

93231 JUN 16 1981

ORIGINAL

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
B.J.J. COMPANY, INC. (T-113769) for )  
rate reduction from Transition )  
Tariff No. 2, under contract with )  
Heinz, U.S.A. )

(I&S)  
Case 10981  
(Filed April 22, 1981)

ORDER OF DISMISSAL

Yandell Truckaway, Inc. (Yandell) filed a petition for suspension and investigation of contract carrier rate reduction (RR-328) filed by B.J.J. Company, Inc. (BJJ) containing proposed reduced rates and supporting data for the movement of glassware, empty containers (metal cans), foodstuffs, cannery refuse, and tomato paste for Heinz, U.S.A., Tracy, between plant locations of the shipper. Yandell's petition was docketed as Investigation and Suspension (I&S) Case (C.) 10981. Inasmuch as RR-328, filed April 6, 1981, was not suspended, it became effective May 6, 1981.

The petition alleges that the data furnished in support of the proposed rate reductions are deficient in the following respects:

1. The performance data and equipment costs are based on the experience of the shipper, Heinz, U.S.A., in the conduct of its proprietary operations for the years 1979 and 1980.
2. The carrier does not own sufficient trailing equipment to perform the "pick" and "drop" operations proposed.
3. The fuel cost of 92 cents per gallon (before taxes) is substantially understated.
4. The cost data do not reflect overtime pay which generally is incurred in connection with a shuttle-type operation as proposed by Yandell.

5. No balance sheet or profit and loss statement has been offered; consequently, the data submitted for indirect, fixed, insurance, maintenance, and other costs cannot be verified.

BJJ's reply, filed April 29, 1981, responded to the points raised in the petition as follows:

1. The cost bases in the support statement are those of BJJ and not the shipper. The total number of loads transported during 1980 shown in the support statement are those of the shipper's proprietary operation. In all other respects the cost data and the time allowances proposed are developed from BJJ's records.
2. The support statement shows that BJJ has three trailers for each power unit; thus, it has sufficient trailing equipment for the shuttle operation proposed.
3. The fuel cost of 92 cents (\$1.0852, after taxes) is based on a fleet volume price available in the Sacramento-San Joaquin Valley area. BJJ has provided a "fuel reopening clause" in its contract which will provide relief if fuel costs are increased.
4. The wage cost data are based on the wage costs set forth in the California Intrastate Truckload Teamsters Labor Agreement, which contains no provision for increased rates of pay for so-called overtime work.
5. Current Commission procedures do not require the filing of a balance sheet or profit and loss statement with a rate reduction filing unless there is some unusual or compelling reason to do so. BJJ will furnish those documents, if directed to do so.
6. BJJ has sufficient equipment to provide the proposed service and does not contemplate the use of any subhaulers.

BJJ further states the transportation service covered by RR-328 will replace the proprietary operations of the shipper. Therefore, as no for-hire carrier has participated in that traffic, no carrier will lose any existing business as a result of RR-328.

Our Transportation Division staff has carefully reviewed the allegations in the petition. Based on its separate analysis of the support data, our staff recommended that RR-328 not be suspended and that it be allowed to go into effect. Its analysis shows the margin of profit between the proposed revenues and estimated costs of service is ample, as those data show a cost/revenue ratio of 92%.

Findings of Fact

1. The support data filed with RR-328 are sufficient.
2. The support data show that the cost/revenue ratio for the proposed service is 92%.
3. Our Transportation Division recommended that RR-328 not be suspended based on its separate analysis of the support data.
4. RR-328 was not suspended, and has gone into effect.

Conclusion of Law

I&S C.10981 should be denied, without prejudice to the filing of a formal complaint by Yandell.

IT IS ORDERED that I&S C.10981 is <sup>denied</sup> dismissed without prejudice to the filing of a formal complaint against RR-328 by Yandell Truckaway, Inc.

This order becomes effective 30 days from today.

Dated JUN 16 1981, at San Francisco, California.

John E. Bayne President  
Philip W. ...  
Thomas J. ...  
Clarence ...  
Prudence L. Green Commissioners

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