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ORIGINAL

Decision No. 88721 APR 18 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THOMAS J. MATTESICH doing business as J.E. MATTESICH & SONS, for authority under Section 3666 of the Public Utilities Code of the State of California to deviate from the minimum rates for the transportation of Plumbers' Goods, China or Earthenware and Plumbers' Fittings for AMERICAN STANDARD, United States Plumbing Group.

Application No. 57160
(Filed March 21, 1977)

Michael C. Leiden, for J. E. Mattesich & Sons, applicant.
Charles D. Gilbert and H. Hughes, for California Trucking Association, interested party.
Harry E. Cush, for the Commission staff.

OPINION AND ORDER

Thomas J. Mattesich (Mattesich), doing business as J. E. Mattesich & Sons, requests authority under Section 3666 of the Public Utilities Code to charge less than the applicable minimum rates in Minimum Rate Tariff 2 (MRT 2) for the transportation of plumbing goods for American Standard from Torrance to various points in northern California. Rates under the deviation would be about 18 percent less than those in MRT 2.

A hearing before Administrative Law Judge Albert C. Porter was held on January 24, 1978 in San Francisco. Representatives of the California Trucking Association and the Commission staff appeared and assisted in developing the record. No one protests the request.

The owner of Mattesich gave testimony and offered one exhibit in support of the application. Applicant already has a minimum rate deviation authority for the transportation of plumbing products from American Standard's Stockton plant to points in northern California. This was first granted in 1972 and now is authorized until further order of the Commission. Applicant presently handles the shipments from Torrance to northern California for American Standard which would be covered by the deviation. American Standard once used applicant to transport the involved commodities from its plant in San Pablo but that plant was closed December 31, 1976, and it now supplies northern California from its Torrance plant. Applicant also transported the involved commodities for several years from American Standard's Torrance plant to its San Pablo plant. Therefore, applicant is quite familiar with the transportation requirements of American Standard and 75 to 80 percent of its revenues come from American Standard; about 25 percent would come from the sought deviation.

Evidence in support of the application in the two areas we use to assess the reasonableness of deviation rates, i.e., uniqueness of transportation characteristics and cost of service, was not as strong as we would like but, nevertheless, adequate. Only truckload shipments would be handled, and they would average 28,000 to 32,000 pounds with 38,000 as a maximum. The shipper has a standing order for applicant's trucks to be at Torrance at a given time of day. Shipments are on a regular basis with an estimated volume of 3.4 loads per week. All shipments would be loaded by American Standard personnel. Loading would be on a "drop and spot" basis which does not require applicant's driver to be present during the loading process. Applicant is nonunion and pays his drivers on a trip basis. The direct showing made by

applicant of the cost of operation was not, in itself, convincing, but the elements were there to provide the calculations necessary to conclude that the operation under the deviation would show a profit; the operating ratio should range between 71 and 97 percent depending on the shipment destination.

Although American Standard did not appear at the hearing, we take note of an August 29, 1977 letter from them in the formal file urging the Commission to approve the application.

It came to light at the hearing that applicant did not make service of the application on possible competitive carriers. At the direction of the presiding hearing officer, Mattesich served those carriers on January 26, 1978 with the provision that they had until February 24, 1978 to notify the Commission if they wanted to appear and be heard at a further hearing. No responses have been received.

Findings

1. There are special characteristics and conditions not present in the usual and ordinary transportation for which this deviation is sought.
2. The proposed less-than-minimum rate is reasonable.
3. Since no showing of the costs for subhaulers has been made, if subhaulers are used, they should be paid 100 percent of the authorized rate.
4. Since conditions involving the transportation subject to the deviation may change, the authority should expire one year from the effective date of this order.

We conclude that the application should be granted.

IT IS ORDERED that:

1. Thomas J. Mattesich, doing business as J. E. Mattesich & Sons, 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.

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

3. If subhaulers are used for the transportation subject to the authority granted, they shall be paid no less than the rates set forth in Appendix A of this decision.

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.

Robert Batanovich
President
William J. ...
...
Clair J. ...
Commissioners

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

APPENDIX A

Carrier: Thomas J. Mattesich, dba J. E. Mattesich & Sons-

Shipper: American Standard (United States Plumbing Group)
360 Crenshaw Boulevard, Torrance, California 90503.

<u>Commodities:</u> Bidets	N.M.F.C. No.	158270
Drinking Fountains	"	158340
Lavatories	"	158720
Lavatory Basins	"	158780
Urinals	"	159610
Water Closet Bowls	"	159660
Water Closet Tanks	"	159750
Plumbers' Fittings:	"	158400
Brass		Sub No. 1
NOI		Sub No. 5

From: Torrance, California.

To: Points in and north of Inyo, Fresno, Monterey, and San Benito counties, 240 miles or greater.

Charges per unit of equipment:

<u>Miles</u>	<u>Charge</u> <u>(In Dollars)</u>	<u>Miles</u>	<u>Charge</u> <u>(In Dollars)</u>
240 - 259	414	400 - 439	480
260 - 279	422	440 - 479	505
280 - 299	431	480 - 519	530
300 - 319	442	520 - 559	556
320 - 339	454	560 - 599	582
340 - 359	463	600 - 649	607
360 - 379	468	650 - 699	634
380 - 399	472	700 - 749	660

Conditions:

1. Mileages refer to the currently applicable Distance Table of constructive mileages issued by the Commission.
2. When consignee requires driver assistance in unloading, there will be a charge of 10% per hundredweight based on the actual weight of the shipment in addition to the charges shown above.
3. Shipments shall be loaded by the shipper at origin without cost to the carrier.
4. If subhaulers are employed, they shall be paid not less than the rates authorized herein with no deduction for the use of applicant's trailing equipment.
5. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.