

ORIGINAL

Decision No. 90020 !

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Ken-Way Trucking, Inc., authority to deviate from certain minimum rates pursuant to Section 3666 of the California Public Utilities Code for the transportation of Sound Deadening Material for U.S. Mineral Corporation.

Application No. 58159  
(Filed June 22, 1978;  
amended September 11, 1978)

Thomas B. Guthrie, for applicant.  
H. W. Hughes, for California Trucking Association,  
interested party.  
John Johnson, for the Commission staff.

O P I N I O N

Ken-Way Trucking, Inc., a radial highway common carrier with its main place of business in San Francisco, requests authority to charge less than the minimum rates prescribed in Minimum Rate Tariff 2 for the transportation of fire resistant, sound deadening, and/or insulation<sup>1/</sup> materials from the Anaheim plant of U.S. Mineral Corporation to points at least 300 miles north thereof in shipments of 42,000 pounds or more.

A public hearing was held before Administrative Law Judge Daly at Los Angeles on November 20, 1978 and the matter was submitted.

Applicant presently transports shipments from the San Francisco area to points in the Los Angeles area. The proposed movements, which average one shipment a week, would provide applicant with a backhaul.

The shipments are palletized and power loaded. Applicant is presently transporting the commodities at an alternate rail rate.

<sup>1/</sup> Cement viz; Asbestos; Boiler Wall; Insulating, infusorial earth; Magnesia; Mineral Wool (clay, rocks, slag, or glass wool); in double-wall paper bags or in bags, barrels, boxes, kits, or pails. (NMFC, Item 103110.)

Although applicant requests the deviation from Anaheim to all points 300 miles north thereof the cost studies were limited to shipments moving from Anaheim to San Francisco and Berkeley. Applicant's witness indicated that applicant would be willing to accept a restriction limiting the deviation from Anaheim to points in the San Francisco Bay Area.

A comparison of class rate charges with the proposed deviation rates and charges, including a 25 percent surcharge, is as follows:

<u>From</u>	<u>Constructive Miles-Distance Table 8</u>	<u>Present Rates In Cents Per 100 Pounds</u>	<u>Proposed Rates In Cents Per 100 Pounds</u>	<u>Revenue Per Mile</u>	<u>Charge On 42,000 Lbs. Minimum</u>
Anaheim					
<u>To</u>					
San Francisco	429	144	94	\$1.15	\$493.50
Berkeley	417	141	92	\$1.16	\$483.00

The following are applicant's estimates of revenue and expenses at the proposed rates:

<u>From</u>	<u>Miles</u>	<u>(1) Labor</u>	<u>(2) Operations</u>	<u>Proposed Gross Revenue</u>	<u>Profit</u>	<u>Operating Ratio</u>
Anaheim						
<u>To</u>						
San Francisco	429	\$119.86	\$247.36	\$493.50	\$126.28	74%
Berkeley	417	\$116.05	\$240.44	\$483.00	\$127.51	74%

Attached to the application, as amended, is a letter from United States Mineral Products Corporation supporting the application.

After consideration the Commission finds that:

1. Applicant is presently operating from San Francisco as a radial highway common carrier.
2. As a backhaul to shipments transported to points in the Los Angeles area, applicant is presently transporting shipments of commodities for which the deviation is requested from the Anaheim plant ✓

of U.S. Mineral Corporation to points in the San Francisco Bay Area and is charging an alternate rail charge for such transportation.

3. The weekly backhaul movement is of recent origin and will not result in any diversion from existing carriers.

4. The shipments are palletized and all loading and unloading is performed by forklift.

5. Applicant's economic studies indicate that the proposed deviation is economically feasible.

6. There is a cost saving directly attributable to applicant's transportation of the commodities involved.

7. The proposed rate is compensatory, reasonable, and justified.

The Commission concludes that the application should be granted but limited to shipments moving from the Anaheim plant to points within the San Francisco Territory.

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. Ken-Way Trucking, Inc. 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.

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

Dated at San Francisco, California, this 27th day of FEBRUARY, 1979.

John E. Bryan  
President  
George L. Stinson  
Charles D. Howell  
Charles J. DeLoach  
Edward M. Quinn  
Commissioners

APPENDIX A

Carrier: Ken-Way Trucking, Inc.  
Shipper: U.S. Mineral Corporation.  
Commodity: Cement, viz.: Asbestos; Boiler Wall; Insulating, infusorial earth; Magnesia; Mineral Wool (clay, rock, slag, or glass wool); in double-wall paper bags or in bags, barrels, boxes, kits, or pails.  
From: Plant site of U.S. Mineral Corporation at MZ-246, Anaheim.  
To: Points in the San Francisco Territory as described in Item 270-3 of Minimum Rate Tariff 2.  
Rate: Class 35.4 as provided in Items 508.1 and 508.2 of Minimum Rate Tariff 2.  
Minimum Weight: 42,000 pounds.

Conditions:

1. Shipments are to be palletized.
2. Loading is to be performed by consignor and unloading is to be performed by consignee with forklift equipment.
3. Applicant has indicated that subhaulers will not be engaged. Therefore, if subhaulers are employed, they shall be paid no less than the rate authorized herein without any deduction for use of applicant's trailing equipment.
4. In all other respects, the rates and rules in Minimum Rate Tariff 2 shall apply.

(END OF APPENDIX A)