

Decision No. 40615

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 AMERICAN STEVEDORE COMPANY, a corpor- )  
 ation, and H. W. SMITH, R. H. WILLIAMS, )  
 MEL MOUSER AND ED DeLAUGHTER, a copart- )  
 nership, doing business as UNITED )  
 CARRIER SERVICE, for authorization to )  
 charge less than minimum rates prescribed )  
 for the transportation of lumber and )  
 forest products and wallboard between San )  
 Francisco and San Jose and points inter- )  
 mediate thereto. )

**ORIGINAL**

Application No. 28581

Appearance

Reginald L. Vaughan for Applicant.

OPINION

Applicants are highway carriers of lumber, forest products and wallboard. They operate in San Mateo and Santa Clara Counties. By this application, as amended, they seek authority to observe rates lower than the minimum rates prescribed by Decision No. 31606 (41 C.R.C. 671), as amended, for the transportation in question. The application is limited to transportation for distances of not more than 10 miles.

A public hearing was held in San Francisco before Examiner Mulgrew on July 30, 1947.

Applicants operate vehicles known as "gantry trucks" or "lumber carriers." This equipment straddles the load to be transported and by means of appropriate mechanism picks it up and supports it during transportation. Applicants' witnesses testified that, with such equipment, lumber as well as other freight of like transportation characteristics is loaded and unloaded in a fraction of the time otherwise required. Operations with the "gantry truck," they stated, have other advantages resulting from its maneuverability and from its mechanical devices for loading, carrying, and

unloading. By way of illustration, they pointed out that loads need not be tied down, are placed exactly where they are required and are not damaged in unloading operations.

The minimum rates for the transportation in question are stated in cents per 100 pounds and vary with the weight of the shipment. The sought rates, on the other hand, are stated in cents per 1,000 board feet and are proposed to be limited to a minimum of 3,000 board feet per shipment. Both the minimum and the sought rates are based on the distance the shipment is transported. There are, however, more mileage brackets in the proposed rate scale than in the one now in effect. A comparison between the minimum rates (converted to a board foot basis) and the proposed rates follow:

<u>Miles</u>	Rates in cents per 1,000 board feet		
	<u>Proposed</u> (1)	<u>Minimum Rates</u> (2) (3)	
0 - 1	125	165	195
1 - 2	150	165	195
2 - 3	175	165	195
3 - 4	175	210	225
4 - 5	200	210	225
5 - 6	200	210	270
6 - 8	225	210	270
8 - 10	250	210	270

(1) Subject to minimum shipment of 3,000 board feet.

(2) Applicable to lumber and forest products converted on basis of 3,000 pounds per 1,000 board feet.

(3) Applicable to wallboard converted as in (2).

Applicants testified that they had been performing the transportation in question at the rates here proposed. They stated that upon learning these rates were in contravention of the minimum rates, they commenced reviewing their records to determine the resulting undercharges. This review, they asserted, is almost completed and that in the near future shippers will be billed for the undercharges.

According to the testimony, many of the shippers in the area involved now own "gantry trucks." They have informed applicants that these trucks will be used to transport the commodities involved for distances of 10 miles or less in the event rates in excess of those proposed remain in effect. Applicants pointed out that other shippers have informed them that unless the proposed rates are authorized they will purchase "gantry trucks" and perform their own transportation. It was stated that shippers and carriers alike are satisfied with the level of the minimum rates applicable for transportation of shipments in excess of 10 miles.

A consultant retained by applicants made a study of the specialized transportation in question. He found that applicants are the only for-hire carriers in the area involved offering the type of service under consideration. Based upon data drawn from their records he developed costs which show the proposed rates to be profitable.

No one opposed the granting of the application.

It appears from the record that the proposed rates will be reasonable for the specialized transportation here involved and that unless these rates are authorized the transportation will be diverted to proprietary carriage. The application will be granted. Due, however, to the possibility that the conditions surrounding the transportation may change at any time, the authorization will be limited to a one-year period unless sooner changed, canceled or extended by further order.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that American Stevedore Company, a corporation, and H. W. Smith, R. H. Williams, Mel Mouser and

Ed DeLaughter, a copartnership doing business as United Carrier Service, be and they are hereby authorized to assess for the transportation by "gantry trucks" of shipments of lumber, forest products and wallboard moving not in excess of ten (10) miles within San Mateo or Santa Clara Counties or between said Counties, rates less than those prescribed as minima by Decision No. 31606, as amended, in Case No. 4246 but not less than the following rates subject to a minimum of 3,000 board feet per shipment:

<u>Miles</u>		<u>Rates in Cents per 1,000 Board Feet</u>
<u>Over</u>	<u>But Not Over</u>	
0	1	125
1	2	150
2	4	175
4	6	200
6	8	225
8	10	250

This authority shall expire one (1) year from the effective date hereof, unless sooner changed, canceled or extended by order of the Commission.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of August, 1947.

Harold Huls  
John Russell  
A. J. [Signature]  
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 Commissioners