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Decision No. <u>89220</u> AUG 81978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application) of FLOWERS TRANSPORTATION, INC.,) a California corporation, for) authority to deviate from minimum) rates for the transportation of) LUMBER and FOREST PRODUCTS AND) WOOD PRODUCTS, for AMERICAN FOREST) PRODUCTS CORPORATION, Shipper,) pursuant to Section 3666 of the) Public Utilities Code.)

Application No. 58099 (Filed May 25, 1978)

INTERIM OPINION AND ORDER

By this application, Flowers Transportation, Inc. requests authority to deviate from the provisions of Minimum Rate Tariff 2 in connection with the transportation of green lumber from Johnsondale to Fresno and, also, lumber, forest products and wood products from Fresno to Los Angeles for American Forest Products Corporation.

Applicant states its proposed rate for green lumber is contingent upon the use of a routing (weather permitting) which is not provided for in Distance Table No. 8. Applicant's proposed routing provides a savings of 49 constructive miles over the distance table mileage. The proposed rate of \$250 per truckload equals a rate of 50 cents per one hundred pounds for a 50,000-pound shipment.¹

Distance Table No. 8 provides for 208 miles from Johnsondale to Fresno while applicants routing would be 159 constructive miles. The minimum rates for these mileages are 55 cents per 100 pounds and 44 cents per 100 pounds, respectively.

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The movement from Fresno to the Los Angeles Basin Territory will enable applicant to make better use of its equipment and is at the same rates and conditions as those granted to several other carriers for American Forest Products Corporation.²

The application was listed on the Commission's Daily Calendar of May 30, 1978. California Trucking Association protested the granting of the application in conformance with Rule 42.2 of the Commission's Rules of Practice and Procedure stating:

- (1) Applicant's route was not included in the distance table because it was not an all year, all weather route.
- (2) The proposal does not restrict application of the lower rates to circumstances when the transportation is actually performed via the proposed route.
- (3) That the Fresno to Los Angeles portion cannot be considered a backhaul.
- (4) That the costs presented are deficient in certain detail and,
- (5) That Petition 771, Case 5432 should resolve the need for the requested relief.

Applicant has responded to the protest pointing out that it is a member of CTA and questions CTA's "interests" and, if CTA has been authorized by any specific carrier to protest the application. In addition, applicant states:

²These carriers are Cal State Trucking, Commercial Transfer, Inc. and Osterkamp Trucking. American Forest Products Corporation by letter (Exhibit No. 7 of the application) has stated that there will be no diversion of traffic if the application is granted. The requested rate is 55 cents per 100 pounds, 50,000 pound minimum. The minimum rate is 62 cents per 100 pounds, 50,000 pound minimum, for a representative shipment.

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- (1) "In its Distance Table Maps, the Commission includes the highway from Porterville to Quaking Aspen, which Cal-trans advises is some times (sic) closed because of weather conditions. In its supporting letter, Exhibit No. 7 to applicant's petition, the shipper used the condition 'weather permitting'. It should be obvious that if the roads are closed, the lumber will not be moved."
- (2) That while Fresno to Los Angeles is not the ideal backhaul, it will result in more efficient use of equipment.
- (3) That CTA's questioning of applicant's costs are not well founded and,
- (4) If these rate levels are the same as Petition 771, why is CTA even protesting this application?

In the circumstances, the Commission finds that:

1. The cost data are sufficient to determine that the proposed rates and charges are reasonable, on an interim basis, for transportation performed by applicant, but not for transportation performed by subhaulers.

2. Applicant shall develop detailed costs for the first six months of operations under this authority to be presented to the Commission within nine months from the date hereof.

3. The effective date of this order is the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. Flowers 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 charges set forth and subject to the conditions 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.

3. Flowers Transportation, Inc., shall provide the Commission and all parties to this proceeding with the data specified in Finding 2 hereof within nine months from the date hereof.

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1.

The effective date of this order is the date hereof. Dated at <u>Sun Frencisco</u>, California, this <u>SU</u> day of <u>AUGUST</u>, 1978.

President

Commissioners

Commissioner William Symons. Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dedrick. being necessarily absent. did not participate in the disposition of this proceeding.

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APPENDIX A

Carrier: Flowers Transportation, Inc.

Shipper: American Forest Products Corporation

Commodities: (a) Green lumber from Johnsondale to Fresno.

Rate: \$250.00 per truckload (applies only when routing described in Application 58099 is used).

(b) Lumber and forest products described in Item 685 of Minimum Rate Tariff 2.

From: Fresno to Los Angeles Basin Territory.

Rate: 55 cents per 100 pounds, minimum weight 50,000 pounds.

Conditions:

- 1. Shipments shall be power loaded by consignor and power unloaded by consignee.
- 2. Applicant has indicated that subhaulers will not be engaged. 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.
- 3. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)