

ORIGINAL

Decision No. 87592 July 12, 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PROGRESSIVE TRANSPORTATION COMPANY,
a California corporation, to deviate
from minimum rates pursuant to
Section 3666 of the Public Utilities
Code for the transportation of steel
plate, coils and billets for the
account of Norris Industries.

Application No. 56557
(Filed June 14, 1976)

Russell, Schureman, Fritze & Hancock, by Carl H.
Fritze, Attorney at Law, for applicant.
C. D. Gilbert and H. Hughes, for California
Trucking Association, interested party.
Mark Wetzell and Robert C. Labbe, for the
Commission staff.

O P I N I O N

Applicant holds authority as a highway common carrier, radial highway common carrier, and a highway contract carrier. By this application, it seeks authority to assess less-than-minimum rates for the transportation of steel plate, coils, and billets from the plant of Kaiser Steel Corporation near Fontana to various points in the Los Angeles metropolitan area for Norris Industries. The minimum and proposed rates in cents per 100 pounds are as follows:

<u>Destination</u>	Minimum Rate (1)	Proposed Rate
	<u>Minimum Weight 36,000 Pounds</u>	<u>Minimum Weight 40,000 Pounds</u>
Torrace MZ 247	62	37
Bell Gardens MZ 236	53	30
Long Beach MZ 249		
Billets	59	35
Plate and Coils	59	37
Vernon MZ 235	59	30

(1) Subject to surcharges of 1 percent and 3 percent.

By interim order in Decision No. 86139 dated July 19, 1976 the relief sought was granted on an interim basis for one year. The authority granted by Decision No. 86139 required that in the event subhaulers were engaged to perform the transportation they be paid no less than the rates authorized therein. By Decision No. 86907 dated February 1, 1977 the authority granted by Decision No. 86139 was modified to provide that in the event subhaulers were engaged they would be paid no less than:

18 cents per 100 pounds to Vernon.
17 cents per 100 pounds to Bell Gardens.
19 cents per 100 pounds to Long Beach
and Torrance.

Public hearing on the application was held before Administrative Law Judge O'Leary on April 27 and 28, 1977 at Los Angeles. The matter was submitted on the latter date.

The president of applicant testified that the transportation which is the subject of this proceeding accounts for approximately 25 percent of applicant's revenue. It is expected that during the next 12 months over 100,000 tons will be tendered to applicant which will result in the movement of 20 loads per day, of which approximately 14 will be transported with applicant's own equipment and 6 by subhaulers. On occasion subhaulers will pull applicant's trailers. Applicant maintains a terminal at Fontana primarily for the movement of steel from the Kaiser facility for the account of Norris Industries.

Exhibit 13 is a revenue and expense statement covering operations with applicant's equipment. This exhibit discloses that the transportation at the proposed rates will be compensatory. Exhibit 14 is a revenue and expense statement for representative subhaulers. The exhibit discloses that, based on the representative subhaulers' costs, the proposed payments to subhaulers will be compensatory. Two of applicant's subhaulers, namely, Fred Neims and Harding Gubrud, presented evidence with respect to their individual costs for performing subhaul service for applicant. The evidence presented by Messrs. Neims and Gubrud discloses that the payments proposed by applicant will be compensatory. No evidence was presented by any other owner-operators. There is no evidence in this record that owner-operators other than Messrs. Neims and Gubrud will actually experience the costs set forth in Exhibit 14.

The authority granted herein will require that if subhaulers or owner-operators other than Fred Neims and Harding Gubrud are utilized, they shall be paid 100 percent of the authorized rate without any deduction for use of applicant's trailing equipment.

Findings

1. The circumstances that exist for applicant's transportation involved in this proceeding which are not present in the ordinary transportation of these commodities are a large volume movement over a long period of time resulting in full utilization of equipment.
2. The proposed rate is compensatory, reasonable, and justified.
3. The proposed payments to subhaulers Fred Neims and Harding Gubrud are compensatory.
4. Proposed payments to subhaulers other than Fred Neims and Harding Gubrud have not been shown to be compensatory.

The Commission concludes that the application should be granted to the extent set forth in the ensuing order. To the extent

not granted, the application should be denied. Since the interim authority is scheduled to expire July 19, 1977, the effective date of this order shall be the date hereof.

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.

O R D E R

IT IS ORDERED that:

1. Progressive Transportation Company is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2 by charging not less than 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.

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3. To the extent not granted herein Application No. 56557 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th day of JULY, 1977.

I dissent.
William Synovis Jr.

Robert Bateman

President

Gregory L. Sturgeon
Richard R. Shanks

Commissioners

Commissioner CLAIRE T. DEDRICK did not participate in the disposition of this proceeding.

APPENDIX A

Shipper: Shipments for the account of Norris Industries.
Commodity: Steel plate, coils, and billets.
Origin: Plant site of Kaiser Steel Corporation at or near Fontana, California.

RATES

<u>Destination</u>	<u>Rates in Cents Per 100 Pounds</u>
20000 South Western Avenue Torrance, California	37
7606 South Ramish Street Bell Gardens, California	30
2119 East Curry Street Long Beach, California	35 (billets) 37 (steel plate & coils)
4890, 5215 South Boyle Avenue and 3050 Leonis Boulevard Vernon, California	30

Minimum Weight: 40,000 pounds.

Conditions:

1. Shipments to be power loaded and power unloaded at no cost to carrier.
 2. All freight charges to be paid by Norris Industries.
 3. In all other respects the provisions of Minimum Rate Tariff 2 will apply.
 4. Rates apply per unit of carrier's equipment.
 5. In the event subhaulers are employed, they shall be paid no less than the rates herein without any deduction for use of applicant's trailing equipment, except that Fred Neims and Harding Gubrud when employed as subhaulers shall be paid no less than the following:
 - 18¢ per 100 pounds to Vernon.
 - 17¢ per 100 pounds to Bell Gardens.
 - 19¢ per 100 pounds to Long Beach and Torrance.
- Payments to be based upon a minimum weight of 40,000 pounds or actual weight, whichever is greater per unit of equipment.