

ORIGINAL

Decision No. 88720 APR 18 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of WEST TRANSPORTATION, INC., a corporation, for authority to charge at a rate less than those prescribed in Minimum Rate Tariff No. 2, for the transportation of glass, flat, not bent, for PPG Industries, Inc. from Fresno, pursuant to Section 3666 of the Public Utilities Code of California.

Application No. 57100 (Filed February 18, 1977)

Tony Heywood, for West Transportation, Inc., applicant.

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

Geoffrey W. Meloche, for the Commission staff.

O P I N I O N

West Transportation, Inc. is engaged in the for-hire transportation of property as a permitted carrier. Applicant seeks authority to deviate from the otherwise governing provisions of Minimum Rate Tariff 2 (MRT 2) for the transportation of glass, flat, not bent, for PPG Industries, Inc. from Fresno to various destinations located within the Los Angeles Metropolitan Zones 201 through 262, inclusive, as described in the Commission's Distance Table.

Public hearing was held before Administrative Law Judge Gagnon in San Francisco on October 21, 1977. Submission of this matter was stayed pending service of an appropriate notice by applicant to competing carriers American Transfer Co. and

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M.A.P. Transportation, Inc. The notice was to include a request that the carriers advise the Commission within thirty days whether they desired an opportunity to be heard. A copy of applicant's notice was received on December 15, 1977. On January 4, 1978, American Transfer Co. requested that Application No. 57100 be set for further hearing at which time they would be prepared to present evidence in opposition to applicant's sought deviation authority. On February 1, 1978, American Transfer Co. withdrew its protest and request for further hearing. M.A.P. Transportation, Inc., being duly notified, did not request an opportunity to be heard in this matter. Application No. 57100 now stands submitted for decision.

Applicant's sought authority is the same as that previously authorized American Transfer Co. (SDD Order No. 551, dated April 14, 1977). A comparison of the present MRT 2 Class 35 rates with applicant's proposed deviation rate, in cents per 100 pounds, follows:

From:	Fresno	Range of MRT 2 Rates - Proposed Rate		
To:	L.A. Metro. Zones 201 through 262	40,000	50,000	50,000
		\$1.00-\$1.15	\$0.96-\$1.10	\$0.68

Note: MRT 2 rates subject to a surcharge of 18 percent.

1/ Decision No. 87391, dated May 24, 1977, in Application No. 56837, granted M.A.P. Transportation, Inc. authority to also assess PPG Industries, Inc. a deviation rate of 68 cents per 100 pounds, minimum weight 50,000 pounds, for the transportation of glass, flat, not bent, from Fresno to various points in the Los Angeles Basin Territory.

Applicant's marketing manager presented a statement which indicates that for the 12-month period ended July 1977, West Transportation, Inc. hauled 66 truckloads of glass, flat, not bent, from the shipper's Fresno plant facilities. Of this amount 18 shipments were delivered to interstate destinations in Arizona and 1 truckload was transported to Nevada, 20 shipments were destined to points in the San Francisco Bay Area, and 27 loads were delivered to southern California points located beyond the Los Angeles Basin Territory. A letter from PPG Industries, Inc., announcing its support for the sought relief and attached to Application No. 57100 as Exhibit 4, thereof, states: "Because of a major modification at this facility, we will be making more shipments in the future and would like to have West Transportation, Inc. as a backup for our prime carrier, American Transfer."

Applicant desires to participate in the anticipated increase in traffic from the shipper's Fresno plant facilities. If this sought authority is granted applicant will utilize four of its company-owned and operated line tractors based at the carrier's Visalia terminal. When granting American Transfer Co. and M.A.P. Transportation, Inc., the authority now sought by applicant, the Commission, in effect, recognized the existence of special transportation conditions essential to a favorable consideration of the deviation rate authority involved in this proceeding. In addition, applicant has submitted estimated cost and revenue data (Exhibit 1) which indicate that, when revised to reflect an allowance of \$63.68 per shipment for indirect expenses (based on indirect expense ratio of 25 percent), the results of operations under the proposed deviation rate will be profitable. This estimated results of operation would still exist if the cost data

were further revised to reflect an appropriate depreciation cost factor for equipment which applicant contends is nearly, but not if not fully, depreciated.
Findings

1. Applicant seeks authority to deviate from the otherwise governing provisions of NRT 2 by assessing a reduced rate for the transportation of glass, flat, not bent, from Fresno to points located within Los Angeles Metropolitan Zones 201 through 262, inclusive for PPG Industries, Inc.

2. Applicant's sought deviation rate authority is the same as currently authorized American Transfer Co. and M.A.P. Shipping Transportation, Inc.

3. The special circumstances surrounding the transportation which applicant contends justify granting the sought deviation authority, have been previously recognized and established by the Commission.

4. The proposed less than minimum rate has been shown to be reasonable.

5. If the sought deviation rate authority is granted, applicant states it will utilize only company-owned and operated line tractors based at its Visalia terminal. No cost of operations for subhaulers was presented in evidence.

Conclusions

1. Application No. 57100 filed by West Transportation, Inc. should be granted as provided in the order herein.

2. Since transportation conditions may change, the authority should be made to expire in approximately one year unless sooner canceled, modified, or extended by the Commission.

O R D E R

IT IS ORDERED that:

1. West Transportation, Inc. is authorized to deviate from the otherwise governing provisions of Minimum Rate Tariff 2 by assessing a rate no lower than that set forth in Appendix A of this order.

2. The authority granted herein shall expire on April 30, 1979, unless sooner canceled, modified, or extended by the Commission.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 18th day of APRIL, 1978.

I dissent.
William Brown Jr

Robert Bateman
President

Vernon L. Sturgeon

Clair T. Delaney
Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Carrier: West Transportation, Inc.

Shipper: PPG Industries, Inc.

Commodity: Glass, flat, not bent, as described in Item 86730 series of the governing National Motor Freight Classification.

From: Fresno.

To: Destination points located within Los Angeles Metropolitan Zones 201 through 262, inclusive as described in the Commission's governing Distance Table.

Rate: 68 cents per 100 pounds, subject to a minimum weight of 50,000 pounds.

Conditions:

1. Shipment shall be loaded and unloaded by consignor and consignee at no expense to carrier.
2. If subhaulers are employed they shall be paid no less than the rate authorized herein without any deductions for use of applicant's trailing equipment.
3. In all other respects, the rates and rules set forth in Minimum Rate Tariff 2 shall apply.