessup )  
Transportation, Inc. authority )  
to deviate from certain minimum )  
rates pursuant to Section 3666 )  
of the California Public Utili- )  
ties Code for the transportation )  
performed for Potlatch Corp. )

Application No. 56931  
(Filed December 10, 1976)

OPINION AND ORDER

By this application, Bert E. Jessup Transportation, Inc. a corporation, requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of cases of fibreboard, other than corrugated, KD, flat, for Potlatch Corp. from Pomona to all points in California.

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

Applicant is placed on notice that should its operations for Potlatch Corp. be between fixed termini or over a regular route, it should apply for a highway contract carrier permit.

The application was listed on the Commission's Daily Calendar of December 13, 1976. California Trucking Association (CTA) opposed the ex parte consideration, as proposed, stating:

"In applications seeking deviations from the minimum rates, the Commission has consistently held that the applicant must show that the proposed rates will exceed the costs of providing the service and that such traffic will stand on its own, and not be dependent on some other traffic, in arriving at the indisputable finding that the rates are reasonable."

CTA cited, as an example, that the alleged profit of \$92.03 on a shipment to Fresno is less than the one-way labor cost of \$98.92. CTA declared that, if the carrier is forced to return empty, the cost of labor alone would be greater than the profit under the proposed rate.

Applicant replied to CTA as follows:

"The facts are that many shipments range from 45,000 lbs. or higher and at 92 cwt. this would develop revenue of \$414.00 or a profit of \$174.83. Add to these facts the proposition that Bert Jessup Transportation, Inc. is one of the leading transportation companies of "Cut Flowers," and transports the majority of these flowers from origins in Northern California adjacent to destinations of the Potlatch shipments.

"If deadheading is required in order to pickup shipments destined for southern California, it would be a maximum of 30 miles and at a per mile cost (See Exhibit "B") of \$1.36 per mile, the maximum cost would be \$40.00 which would leave ample profit from between \$52.00 and \$134.00 (to be added to the profit from the return trip)."

The Commission has granted similar authorities to carriers which relied on unrelated backhaul traffic.<sup>1</sup>

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

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<sup>1</sup>Ragus Trucking, Inc., 66 Cal. P.U.C. 319 (1966) and American Transfer Co., Decision 76516 in Application 51088 (Unreported).

In the circumstances, the Commission finds that applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application should be granted as set forth in the ensuing order.

IT IS ORDERED that:

1. Bert E. Jessup Transportation, 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 shall be twenty days after the date hereof.

Dated at San Francisco, California, this 10th  
day of MAY, 1977.

Robert Babunich  
President  
William Squore Jr.  
Verizon L. Sturgeon  
Arthur D. Howell  
Commissioners

Bert E. Jessup Transportation, Inc. is authorized to transport cases of fibreboard, other than corrugated, KD, flat at a class rating of 35.2 based on a minimum weight of 36,000 pounds per unit of equipment for Potlatch Corp. from Pomona to all points in California subject to the following conditions:

1. Shipments shall be palletized.
2. Shipments shall be power loaded by shipper and power unloaded by the consignee without assistance of, or expense to, the carrier.
3. Applicant has not indicated that subhaulers will be engaged nor have any costs of subhaulers 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.
4. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)