

Decision No. 48551**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 LESTER J. and JOHN E. GEIJSBEEK, a co- )  
 partnership doing business as GEIJSBEEK )  
 TRUCKERS, for authority to publish a )  
 rate lower than the minimum for the ) Application No. 34010  
 transportation of lumber and forest )  
 products between Chico and lumber mills )  
 located in the vicinity of Mineral and )  
 Lyman Springs. )

Marquam C. George, for applicants.  
Frank Loughran, for Truck Owners Association  
 of California, protestant.  
Robert D. Boynton, for California Motor  
 Transport Associations, Inc., interested  
 party.  
Grant L. Malquist, for the Commission's staff.

O P I N I O N

Lester J. and John H. Geijsbeek, copartners doing business as Geijsbeek Truckers, operate as a highway common carrier of lumber and forest products between various points in California. By this application, they seek authority to transport lumber for Diamond Match Company at rates less than the established minimum rates. (1)

A public hearing of the application was held at Chico on February 18, 1953, before Examiner Jacopi, when the matter was submitted. Upon representations that applicants had additional evidence which they desired to offer in support of their proposals, by order dated March 10, 1953, submission was set aside and the matter was reopened for further hearing which was held at San Francisco on March 26, 1953. The matter is ready for decision.

The transportation in question involves the movement of rough lumber in quantities of not less than 42,000 pounds per load

(1) The application was filed with the Commission on January 12, 1953.

from a sawmill near Mineral and from another sawmill at Lyman Springs to the Diamond Match Company's plant in Chico. <sup>(2)</sup> The record shows that the present minimum rate for the lumber movement from the mill near Mineral to Chico is 16 cents per 100 pounds, minimum weight 30,000 pounds, and that from Lyman Springs to Chico it is 15 cents per 100 pounds, minimum weight 30,000 pounds. The rates sought for the respective hauls are 15½ cents and 13 cents per 100 pounds, minimum weight 42,000 pounds.

Evidence in support of the application was presented by one of the partners and also by counsel for the applicants. Assertedly, the established minimum rates are too high for the transportation in question because of the favorable conditions under which it is performed. The evidence shows that the annual movements of lumber to be handled under the proposed rates amount to about 6 million feet from the mill near Mineral and about 15 million feet from the one at Lyman Springs. The lumber would be moved at the rate of six trips per day from the Mineral mill and four trips per day from the Lyman Springs mill. The amount handled per trip would weigh not less than 42,000 pounds. The loading and the unloading services would be performed by and at the expense of the shipper.

Exhibits were introduced showing the cost of transporting the lumber on applicants' motor trucks from the two mills in question to Chico. According to the data submitted, the estimated cost of the lumber haul, exclusive of income taxes, amounts to 11.56 cents per 100 pounds from the mill near Mineral as compared with the

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(2) Both of the sawmills in question are situated in Tehama County. The one near Mineral is known as the Brown Bros. mill and is situated on State Highway No. 36 about 1.4 miles west of Mineral. The other mill at Lyman Springs is on a county road about 11 miles east of its intersection with State Highway No. 36 at Paynes Creek. This mill is owned by the match company involved herein.

sought rate of 15.5 cents per 100 pounds, or an operating ratio of 74.6 per cent. From Lyman Springs, the cost was estimated to be 9.66 cents per 100 pounds as compared with the sought rate of 13 cents per 100 pounds. The operating ratio before provision for income taxes would be 74.3 per cent.

The foregoing costs were calculated upon service lives of eight years for trucks and ten years for trailers in lieu of the four-year service life employed in applicants' books. Assertedly, the longer service lives used in the cost calculations were representative of the actual experience on the particular types of equipment. In addition, the indirect expenses were apportioned on bases considerably higher, and a few other expenses were taken at levels lower, than those reflected in the books. However, calculations were offered showing that with the expenses taken in accordance with the books the costs of hauling the lumber would be slightly lower than indicated above. On this basis, the costs were found to be 11.01 cents per 100 pounds from the mill near Mineral to Chico and 9.58 cents per 100 pounds from the mill at Lyman Springs to Chico, before provision for income taxes.

Diamond Match Company's transportation and construction engineer corroborated the testimony of the witnesses for applicant relative to the volume of the movement, to the nature and availability of facilities at the mills and storage yards and to the performance of the loading and unloading services by his company on the lumber movements involved herein. He testified also that the match company would arrange to haul the lumber in question unless the sought reduced rates were authorized.

The granting of the application was opposed by the Truck Owners Association of California but it introduced no direct evidence.

Counsel for the association and a member of the Commission's staff assisted in the development of the record through examination of the witnesses.

Careful review of all of the evidence of record leads to the conclusion that the applicants will be able to conduct the lumber-hauling operations under the sought rates on a compensatory basis and that the rates are necessary to retain the traffic for for-hire carriage.

We are of the opinion and hereby find that the proposed reduced rates are reasonable. Applicants will be permitted to amend their 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. As requested, the publication of the proposed rates will be authorized on less than statutory notice.

#### 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 Lester J. and John H. Geijsbeek, copartners doing business as Geijsbeek Truckers, be and they are hereby authorized to publish and file, and to make effective on not less than five days' notice to the Commission and to the public, a rate of 13 cents per 100 pounds, minimum weight 42,000 pounds, for the transportation of rough lumber from Diamond Match Company's mill at Lyman Springs to the match company's plant in Chico, and a rate of 15.5 cents per 100 pounds, minimum weight 42,000 pounds, for the transportation of rough lumber from Brown Bros.' mill situated on State Highway No. 36 about 1.4 miles west of Mineral to the match company's plant in Chico.

IT IS HEREBY FURTHER ORDERED that rates established under the authority herein granted shall be published to expire one year after the effective date of this order, unless sooner canceled, changed or extended by order of the Commission.

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

Dated at San Francisco California, this 28<sup>th</sup> day of April, 1953.

R. J. Anderson  
President  
Harold Hule  
W. W. Patton  
Edward W. Mitchell  
Commissioners