

Decision No. 89643 NOV 9 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Freight)
Service for authority to deviate)
from the minimum rates set forth)
in Minimum Rate Tariff No. 15,)
for transportation under yearly)
rates within the Metropolitan)
Los Angeles Area.)

Application No. 58088
(Filed May 16, 1978)

OPINION AND ORDER

By this application, Mike Armstrong, Tom Ely and C. Little, co-owners, dba California Freight Service, request authority to deviate from the provisions of Minimum Rate Tariff 15 in connection with the transportation of iron or steel sheet, machine pressed iron or steel parts and various metal working equipment for American Appliance Manufacturing Corp. in Santa Monica.

Applicants state that the shipper will be responsible for all loading and unloading and such loading and unloading will be accomplished by power equipment. Applicants indicate they will furnish a tractor and three 40-foot flatbed trailers which will be used in a shuttle-type service. According to applicants, carrier will only be responsible for the transportation and tie-down of the shipment. Applicants also indicate that shipper will provide for parking of carrier's equipment on shipper's property when the equipment is not in use.

Applicants have submitted an estimate of cost supporting reasonableness and profitability of the proposed rates. Applicants allege that they intend to use their own equipment and that sub-haulers will not be utilized.

The application was listed on the Commission's Daily Calendar of May 25, 1978. California Trucking Association (CTA) filed a letter opposing the ex parte consideration of the application and objected to the manner in which the costs were presented by applicants. Applicants replied by letter to CTA's objection and

admitted that their costs were estimated, but based on previous cost experience for similar transportation. Applicants have performed the transportation in question as a subhauler and are familiar with the costs involved. Based on information furnished to the staff, it was determined that direct operating costs per month for the involved transportation would be approximately \$1,000 and the operating revenue would be approximately \$3,800 per month leaving \$2,800 per month for wages, overhead and profit. Applicants intend to conduct the entire business themselves and are satisfied that the rates sought and the resulting gross profit are reasonable.

The cost and revenue data submitted are adequate. The applicants can be expected to experience revenues sufficient to cover transportation costs and provide a reasonable margin of profit. No other objection to the granting of the application has been received.

In the circumstances, the Commission finds that applicants' 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, and the effective date of this order should be the date hereof because there is an immediate need for this rate relief.

IT IS ORDERED that:

1. Mike Armstrong, Tom Ely and C. Little, co-owners, dba California Freight Service, are hereby authorized to depart from the provisions of Minimum Rate Tariff 15 as set forth 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.

A. 58088 - FS

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 9th day
of NOVEMBER, 1978.

Robert B. Quinn

President

William J. Quinn

Leon L. Sturgeon

Charles D. Good

Clare J. Deering

Commissioners

APPENDIX A

Carrier: Mike Armstrong, Tom Ely and C. Little,
co-owners, dba California Freight Service.

For: American Appliance Mfg. Corp.

Scope: Within the Los Angeles Metropolitan Area (as
described in Distance Table 8) and to and from
Santa Monica.

Rates for 3-Axle diesel tractor with three 40-foot flatbed trailers
to be used in shuttle service.

Monthly Vehicle Unit Charge - \$3,000.00 per month.
Mileage Rate - \$0.33 per mile for actual miles driven.

Conditions:

1. All overtime at applicable Minimum Rate Tariff 15 rates
current at the time of transportation.
2. Rates are based on providing 8 hours' service per day,
Monday through Friday, whether moving trailers loaded
or empty, or waiting at shippers' request.
3. The authority granted herein shall not apply in the
event subhaulers are utilized to perform the transporta-
tion.
4. In all other respects, the rates and rules in Minimum
Rate Tariff 15 shall apply.

(END OF APPENDIX A)