

ORIGINALDecision No. 60699

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into)
 the rates, rules and regulations,)
 charges, allowances, and practices of)
 all common carriers, highway carriers)
 and city carriers relating to the trans-)
 portation of any and all commodities)
 between and within all points and places)
 in the State of California (including,)
 but not limited to, transportation for)
 which rates are provided in Minimum)
 Rate Tariff No. 2).

Case No. 5432
 Petition for Modification
 No. 184

Handler & Baker, by Marvin Handler, for
 Winans Bros. Trucking Company, petitioner.
J. C. Kaspar, A. D. Poe and J. X. Quintrall,
 for California Trucking Associations,
 Inc., interested party.
John R. Laurie and Grant L. Malquist, for
 the Commission staff.

O P I N I O N

Winans Bros. Trucking Co., a corporation, operates as a highway common carrier of lumber. It had previously been authorized to publish a rate lower than the minimum rate otherwise applicable for the transportation of lumber and forest products from Hayfork (Trinity County) to Redding. The authorized rate was 18 cents per 100 pounds, minimum weight 34,000 pounds. The rate was published to expire July 4, 1960. By this petition, filed May 10, 1960, the carrier seeks authority to continue to maintain a rate less than the minimum rate, but to reduce it to 16½ cents per 100 pounds, minimum weight 53,000 pounds. Decision No. 60193, dated May 31, 1960, in this proceeding, found that the petition should be set for public hearing and extended the expiration date of the presently authorized rate to October 2, 1960.

Public hearing on the petition was held before Examiner William E. Turpen at San Francisco on July 6, 1960. Evidence was presented on behalf of petitioner by its president, by an accountant and by the traffic manager of the shipper involved. Representatives of the California Trucking Associations, Inc., and of the Commission's staff assisted in developing the record. The matter was submitted on receipt of a late-filed exhibit on July 14, 1960.

Petitioner has been performing the transportation here involved at a rate less than the minimum rate since 1954. Petitioner now states that unless the previously authorized rate is reduced as proposed here, the shipper will resort to proprietary operations. On the other hand, according to petitioner, if the lower rate is authorized the shipper has assured petitioner that it will continue to receive the lumber shipments. The record shows that petitioner has purchased new equipment for this transportation that will be able to carry loads about 50 percent greater than the equipment previously used. The record also shows that the favorable characteristics of this transportation which have existed continue to exist.¹

An accountant employed by petitioner introduced and explained a study he had made of the estimated cost of performing the transportation with the new equipment. This study showed the estimated revenue under the proposed rate and expense for each trip with a load of 53,000 pounds of lumber. The study developed

¹The operation and conditions are described and discussed in detail in Decision No. 54210, dated December 4, 1956, in Case No. 5432 (Petition No. 32).

a per trip revenue of \$87.45 and expense of \$75.03, or a net profit per trip of \$12.42, all before income taxes, and producing an operating ratio of 85.8 percent.

A rate expert from the Commission's staff urged that, if the petition is granted, the rate be made applicable to "lumber and green veneer", the commodities actually moving, instead of the broader description "lumber and forest products". Petitioner's president said he had no objection to such limitation.

The record is clear that the sought reduced rate is necessary to enable petitioner to continue handling the transportation here involved and that petitioner can perform the transportation at a profit. Accordingly, the Commission is of the opinion and finds that the sought rate is reasonable and is justified by transportation conditions. The petition will be granted subject to the modification suggested by the rate expert. Because the conditions under which the service is performed may change at any time, the rate will be authorized for a one-year period.

ORDER

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

IT IS ORDERED that Winans Bros. Trucking Co., a corporation, be and it is hereby authorized, on not less than five days' notice to the Commission and to the public, to publish a rate of 16½ cents per 100 pounds, minimum weight 53,000 pounds, to expire

one year after the effective date thereof, for the transportation of lumber and green veneer from Hayfork (Trinity County) to Redding.

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

Dated at San Francisco, California, this 6th day of SEPTEMBER, 1960.

[Signature]
 President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.