

ORIGINAL

Decision No. 47801

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into)	
the rates, rules, regulations, charges,)	
allowances and practices of all common)	Case No. 4808
carriers, highway carriers and city)	
carriers relating to the transportation)	
of property.)	

Appearances

Willard S. Johnson and Fred H. Chesnut,
for petitioner.

O P I N I O N

Al Blasi operates as a highway common carrier of lumber and forest products. By this petition he seeks authority to transport lumber at a rate less than that established as minimum.

Public hearing of the petition was held at San Francisco, before Examiner Lake on September 8, 1952.

The transportation in question involves the movement of lumber in truckload quantities from Willits and points and places within one mile thereof to points located within the pickup and delivery zones of San Francisco and Oakland.¹ The established minimum rate for this transportation is 29 cents per 100 pounds, minimum weight 30,000 pounds, plus a surcharge of 9 percent. The sought rate is 28 cents per 100 pounds, minimum weight 42,000 pounds, without surcharge.

Evidence in support of the petition was introduced by applicant, by a consulting engineer and by an interested shipper. No one opposed the granting of the relief sought.

¹ The pickup and delivery zones referred to are set forth in Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended).

According to the evidence, applicant is presently transporting lumber from the mill of the Richardson Lumber Company located about one mile west of Willits to dealers in San Francisco and Oakland. The mill produces both fir and redwood lumber but the movement enjoyed by applicant is mostly fir lumber. Assertedly, because of the present rates applicable from the mill to San Francisco and Oakland this shipper cannot compete with other redwood lumber shippers located in the Willits area or at Boonville and Philo.² As a result thereof the redwood lumber movement is by rail to eastern destinations. According to the shipper his company can compete in the San Francisco and Oakland markets with other producers of redwood lumber at the rates here sought. He testified that he had been assured of substantial orders of redwood lumber from Bay area dealers providing the delivered price was competitive with the other mills referred to above.³

The shipper witness stated further that unless petitioner was authorized to establish the sought rates his company would arrange to move the traffic in proprietary equipment. Such operations, according to the witness, would be with leased equipment until such time as new equipment could be acquired. He further stated that should his company engage in the movement of their own traffic they would undertake to move all of the lumber now moving by the carrier. According to petitioner, loss of the present traffic

² Willits is located on U. S. Highway 101, 170.75 constructive miles from San Francisco and Oakland. Boonville and Philo are located on U. S. Highway 28, 148.25 and 154.25 constructive miles, respectively, from San Francisco and Oakland.

³ According to the record, most of the redwood lumber from the Willits area to the destination here involved moves in shipper's equipment or by carriers who are affiliates of the shipper. The movement from Boonville and Philo is at rates of 25 and 26 cents, minimum weight 30,000 pounds, plus 9 percent surcharge, respectively, such rates being less than the rates presently in effect or herein sought.

would put him out of business.

An exhibit showing the cost of transporting lumber in motor trucks from the Willits area to San Francisco and Oakland was introduced by the consulting engineer. According to the data submitted, the estimated cost of performing this service was shown to be 24.23 cents per 100 pounds for movements to Oakland and 25.98 cents per 100 pounds for shipments moving to San Francisco. Based upon the anticipated volume of traffic to be transported to the different points of destination the sought rate would produce a weighted average operating ratio for movements to both San Francisco and Oakland of 86.8 percent, before provision for income taxes.

The evidence is convincing that the applicant will be able to conduct the operation under the sought rate on a compensatory basis and that the rate is necessary to retain the traffic for for-hire carriage.

We are of the opinion and hereby find that the proposed reduced rate is reasonable. Applicant will be permitted to amend his tariff accordingly. Because circumstances may change, however, the authority will be made to expire at the end of one year, unless sooner canceled, changed or extended by order of the Commission. The publication of the proposed rate will be authorized on five days' notice to the Commission and to the public.

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 Al Blasi, an individual, be and he is hereby authorized to publish and file, and to make effective on not less than five (5) days' notice to the Commission and to the

public, a rate of 28 cents per 100 pounds, minimum weight 42,000 pounds, for the transportation of lumber from Willits and points located within one (1) mile thereof to points located within the pickup and delivery zones of San Francisco and Oakland, as described in Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended).

IT IS HEREBY FURTHER ORDERED that the rate herein authorized shall expire one (1) year after the effective date of this order, unless sooner canceled, changed or extended by order of the Commission.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 7th day of October, 1952.

R. J. [Signature]
 President

Justice J. [Signature]

[Signature]

[Signature]

 Commissioners